APPENDIX 4E
Preliminary final report

Onthehouse Holdings Limited
ABN: 97 150 139 781

Year ending 30 June 2014
Previous corresponding period: 30 June 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

		Reporting Period $A'000	Previous Reporting Period $A'000
Revenue from continuing operations	Increased 8% to	26,171	24,162
Profit/(loss) from continuing operations after tax attributable to members	Decreased 58% to	423	1,008
Net profit/(loss) for the period attributable to members	Decreased 58% to	423	1,008

Dividends

With substantial growth opportunities available, and in order to leverage the Company's first mover advantage in Australia, the Board has resolved that the Company retain cash and maintain a conservative balance sheet to enable greater reinvestment in growth opportunities over the short term.

Accordingly, no dividend will be paid in respect of the year ended 30 June 2014.

Net Tangible Assets

	Current Period	Previous Period
Net tangible asset backing per ordinary security (cents)	(2.85)	(4.94)

This information should be read in conjunction with the Directors' report and the full year financial statements for the period. This report is audited.

Onthehouse Holdings Limited

ABN 97 150 139 781

Audited Financial Report

Year Ended 30 June 2014

Onthehouse Holdings Limited

Financial Report – Table of Contents

For the Year Ended 30 June 2014

CONTENTS

The Directors present their report on Onthehouse Holdings Limited ("Onthehouse" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2014.

1. Directors

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

Names, qualifications, experience and special responsibilities

Gail Pemberton – Non-executive Chairman

Gail has over 35 years' experience in financial services and technology sectors, at the Chief Executive Officer, Chief Operating Officer and Chief Information Officer level. Gail was the former Chief Operating Officer of BNP Paribas Securities Services in the UK and prior to transferring to London, Gail was Managing Director and CEO of Australia and New Zealand for BNP Paribas Securities Services. Before joining BNP, Gail was an Executive Director at Macquarie Bank where she was Chief Information Officer for 12 years and then Chief Operating Officer for the Financial Services Group.

While at Macquarie, Gail played a leading role in several major acquisitions including the global investment banking operations of Bankers Trust Australia and multiple stockbroking businesses.

Gail was named Chief Information Officer of the Year (1999) and Chief Information Officer of the Decade (2000) by Australian Banking and Finance Magazine and was awarded the Centenary Medal (2001) for outstanding services to Australian business. She is also a long standing member of Chief Executive Women (CEW).

Gail is currently a director of PayPal Australia, QIC, UXC (ASX: UXC), Chair of SIRCA and Onevue (ASX: OVH). Gail has undertaken post graduate study overseas at Harvard and IMD, has a Master of Arts from UTS and is a Fellow of the Australian Institute of Company Directors (FAICD).

Gail chairs the Remuneration and Nominations Committee and is a member of the Product and Technology Committee and the Audit & Risk Committee.

Tony Scotton – Non-executive Director – appointed 18 February 2014

Tony has had extensive experience in manufacturing, distribution and technology enabled services businesses. Over the last 30 years he has served in roles that include Executive Chairman, Director and Chief Executive Officer. He has achieved success in impacting business performance by developing sound strategy, implementing cultural change and effective management.

He has recently retired as Chief Executive Officer and Director of SAI Global Limited (ASX: SAI) where he led the organisation to an IPO in December 2003. Over the next ten years he oversaw rapid international expansion and the transition of the organisation from "old world" to a technology enabled business.

He has significant M&A experience having managed over 20 acquisitions and joint ventures.

Tony chairs the Audit & Risk Committee and the Product and Technology Committee and is a member of the Remuneration and Nominations Committee.

Michael Fredericks – Managing Director & CEO

Michael is the founder of Onthehouse and the driving force behind its vision and strategy. Michael has over 11 years' experience as an intellectual property and technology lawyer. Previously, Michael was a partner of national law firm HWL Ebsworth Lawyers, specialising in intellectual property and technology (including web based business concepts). Michael established and was the Department Head of the Brisbane Corporate Department and National Department Head of the Technology & Intellectual Property Department at the firm.

Michael has extensive knowledge of the real estate data, online real estate classifieds and real estate business solutions markets in Australia. Michael has established a wealth of industry connections and relationships which has formed the foundations of development of the Onthehouse platform and business strategy over the last 7 years. Michael has a Bachelor of Laws.

1. Directors continued

Diana Eilert – Non-executive Director – resigned 26 November 2013

During her period as a Director of the Company, Diana was also a director on the Boards of AMP Life, Queensland Urban Utilities (Queensland's largest water retailer) and Veda (ASX: VED).

With an executive career spanning more than 25 years, Diana's major roles include Group Executive responsible for Suncorp's entire insurance business and later, Group Executive People, Technology, Marketing and Joint Ventures for Suncorp. Diana also worked for 10 years with Citibank where she variously ran retail Credit and Risk, the Mortgage business, retail Funds Management business, and the Direct Bank reporting to the Country Head. Diana built a strength in strategy in her early career as a Principal of AT Kearney and, subsequently, as a Partner of IBM Consulting. From 2009 until 2012 she developed this further when working with News Ltd, initially consulting then as Head of Strategy and Corporate Development.

Warwick Face – Non-executive Director – resigned 12 May 2014

During his period as a Director of the Company, Warwick was the Partner in charge of Transaction Services at Pitcher Partners Brisbane. Warwick has over 20 years broad ranged professional and commercial experience, and for two years was the Chief Financial Officer of Brisbane based property information and software services business RP Data Ltd. During his time at RP Data Ltd he led the company's IPO process, oversaw the completion of six acquisitions and integrations, and also managed strong organic growth. Warwick was previously a Partner of Deloitte Australia, and prior to that a Principal at Ernst & Young working in Australia, the USA's Silicon Valley and New York.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interest of the Directors in the shares and options of Onthehouse Holdings Limited were:

Director	Number of Ordinary Shares	Options
G. Pemberton	261,651	300,000
T. Scotton	-	-
M. Fredericks	7,077,606	1,000,000

2. Company secretary

Sue Whidborne

Sue Whidborne joined Onthehouse Holdings in March 2012, bringing over 20 years of experience in the areas of finance and accounting, both in commerce and public practice. As a Chartered Accountant, Sue worked with PwC for 12 years, both in Brisbane and in the UK advising across a wide range of industries including the software industry, construction and infrastructure, government and financial services. For the last decade, Sue has worked in the software industry, predominantly with Mincom. At Mincom, Sue held a variety of finance roles culminating in her taking the position of Chief Finance Officer (CFO). Prior to joining Onthehouse Holdings, Sue was the CFO at RMSS, a risk management software company and also the Southbank Institute of Technology.

3. Dividends

No dividends have been declared or paid during the financial year (2013: a dividend of $493,050 (0.6 cents per fully paid share) (100% franked) was paid on 28 November 2012).

4. Principal activity

The Group's principal activities during the year were the provision of a broad range of products and services to real estate agencies, real estate groups, financial institutions and the public in Australia and New Zealand.

This bundling of products and services is designed to meet the material requirements of real estate professionals in Australia and New Zealand, as well as providing the general public in Australia with comprehensive and freely accessible real estate information.

5. Group overview

Industry Dynamics

An Australian's Most Important Asset

Australians love property. Homes are a cornerstone of the public's daily personal and working lives. Property decisions are among the most important and emotional decisions made by the public and a person's home is commonly their most valuable asset. Consequently, much of the public's hard earned savings are invested into their homes.

Historically however, little objective property information and advice has been readily accessible to the general public. Moreover, the information available, typically via real estate professionals, has not been comprehensive and current. This has been the plight of the public for some time, despite the fact that the changing value of a person's home can profoundly impact a person's wealth in the long term and financial stability in the short term.

In addition to purchasing and renting decisions, home owners, buyers, investors and tenants make other significant decisions connected to their homes during their lives, including decisions relating to mortgage selection, refinancing, home renovation, home maintenance and investment property decisions.

Onthehouse.com.au, and its business model of providing free data to consumers, has become the clear market leader in meeting these obvious needs in Australia, which explains the growth of user generated traffic and engagement on Onthehouse.com.au.

Large Market Opportunity

Residential real estate is one of Australia's largest economic sectors. The Real Estate Services industry alone is estimated at over $9.4^ billion, with the market for Residential Property Operators (rentals) estimated to be worth $39.9bn^. The banking industry turns over $241.7bn^ in home loans alone, and the home construction industry generates revenues of $42.8bn^. The industry segments supporting the property sector include real estate agents, finance professionals, property management professionals, home construction companies, as well as home maintenance and improvement professionals.

To attract new business, these businesses spend significant amounts on advertising to build relationships with and sell their products and services to home owners, buyers, property investors and tenants. This advertising market is estimated to be worth $21.6bn (*Source: - PwC Outlook 2014-2018 released 7th July 2014).* The Group estimates that digital advertising market in this segment to be worth approximately $2bn.

^ *IBIS World Reports March 2014*

Local Marketplaces

Real estate consists of fragmented local marketplaces. Home related local markets are highly fragmented networks of home-related goods and service suppliers. Local real estate agents and mortgage related professionals compete for profile and transaction business. Each suburb, street and home has unique qualities and features that impact on value, including location, size, amenities and condition of the property. These local marketplace dynamics, create challenges for local agents, other real estate professionals, trades people and home owners. Consumers are challenged to find meaningful information to monitor the value of their home, and when they are ready, to investigate and choose the right real estate professional to meet their specific needs and preferences. Local real estate professionals are starved of cost effective methods to build relationships with local home owners other than inefficient and costly print and outdoor advertising solutions.

5. Group overview continued

Growth of Online and Mobile Property Content Solutions

Consumers are increasingly looking to online and mobile products and technology to meet their needs for property intelligence and tools. With the rapid growth of mobile technology, this demand for property intelligence is sought on their mobile device of choice and on demand.

End-to-End Real Estate Agency Solution

Real estate agencies traditionally have used multiple sales management, property management, real estate data and client relationship management (CRM) products from different suppliers. As a result, agencies have experienced inefficiencies around content management, duplication of effort and additional overheads. There has not been an end-to-end solution in Australia and New Zealand for real estate agents to manage all of their operational and online marketing needs, despite the obvious benefits associated with utilisation of such a system.

This end-to-end solution typically requires the following products and services:

- Sales and rental trust accounting software;
- Property management software;
- Office administration software;
- Property advertising management software;
- Client relationship management software;
- Office reporting software;
- Real estate data products;
- Comprehensive sales data (including National state and territory government sales data);
- Owner / vendor lead generation;
- Market intelligence data; and
- Design, hosting and monetisation of real estate agency and real estate group websites.

To service this market opportunity, the Onthehouse Group uniquely provides a complementary range of real estate software, real estate data and online advertising solutions for real estate professionals, financial institutions and the Australian public. The Group operates a real estate data platform aggregating data from the Group's operating divisions, as well as external sources, including State and Territory governments. The business divisions operated by the Group consist of Real Estate Solutions and Consumer Online.

Real Estate Solutions

The Real Estate Solutions division provides a digital real estate platform powering:

- Software, data management, online advertising and mobile solutions for real estate agents and other clients in the broader property sector; and
- Data and valuation related services for financial institutions

with over 4,000 clients in Australasia.

Solutions provided include property management applications, sales management, website design, development and hosting, comparative market analyses and property research data, valuation data and other business intelligence, as well as online marketing and advertising solutions.

5. Group overview continued

Real Estate Solutions continued

The compelling point of differentiation is the Group's ability to be a single source supplier of bundled real estate products and services that provide a complete software and content management solution required to operate, market and optimise a real estate business, as well as enabling their property related transactions and business decision making – a true "one-stop-shop".

The combination of the Group's existing solutions and REAN's leading real estate vertical advertising business, creates a powerful media network that offers real estate agencies the ability to generate additional revenues and extend their reach.

Clients of the Group range from small, start up real estate agents, to niche groups such as hockingstuart, Barry Plant and Marshall White to larger corporate groups including Ray White, LJ Hooker and First National in Australia and Barfoot & Thompson in New Zealand to other large publicly listed corporations such as the ANZ Banking Group.

Consumer Online

The Onthehouse Consumer Online business division consists of the flagship onthehouse.com.au website and a network of real estate websites, developed, hosted or monetised by the Group. Collectively, the Onthehouse Media Network which incorporates traffic from both The Real Estate Ad Network and Onthehouse.com.au, delivers a substantial monthly audience of approximately 5.8 million unique visitors, already making it the second largest real estate network in Australia.

Onthehouse.com.au is a unique online marketplace connecting Australians (home owners, home shoppers, investors and tenants) with property information and local real estate professionals to assist them make informed property decisions.

The site provides end users with a rich and freely accessible source of property information, including property descriptions, sold history, sales and rental listing history, estimated property values, comparative property details, mapping information, property images, local analytical and value trending information in a database of over 13 million properties.

Unlike classified (1st Generation) property portals, the content provided by Onthehouse.com.au is not limited to properties currently listed for sale or rent - which typically equates to less than 5% of properties in Australia – rather it provides property profiles, historical sold and rental prices and estimated values on the vast majority of properties in Australia.

Onthehouse aggregates data from a range of external sources and user generated content (UGC), including Australian State and Territory Government land departments, real estate agencies and agents, industry stakeholder groups and the general public.

The company differentiates itself by providing a rich source of information on these Australian properties for free.

5. Group overview continued

Consumer Online continued

The company is also investing in mobile applications which now represent nearly 45% of traffic to Onthehouse.com.au. Onthehouse is expected to benefit from the shift of consumer online behaviour to mobile devices as consumers are most interested in investigating property information and contacting a real estate professional when they are curb-side, looking at homes. Similarly, the real estate agency business is a mobile profession. Agents are seeking to have content empowered mobile solutions out in the field. The Group is well positioned to benefit from the day when consumption of property information and agency solutions predominantly occurs through mobile devices.

Our online real estate marketplace benefits from a network effect. Our growing audience of consumers entices more real estate professionals to contribute distinct content, thereby making our marketplace more useful and attractive to end users.

Real estate agents and mortgage professionals can interact with Australian home owners, providing free and paid sources of introduction to existing or prospective home owners and landlords ("leads"). Revenue is principally generated in two categories: Media (advertising) and Marketplace (lead generation). Most of the Group's revenue in this business division is currently generated from display advertising, principally from banks, building societies and mortgage brokers. In the foreseeable future, it is anticipated that greater revenue will be generated from real estate professionals and finance professionals in the Marketplace category through lead generation.

Operating results for the year

The Group continued to grow its revenue over the financial year ended 30 June 2014, with sales revenues up 8% to $26.12 million (2013: $24.10 million)

Earnings were down reflecting the company's strategic decision to continue to utilise its strong cash flows for investing back into the business with particular focus on the continued evolution of the Group's Real Estate Data platform and the Consumer Online business. As a result, statutory EBITDA was down 22% to $5.49 million (2013: $7.04 million) and underlying EBITDA was down 18% to $5.81 million (2013: $7.12 million).

	Actual 2014 $'000	Actual 2013 $'000	Growth From Prior Year
Sales revenue^	26,117	24,100	8%
EBITDA (unaudited)**	5,485	7,049	(22%)
Transaction Costs (unaudited)*	328	72	nmc
EBITDA excluding Transaction Costs and Other income (unaudited)	5,813	7,121	(18%)
Net Profit/(loss) after Tax	423	1,008	(58%)
Cash Balance as at 30 June	3,416	4,187	(18%)

^ Excludes interest revenue of $54,000 (2013: $62,000).

* Transaction costs incurred in respect of the acquisition of investments and potential investments.

** Information in addition to IFRS measures included in this report has been used for consistency with prior periods and user readability. The measures have been derived from information contained in the financial statements. EBITDA equals net loss before tax $472,000 (2013: profit of $967,000) plus depreciation and amortisation of $5,506,000 (2013: $5,605,000), loss on sale of assets of $38,000 (2013: $160,000), present value interest on contingent consideration of $203,000 (2013: $nil), and financing costs of $264,000 (2013: $379,000) less interest income of $54,000 (2013: $62,000).

5. Group overview continued

Operating results for the year continued

Segment Performance	Revenue $'000	EBITDA $'000	Margin %	Depreciation & Amortisation (includes net of gain/loss on disposal) $'000	Net Finance Costs $'000	Profit Before Income Tax $'000	Income Tax Benefit $'000	Net Profit $'000
30 June 2014								
Real Estate Solutions	23,026	15,818	69%					
Consumer Online	3,091	330	11%					
Unallocated income/ (expenses)		(10,663)						
Total	26,117	5,485	21%	(5,544)	(413)	(472)	895	423
30 June 2013								
Real Estate Solutions	22,056	16,226	74%					
Consumer Online	2,044	(277)	(14%)					
Unallocated income/ (expenses)		(8,900)						
Total	24,100	7,049	29%	(5,765)	(317)	967	41	1,008

Real Estate Solutions revenue increased by 4%, though market share across real estate agencies remained relatively flat. Consumer Online revenue increased by 51%, as the Group built its Consumer Online sales capability and continued to scale traffic on onthehouse.com.au.

The results reflect significant investment in building capability across a number of functional areas, with an increase of approximately 12% (2013: ~40%) full time equivalents in the workforce, including the areas of media sales, customer service, product development, as well as infrastructure and corporate functions.

Key areas of focus during the year included investment in:

- Data platform;
- Data aggregation strategy and assets including the establishment of data and mobile product and development teams;
- Improving consumer and real estate agency engagement through product feature enhancement on onthehouse.com.au;
- Development of a real estate agency data product;
- Development and customising of the Group's advertising media product features and data solutions offering to Australian financial institutions; and
- Infrastructure platforms to support our scaling financial services and real estate customer audience demands.

5. Group overview continued

Operating results for the year continued

Review of financial position

Financial Position	FY14 ($'000)	FY13 ($'000)	Change	Cash Flow	FY14 ($'000)	FY13 ($'000)	Change
Cash	3,416	4,187	(18%)	Operating Cash flow	6,148	7,143	(14%)
Investments	-	-	n/a	Investing cashflows	(4,839)	(7,087)	(32%)
Goodwill and Intangibles	65,232	66,287	(2%)	Financing cashflows	(2,170)	976	(322%)
Total assets	73,089	74,584	(2%)	Net change in cash	(861)	1,032	
Total borrowings	(1,672)	(3,842)	(56%)	Net foreign exchange differences	90	89	nmc
Total Equity	62,886	62,229	1%	Cash at end of period	3,416	4,187	(18%)

Operating cashflows decreased 14% to $6,148,000 as the Group scaled operations and continued to invest in its product offerings, data and technology with an increase of 68% in software development to $4,146,000 (FY2013: $2,467,000) including enhancement of its Real Estate Solutions product offerings $1,335,000 (FY2013: $1,258,000); Consumer Online product offerings $1,607,000 (FY2013: $732,000) and Data Platform and associated offerings which will benefit customers across both divisions $1,204,000 (FY2013: $477,000).

In addition to the continued investment into the Group's products, strong operating cash flow has enabled the Company to repay debt of $2,457,000 during the reporting period. The year ended 30 June 2014 closed with a cash balance of $3,416,000 (30 June 2013: $4,187,000) and the company holding net cash of $1,744,000 (30 June 2013: $345,000).

6. Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

7. Significant events after the balance date

No matter of circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in subsequent financial years.

8. Likely developments

The real estate industry is increasingly influenced by the utilisation of real estate data, technology applications of that data, online, mobile and social media advertising. Advertising in the real estate vertical is not limited to real estate classified advertising. The substantial advertising spend in the broader property segment is in the early stages of migration to online, mobile and social platforms, with more targeted and analytical advertising solutions in demand. The Group is well positioned to benefit from this market opportunity, given its unique data and business asset combinations, its client relationships with roughly half of all the real estate agents in Australia, and focus on the broader "Home Owner" audience category, rather than buyers and renters seeking real estate classifieds.

The Group's approach to working closely with real estate groups and offices, (including designing, developing and hosting their website and broader online and mobile advertising solutions) and sharing revenue with the Group's real estate agency clients, establishes significant strategic benefits and barriers to entry.

It is well documented and understood that Real Estate agencies and groups in Australia have been burdened by aggressive annual fee increases from the leading Australian real estate classified listings portal. The real estate agency industry is eagerly seeking competition in the real estate advertising portal market. As such, the Group is expected to benefit from this market sentiment from scaling listings and other content supplied from real estate agencies to the onthehouse.com.au website and the Onthehouse database.

We are continuing to witness the growth of the "next wave" of online real estate solutions in the real estate vertical internationally, offering a broader definition of real estate content and a significantly enhanced consumer experience and industry engagement value proposition. The growth of Zillow Inc and Trulia Inc in the United States and the market valuations attributed to those companies is evidence of this continuing evolution.

The Group's strategy will therefore see us further investing in our strategic positioning as the market leader in Australia in:

- Supplying real estate agencies with their software, data, online, mobile and social media advertising from one supplier ("one-stop-shop");
- Partnering with real estate groups and agencies to further scale the Group's substantial real estate media network and generate revenue for those contributing businesses; and
- Empowering consumers with comprehensive and freely accessible property information and facilitating introductions to local experts to assist them make more informed property decisions.

As such, the Group will continue to invest in a number of operating areas, including:

- The Group's data aggregation strategy and assets to achieve market leading data in target markets;
- Further investment in data & mobile product development;
- Developing consumer and real estate agency engagement through product enhancement of onthehouse.com.au;
- Expansion of the marketing and account management functions in support of the Group's campaign to achieve further engagement of agents and consumers with the site and our products and services generally;
- The launch and further enhancement of the Group's real estate data products;
- Product innovation to support banks and real estate customers; and
- Investment in new technology infrastructure.

8. Likely developments continued

The Group is aware and always mindful that its businesses and strategic objectives are challenging and could be impacted by competitive behaviour, regulatory change and other factors outside of the control of the Group. The Group operates in a highly competitive industry and has a number of large competitors in different segments of our business operations. The Group regularly monitors competitive behaviour, as well as local and international trends and innovation relevant to its business operations to identify potential opportunities and risks for our business.

More broadly, risks to the Group include the following;

- Competitive threats from other real estate portals locally and abroad;
- Competitive threats from other real estate data companies;
- Changes in the terms and conditions of material data licences, including agreements with state and territory governments;
- Change in regulatory environments which may adversely impact on the Group's strategy and product offering to market; and
- Underperformance of our solutions to our customer segments.

The above risks may adversely impact the Group's financial prospects and accordingly are continually monitored in line with the Group's risk framework. The Group's increasing investment of profits into technology, data and people will assist in managing competitor and technology risks.

9. Environmental disclosure

The operations of the Group are not subject to any particular or significant environmental regulation under any law of the Commonwealth of Australia or any of its states or territories. The Group has not incurred any liability under any environmental legislation.

10. Shares options

Unissued shares

As at the date of this report, there were 4,410,000 unissued ordinary shares under options (4,410,000 at the reporting date). Refer to note 25 for further details of the options outstanding. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year no shares were issued as a result of the exercise of options.

11. Indemnification and insurance of Directors and Officers

Pursuant to Access and Indemnity Deeds signed by the Directors and Company Secretary, the Group has agreed to indemnify each Director and the Secretary against any liability incurred by the Director or Secretary being a Director or Secretary of the Company and to pay all reasonable defence costs in relation to any claim alleging any liability on the part of the Director or Secretary as a result of the Director or Secretary being a Director or Secretary of the Company.

The Group has agreed to maintain Director's and Officers' Liability Insurance upon terms and conditions reasonably satisfactory to the Directors. Under the terms of the policy, the Group is precluded from disclosing the details of premiums paid.

12. Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify it auditors, Ernst & Young, as part of the term of its audit engagement letter agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

13. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each Director during the year ended 30 June 2014 were as follows:

	Directors' Meetings		Meetings of committees: Audit & Risk		Meetings of committees: Remuneration & Nominations		Meetings of committees: Product & Technology	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
G. Pemberton	12	11	7	6	7	7	4	4
W. Face	10	10	6	6	6	6	1	1
T. Scotton	3	3	2	2	3	3	3	3
D. Eilert	5	5	3	3	4	4	1	1
M. Fredericks*	12	12	n/a	n/a	n/a	n/a	n/a	n/a

A Number of meetings held during the time the Director held office during the year or was a member of the committee during the year.
B Number of meetings attended.
* Not a member of any of the committees

Committee membership

As at the date of this report, the Company had an Audit & Risk committee, Remuneration & Nominations committee, and a Product & Technology committee of the Board of Directors.

Members acting on the committees of the Board during the year ended 30 June 2014:

Audit & Risk	Remuneration & Nominations	Product & Technology
G. Pemberton	G. Pemberton (c)	G. Pemberton °
T. Scotton (c)	T. Scotton~	T. Scotton~ (c)
W. Face ^	W. Face^	D. Eilert*
D. Eilert*	D. Eilert*	W. Face^

Note: (c) Designates the chairperson of the committee at reporting date

* Resigned as Director on 26 November 2013 (was chairperson of the Remuneration & Nominations Committee until her resignation)

^ Resigned as Director on 12 May 2014 (was chairperson of the Audit & Risk Committee at the beginning of the year until his resignation)

~ Appointed as a Director on 18 February 2014

° Chairperson of Product & Technology Committee at the beginning of the year until the appointment of Mr Scotton

14. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($'000)) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which the Class Order applies.

15. Auditor Independence and non-audit services

The directors received the declaration set out on page 37 from the auditor of Onthehouse Holdings Limited.

There were no non-audit services provided by the Ernst & Young during the financial years ended 30 June 2014 and 30 June 2013.

16. Remuneration report (audited)

This remuneration report for the year ended 30 June 2014 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any directors (whether executive or otherwise) of the parent company.

The remuneration report is presented under the following sections:

a. Individual key management personnel disclosures

b. Board oversight of remuneration

c. Non-executive director remuneration arrangements

d. Use of remuneration consultants

e. Voting and comments made at the Company's 2013 Annual General Meeting

f. Executive remuneration arrangements

g. Executive contractual arrangements

h. Equity instruments

i. Option holdings of key management personnel

j. Shareholdings of key management personnel

a. Individual key management personnel disclosures

Key management personnel

i. Directors

G. Pemberton	Chairman (non-executive)
W. Face	Director (non-executive) – resigned 12 May 2014
M. Fredericks	Managing Director & CEO
T. Scotton	Director (non-executive) – appointed 18 February 2014
D. Eilert	Director (non-executive) – resigned 26 November 2013

ii. Executives

S. Whidborne	Chief Financial Officer & Company Secretary
C. Meehan	Chief Operating Officer – appointed 14 August 2013
A. Thenabadu	Chief Technology Officer – appointed 8 July 2013
B. O'Brien	Chief Revenue Officer

16. Remuneration report (audited) continued

b. Board oversight of remuneration

Remuneration and Nominations Committee

The Remuneration and Nominations committee is a committee of the Board. The committee is responsible for making recommendations to the Board on executive succession, talent development, diversity strategy and executive remuneration policy. The committee is also responsible for ensuring that management has an appropriate HR policy framework in place including recruitment, retention, performance measurement and termination policies.

The Remuneration and Nominations committee assesses the appropriateness of the composition and quantum of remuneration for executives and non-executive directors by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit by the retention of a high performing Board and executive team. In determining the level and composition of executive remuneration, the Remuneration and Nominations committee may also engage external consultants to provide independent advice.

The Remuneration and Nominations committee usually comprises three independent non-executive directors. As at the reporting date, the committee has a complement of only two non-executive directors due to the resignation of Mr Warwick Face in May 2014. A search for a replacement non-executive director is underway and an appointment is expected to be announced in due course.

Remuneration approval process

The Board approves the remuneration arrangements of the CEO and executives including awards made under both the short term (STI) and the long-term incentive (LTI) plans, following recommendations from the Remuneration and Nominations committee. The Board also sets the aggregate remuneration of non-executive directors which is then subject to shareholder approval.

Remuneration strategy

The Group's remuneration strategy is designed to attract, motivate and retain employees by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

To this end, key objectives of the Group's reward framework are to ensure that remuneration practices:

- are aligned to the Group's business strategy
- offer competitive remuneration benchmarked against the external market
- provide strong linkage between individual and Group performance.

c. Non-executive director remuneration arrangements

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Structure

The remuneration of non-executive directors consists of director fees and committee fees (where applicable). Non-executive directors have typically received a single grant of options on appointment as a mechanism to attract high calibre experienced non-executive directors. Non-executive directors do not receive retirement benefits.

The current policy provides for initial grant of options to incoming non-executive directors of up to 250,000 options and also has a provision to provide further annual grants of up to 50,000 options.

16. Remuneration report (audited) continued

c. Non-executive director remuneration arrangements continued

Non-executive directors are paid up to a maximum of the aggregate directors fees as approved by shareholders to be divided among them as agreed by the Board. The current limit is $400,000.

Fees Applicable (inclusive of any applicable superannuation)	2014 Chair $	2014 Member $	2013 Chair $	2013 Member $
Board	110,000	70,000	110,000	70,000
Audit & Risk Committee	10,000	5,000	10,000	5,000
Remuneration & Nomination Committee	10,000	5,000	10,000	5,000
Product & Technology Committee	10,000	5,000	10,000	5,000

d. Use of remuneration consultants

It was not deemed necessary by the Board to engage remuneration consultants in the 2014 financial year.

e. Voting and comments made at the Company's 2013 Annual General Meeting

The Company received 94% 'yes' votes on its remuneration report for the 2013 financial year.

f. Executive remuneration arrangements

Remuneration levels and mix

The Group aims to reward executives with a level and mix of remuneration that is commensurate with their position and responsibilities within the Group and is aligned with market practice.

Structure

In the 2014 financial year, the executive remuneration framework consisted of the following components:

- Fixed remuneration
- Variable remuneration for eligible staff comprising of short and long term incentives.

Fixed remuneration

Executive contracts of employment do not include any guaranteed base pay increases. External market data is obtained, if necessary, from national remuneration surveys to ensure that base pay is set to reflect the market. Base pay for senior executives is reviewed annually to ensure that it is competitive with the market.

Variable remuneration — short-term incentive (STI)

For eligible executive staff, the Group awards STI payments annually comprising of a cash bonus, the quantum of which is determined by the attainment of a pre-defined set of Group and individual key performance indicators (KPIs).

The total potential STI available is set at a level so as to provide sufficient incentive to executives to achieve their operational targets but is also a reasonable cost for the Group in the circumstances.

16. Remuneration report (audited) continued

f. Executive remuneration arrangements continued

Variable remuneration — short-term incentive (STI) continued

The short-term incentive plan (STIP) is a key component of OTH's performance-driven culture.

The STIP is designed to ensure rewards are market-competitive in order to attract and retain talented people; link remuneration to company and individual performance so that higher levels of performance attract higher rewards; ensure the overall cost of remuneration is managed and linked to the ability of the Group to pay.

The Remuneration and Nominations committee believes that by combining revenue and profit parameters in the senior executive KPI's that the overall performance of OTH is properly reflected and shareholder and employee interests are aligned. In addition to the financial targets, part of the short-term incentive award is based on operational performance, with pre-defined KPIs reflecting measurable operational targets set for each eligible employee.

The STIP has been structured to ensure that payments are closely aligned to business performance and are designed to:

- deliver group performance improvements in line with the strategic plan
- provide rewards subject to the achievement of rigorous performance target, and
- align individual objectives to Group and specific business objectives.

The STIP provides an annual cash incentive that is based on a maximum percentage of the eligible employee's "Fixed Salary" (base plus superannuation). The following financial and non-financial components constitute the three key KPI's of the STIP:

- Group Revenue
- Group EBITDA
- Operational Performance.

The KPIs are weighted dependent on the category of role:

- CEO and COO;
- revenue generating;
- customer facing; or
- non-revenue generating.

The operational performance KPI varies for each individual dependent on their role. Examples of such components could include customer satisfaction, increasing efficiencies and process improvement.

All KPIs are set at the beginning of the financial year and are designed to deliver results in line with the Group's overall strategic plan. This results in each eligible employee having a STI plan that is directly linked to their individual objectives and overall company performance.

The Remuneration and Nominations committee reviews annually the ongoing appropriateness of the STI policy including individual KPIs, weighting of KPIs, performance hurdles, and assessment of performance and reward outcomes.

16. Remuneration report (audited) continued

f. Executive remuneration arrangements continued

On an annual basis, after consideration of performance against KPIs, the Board, in line with their responsibilities, determine the amount, if any, of the short-term incentive to be paid to each executive, seeking recommendations from the CEO as appropriate.

The following table outlines the proportion of the maximum STI that was earned and forfeited in relation to the 2014 financial year:

Name	Maximum STI available for FY14 ($)	Portion of maximum STI earned for FY14 (%)	Portion of maximum STI forfeited for FY14 (%)
M. Fredericks	$209,997	0%	100%
S. Whidborne	$68,194	53%	47%
C. Meehan	$71,499	26%	73%
A. Thenabadu	$51,094	39%	61%
B. O'Brien	Nil	n/a	n/a

Variable remuneration – long term incentive (LTI)

The Group uses equity as part of its remuneration approach and this has taken the form of an issue of options under employee share option plans. Each option entitles the holder to one fully paid ordinary share in the Company. Executives have typically received a single grant of options on appointment as a mechanism to attract and retain high calibre experienced executives, with no vesting performance conditions attached (other than options being issued "out of the money").

The current policy provides for initial grant of options to incoming executives of between 300,000 to 1,000,000 options, the latter being in the case for the CEO. The policy also has a provision to provide further annual grants of up to 200,000 options (500,000 options for the CEO). Annual grants are performance based as they are issued with exercise prices that are "out of the money".

The Board reviews the use of options from time to time, and in FY15 will be undertaking a full review of the long term incentive scheme.

Employee share option plans (ESOP)

Under the terms of the ESOP, offers to apply for the issue of options to subscribe for shares may be made to eligible employees or Directors, as determined by the Board. The total number of Shares which may be acquired from the issue of options under the ESOP must not exceed 5% of the total of the following:

- the total number of issued shares in the Company as at the date of the offer made to the participant;
- the total number of shares underlying the options issued under the ESOP; and
- the number of shares underlying the outstanding options to subscribe for Shares issued by the Company under any other employee share or option scheme of the Company, less the number of options granted under certain exemptions listed in the terms of the ESOP including where the offer of options did not need disclosure to investors under the *Corporations Act 2001*.

The Board has discretion to determine the specific terms and conditions applying to each offer under the ESOP including the exercise price. The options are personal to the participant and cannot be exercised by another person, unless approved by the Board.

16. Remuneration report (audited) continued

f. Executive remuneration arrangements continued

Employee share option plans (ESOP) continued

The Company has issued a total of 1,350,000 options during the year (2013: 250,000 options) to executives and directors of the Company. The key terms of these options are:

- the first vesting condition is 33 - 36 months after issue
- the exercise price is Value Weighted Close Price for the 90 days preceding the date of the grant plus a 25% premium
- upon cessation of employment – accelerated vesting of $5 plus the exercise price to be exercised in 10 days from ceasing employment.

Hedge Policy

No Directors or Officers may hedge their risk on shares or options held in the Company.

Group Performance and its link to remuneration

As outlined above, performance-based remuneration is paid with reference to key performance indicators (being revenue, EBITDA and operational performance metrics).

The table below sets of the history of the key financial metrics of the Group and the performance-based remuneration allocated each year. STI awards are made based on an assessment of both financial and operational performance.

	Actual 2014 $'000	Actual 2013 $'000	Actual 2012 $'000	Actual 2011* $'000
Total revenue	26,171	24,162	20,327	1,485*
EBITDA	5,485	7,049	7,953	(1,518)*
Dividends paid	-	493	-	-
Closing share price at 30 June	$0.50	$0.38	$0.46	$0.67
Performance-based remuneration	178	364	32	-

* Represents part-year operations

g. Executive contractual arrangements

Remuneration arrangements for key management personnel are formalised in employment agreements.

16. Remuneration report (audited) continued

g. Executive contractual arrangements continued

Managing Director

Michael Fredericks is employed under a contract with the following key terms:

Term	Rolling contract
Total fixed salary per annum (including superannuation)	$419,933 subject to annual review
Bonus / short term incentive	Up to 50% of fixed salary subject to achievement of certain key performance indicators.
Termination by executive	Mr Fredericks may terminate his employment on six months' notice.
Termination by the Group	The Group may terminate Mr Fredericks' employment without cause with six months' notice or payment of six months compensation in lieu of notice. Otherwise, the Group may terminate his employment for cause in which case he is entitled to unpaid salary and statutory amounts.
Restrictions	The agreement includes certain restrictions on being associated with competitive businesses or soliciting clients or employees of the Group for a period up to 12 months after termination.

Other Key Management Personnel

Other Key Management Personnel are employed under a contract with the following key terms:

Term	Rolling contracts
Total fixed salary per annum (including superannuation)	Varies per individual; refer to16(g) for details of remuneration paid
Bonus / short term incentive	Up to 30% of fixed salary subject to achievement of certain key performance indicators.
Termination by executive	Employment may be terminated by executive with notice periods ranging from one to three months
Termination by the Group	The Group may terminate an executive's employment without cause with notice (ranging between one to six months) or payment of compensation in lieu of notice. Otherwise, the Group may terminate an executive's employment for cause in which case they are entitled to unpaid salary and statutory amounts.
Restrictions	The agreement includes certain restrictions on being associated with competitive businesses or soliciting clients or employees of the Group for a period up to 12 months after termination
Employee share option plan	The contracts also provide for the ability to participate in the Group's ESOP

16. Remuneration report (audited) continued

g. Executive contractual arrangements continued

Remuneration of key management personnel and the executives of the Company and the Group

Year ended 30 June 2014

	Short-term benefits				Post-employment	Long-term benefits		Share based payments	Termination payments	Total	Performance related
	Fixed - Salary & fees $	STI – Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Cash Incentives $	Long service leave $	Options issued $	$	$	%
Non-executive Directors											
G. Pemberton	130,000	-	-	-	-	-	-	5,499	-	135,499	4%
W. Face (resigned 12/5/14)	77,233	-	-	-	-	-	-	-	-	77,233	0%
T. Scotton (appointed 18/2/14)	29,851	-	-	-	2,761	-	-	-	-	32,612	0%
D. Eilert (resigned 26/11/13)	33,722	-	-	-	3,124	-	-	(21,467)	-	15,379	(140%)
Total Non-executive Directors	**270,806**	**-**	**-**	**-**	**5,885**	**-**	**-**	**(15,968)**	**-**	**260,723**	**(6%)**
Executive Director											
M. Fredericks	383,397	-	13,787	-	17,843	-	-	25,034	-	440,061	6%
Other key management personnel											
S.Whidborne	250,531	36,291	-	-	17,843	-	-	30,154	-	334,819	20%
C. Meehan (appointed 14/8/13)	264,231	18,781	-	-	15,656	-	-	21,406	-	320,074	13%
A. Thenabadu (appointed 8/7/13)	250,806	19,833	-	-	17,502			21,406	-	309,547	13%
B. O'Brien	240,923	-	31,065	-	17,843			21,406	-	311,237	7%
Total executive KMP	**1,389,888**	**74,905**	**44,852**	**-**	**86,687**	**-**	**-**	**119,406**	**-**	**1,715,738**	**11%**
Totals	**1,660,694**	**74,905**	**44,852**	**-**	**92,572**	**-**	**-**	**103,438**	**-**	**1,976,461**	**9%**

16. Remuneration report (audited) continued

g. Executive contractual arrangements continued

Remuneration of key management personnel and the executives of the Company and the Group

Year ended 30 June 2013

	Short-term benefits				Post-employment	Long-term benefits		Share based payments	Termination payments	Total	Performance related
	Fixed - Salary & fees $	STI – Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Cash Incentives $	Long service leave $	Options issued $	$	$	%
Non-executive Directors											
G. Pemberton	130,000	-	-	-	-	-	-	3,580	-	133,580	3%
W. Face (resigned 12/05/14)	85,000	-	-	-	-	-	-	3,580	-	88,580	4%
D. Eilert (resigned 26/11/13)	82,569	-	-	-	7,431	-	-	21,467	-	111,467	19%
J. McKerlie (resigned 26/09/12)	17,431	-	-	-	1,569	-	-	7,161	-	26,161	27%
Total Non-executive Directors	**315,000**	**-**	**-**	**-**	**9,000**	**-**	**-**	**35,788**	**-**	**359,788**	**10%**
Executive Director											
M. Fredericks	304,285	70,000	26,973	-	17,251	-	-	10,053	-	428,562	19%
Other key management personnel											
S.Whidborne	224,384	33,750	-	-	16,470	-	-	36,185	-	310,789	23%
J. Lilienstein (resigned 31/3/13)	165,972	81,250	-	-	15,583	-	-	(3,324)	63,199	322,680	24%
K. Branagan (resigned 2/07/13)*	208,503	62,500	-	-	16,470	-	-	(2,406)	-	285,067	21%
B. O'Brien (appointed 25/10/12)	114,279	40,000	29,744	-	12,870	-	-	-	-	196,893	20%
Total executive KMP	**1,017,423**	**287,500**	**56,717**	**-**	**78,644**	**-**	**-**	**40,508**	**63,199**	**1,543,991**	**21%**
Totals	**1,332,423**	**287,500**	**56,717**	**-**	**87,644**	**-**	**-**	**76,296**	**63,199**	**1,903,779**	**19%**

***** Mr Branagan ceased being a Key Management personnel on 30 June 2013.

16 Remuneration report (audited) continued

h. Equity instruments

Options awarded and vested during the year

Year ended 30 June 2014

	Terms & Conditions for each Grant during the year							Total options held that vested during the year	
	Options awarded during the year No.	Award date	Fair value per option at award date ($)	Exercise Price ($)	Expiry Date	First exercise date	Last exercise date	No.	%
Non-executive Directors									
G. Pemberton	50,000	26-Nov-2013	0.377	0.554	1-Mar-17	1-Sep-16	1-Mar-17	125,000	42%
W. Face	50,000	26-Nov-2013	0.377	0.554	1-Mar-17	1-Sep-16	1-Mar-17	125,000	50%
T. Scotton	-	-	-	-	-	-	-	-	-
D. Eilert	-	-	-	-	-	-	-	-	-
Executive Directors									
M. Fredericks	250,000	26-Nov-2013	0.377	0.554	1-Mar-17	1-Sep-16	1-Mar-17	150,000	15%
Other key management personnel									
S.Whidborne	100,000	3-Sep-2013	0.260	0.554	1-Mar-17	1-Sep-16	1-Mar-17	250,000	42%
C. Meehan	300,000	3-Sep-2013	0.260	0.554	1-Mar-17	1-Sep-16	1-Mar-17	-	-
A. Thenabadu	300,000	3-Sep-2013	0.260	0.554	1-Mar-17	1-Sep-16	1-Mar-17	-	-
B. O'Brien	300,000	3-Sep-2013	0.260	0.554	1-Mar-17	1-Sep-16	1-Mar-17	-	-
Total	**1,350,000**							**650,000**	

16. Remuneration report (audited) continued

h. Equity instruments continued

Options awarded and vested during the year

Year ended 30 June 2013

	Terms & Conditions for each Grant during the year							Total options held that vested during the year	
	Options awarded during the year No.	Award date	Fair value per option at award date ($)	Exercise Price ($)	Expiry Date	First exercise date	Last exercise date	No.	%
Non-executive Directors									
G. Pemberton	-	-	-	-	-	-	-	125,000	50%
W. Face	-	-	-	-	-	-	-	125,000	50%
D. Eilert	250,000	27-Nov-2012	0.292	0.866	30-Jun-2017	1-Jul-2014	30-Jun-2017	-	-
J. McKerlie	-	-	-	-	-	-	-	250,000	50%
Executive Directors									
M. Fredericks	-	-	-	-	-	-	-	300,000	40%
Other key management personnel									
S.Whidborne	-	-	-	-	-	-	-	-	-
J.Lilienstein	-	-	-	-	-	-	-	-	-
K.Branagan	-	-	-	-	-	-	-	-	-
B. O'Brien	-	-	-	-	-	-	-	-	-
Total	**250,000**							**800,000**	

16. Remuneration report (audited) continued

h. Equity instruments continued

Value of options awarded, exercised and lapsed during the year ^

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Non-executive Directors				
G. Pemberton	18,835	-	-	14%
W. Face**	18,835	-	(18,835)	-
T. Scotton	-	-	-	-
D. Eilert**	-	-	(73,038)	(474%)
Executive Directors				
M. Fredericks	94,175	-	-	21%
Other key management personnel				
S. Whidborne	26,020	-	-	8%
C. Meehan	78,060	-	-	24%
A. Thenabadu	78,060	-	-	25%
B. O'Brien	78,060	-	-	25%

^ For details on the valuation of the options, including models and assumptions used, please refer to note 25 of the financial statements.

** Represents forfeiture on resignation.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

Shares issued on exercise of options

There were no shares issued on exercise of executive options.

16. Remuneration report (audited) continued

i. Option holdings of key management personnel

30 Jun 2014	Balance at beginning of period 1 Jul 13	Granted as remuneration	Options exercised	Forfeitures	Balance at end of period 30 Jun 14	Exercisable	Not exercisable
Directors							
G. Pemberton	250,000	50,000	-	-	300,000	250,000	50,000
W. Face *	250,000	50,000	-	(50,000)	250,000	250,000	-
T. Scotton	-	-	-	-	-	-	-
D. Eilert *	250,000	-	-	(250,000)	-	-	-
M. Fredericks	750,000	250,000	-	-	1,000,000	450,000	550,000
Executives							
S. Whidborne	500,000	100,000	-	-	600,000	250,000	350,000
C. Meehan	-	300,000	-	-	300,000	-	300,000
A. Thenabadu	-	300,000	-	-	300,000	-	300,000
B. O'Brien	-	300,000	-	-	300,000	-	300,000
	2,000,000	**1,350,000**	**-**	**(300,000)**	**3,050,000**	**1,200,000**	**1,850,000**

* Represents forfeiture on resignation

30 Jun 2013	Balance at beginning of period 1 Jul 12	Granted as remuneration	Options exercised	Forfeitures	Balance at end of period 30 Jun 13	Exercisable	Not exercisable
Directors							
G. Pemberton	250,000	-	-	-	250,000	125,000	125,000
W. Face	250,000	-	-	-	250,000	125,000	125,000
D. Eilert	-	250,000	-	-	250,000	-	250,000
J. McKerlie	500,000	-	-	-	500,000	250,000	250,000
M. Fredericks	750,000	-	-	-	750,000	300,000	450,000
Executives							
S. Whidborne	500,000	-	-	-	500,000	-	500,000
J. Lilienstein *	600,000	-	-	(600,000)	-	-	-
K. Branagan	500,000	-	-	-	500,000	-	500,000
B. O'Brien	-	-	-	-	-	-	-
	3,350,000	**250,000**	**-**	**(600,000)**	**3,000,000**	**800,000**	**2,200,000**

* Represents forfeiture on resignation

16. Remuneration report (audited) continued

j. Shareholdings of key management personnel

30 Jun 2014	Balance at beginning of period 1 Jul 13	Shares acquired in a business combination	Shares acquired	Shares disposed	Balance at end of period 30 Jun 14
Directors					
G. Pemberton^	261,651	-	-		261,651
W. Face*^	224,238	-	-		224,238
T. Scotton	-	-	-		-
D. Eilert*	-	-	-		-
M. Fredericks^	7,077,606	-	-		7,077,606
Executives					
S. Whidborne	-	-	-		-
C. Meehan	-	-	-		-
A. Thenabadu	-	-	-		-
B. O'Brien	164,228	-		(27,600)	136,628
	7,727,723	**-**	**-**	**(27,600)**	**7,700,123**

* Disclosures based on holdings as at the date of resignation

^ Shareholdings held nominally through a related entity

30 Jun 2013	Balance at beginning of period 1 Jul 12	Shares acquired in a business combination	Shares acquired	Shares disposed	Balance at end of period 30 Jun 13
Directors					
G. Pemberton^	261,651	-	-	-	261,651
W. Face^	224,238	-	-	-	224,238
D. Eilert	-	-	-	-	-
J. McKerlie*^	730,530	-	-	-	730,530
M. Fredericks^	7,077,606	-	-	-	7,077,606
Executives					
S. Whidborne	-	-	-	-	-
J. Lilienstein*^	103,357	-	-	-	103,357
K. Branagan	10,000	-	-	-	10,000
B. O'Brien^	-	328,456	-	(164,228)	164,228
	8,407,382	328,456	**-**	**(164,228)**	**8,571,610**

* Disclosures based on holdings as at the date of resignation

^ Shareholdings held nominally through a related entity

16. Remuneration report (audited) continued

Signed in accordance with a resolution of the Directors.

Gail Pemberton
Chairman

27 August 2014

Michael Fredericks
Managing Director

27 August 2014

1. Corporate Governance at Onthehouse

The Board of Directors of Onthehouse Holdings Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations.

Unless otherwise indicated, the information contained in this statement is true for the whole of the financial year commencing on 1 July 2013. The information provided below contains references to the Onthehouse Group's website: shareholders.onthehouse.com.au. This statement should be read in conjunction with this website and with the Directors' Report, including the Remuneration Report, on pages 1 to 26 of this report.

1.1 Commitment to governance

The Board guides and monitors the business and affairs of Onthehouse Holdings Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Onthehouse is committed to achieving and maintaining the highest standards of conduct and has undertaken various initiatives that are designed to achieve this objective.

Onthehouse's corporate governance charters and policies are intended to "institutionalise" good corporate governance and, generally, to build a culture of best practice both in Onthehouse's own internal practices and in its dealings with others.

The ASX document, "Corporate Governance Policies and Recommendations with 2010 amendments" was published by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. The Company, as a listed entity, is required to report on the extent to which it has followed the Corporate Governance Recommendations contained in the document.

1.2 ASX Corporate Governance Council Recommendations Checklist

The table below cross-references the ASXCGC Recommendations to the relevant sections of the Corporate Governance Statement and the remuneration report.

ASX Corporate Governance Principles and Recommendations		Comply Yes / No	Reference
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	2.1, 2.2
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes	2.3 Directors' Report 16
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes	2.1, 2.2, 2.3, Directors' Report 16
Principle 2: Structure the board to add value			
2.1	A majority of the board should be independent directors.	Yes	2.4, 2.6
2.2	The chair should be an independent director.	Yes	2.4, 2.5, 2.6
2.3	The roles of chair and chief executive officer (CEO) should not be exercised by the same individual.	Yes	2.5
2.4	The board should establish a nomination committee.	Yes	3.1, 3.4
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	2.8
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes	2.4, 2.5, 2.6, 2.8, 3.1, 3.4

1. Corporate Governance at Onthehouse continued

1.2 ASX Corporate Governance Council Recommendations Checklist continued

ASX Corporate Governance Principles and Recommendations		Comply Yes / No	Reference
Principle 3 — Promote ethical and responsible decision-making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code.	Yes	5.1, 5.3
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Yes	5.2
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes	3.4.1
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	3.4.1
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes	3.4.1, 5.1, 5.2, 5.3
Principle 4 — Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	Yes	3.1, 3.2
4.2	The audit committee should be structured so that it: – Consists only of non-executive directors – Consists of a majority of independent directors – Is chaired by an independent chair, who is not chair of the board – Has at least three members.	Yes	Director's report 13
4.3	The audit committee should have a formal charter.	Yes	3.1, 6.1
4.4	Companies should provide the information indicated in the guide to reporting on Principle 4.	Yes	3.1, 3.2 Director's report 13
Principle 5 — Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	4.2
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes	4.2
Principle 6 — Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	4.1
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes	4.1
Principle 7 — Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	6.1

1. Corporate Governance at Onthehouse continued

1.2 ASX Corporate Governance Council Recommendations Checklist continued

ASX Corporate Governance Principles and Recommendations		Comply Yes / No	Reference
Principle 7 — Recognise and manage risk (continued)			
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	6.2, 6.3, 3.1, 3.2
7.3	The board should disclose whether it has received assurance from the CEO [or equivalent] and the Chief Financial Officer (CFO) [or equivalent] that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	6.3
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes	6.1, 6.2, 6.3, 3.1, 3.2
Principle 8 — Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	Yes	3.1, 3.4 Directors' Report 13
8.2	Companies should clearly distinguish the structure of nonexecutive directors' remuneration from that of executive directors and senior executives.	Yes	Directors' Report 16
8.3	Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes	3.1, 3.4 Directors' Report 13 Directors' Report 16

2. Board of Directors

2.1 Board roles and responsibilities

Responsibility for the Group's proper corporate governance rests with the Board. The Board's guiding principles in meeting this responsibility are to act honestly, fairly and diligently, in accordance with the law, in the interests of Onthehouse's Shareholders (with a view to building sustainable value for them) and those of employees and other stakeholders. The Board's responsibilities generally involve:

- overseeing the Group, including its control and accountability systems;
- appointing and removing the Chief Executive Officer, or equivalent;
- where appropriate, ratifying the appointment and removal of senior executives;
- providing input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- monitoring senior executives' performance and implementation of strategy;
- ensuring appropriate resources are available to senior executives;
- approving and managing the progress of major capital expenditure, capital management and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

2. Board of Directors continued

2.2 Relationship between directors and management

Whilst the Board retains responsibility for the overall strategic direction and operational control of the Group, subject to the Company's Constitution and matters specifically reserved for the Directors, the Board has delegated the responsibility for day-to-day operation and administration of the Group to various officers, executives and management of the Group. Management must consult with the board on matters that are sensitive, extraordinary, or of a strategic nature or are otherwise outside their delegated authority limits.

2.3 Senior executive performance

The performance of senior executives is reviewed regularly against both measurable and qualitative indicators. The Managing Director conducts an annual performance assessment that involves an assessment of each direct report's performance against specific and measurable qualitative performance criteria. The performance assessment of the Managing Director is facilitated by the Chairman. The performance criteria against which the executives are assessed are aligned with the financial and non-financial objectives of the Group.

During the reporting period, a performance evaluation for senior executives (including the Managing Director) has taken place in accordance with this process.

2.4 Board composition

The Board performs its roles and function, consistent with the above statement of its overall corporate governance responsibility, in accordance with the following principles:

- The Board should comprise at least:
  - two (2) non-executive Directors;
  - the Managing Director;
  - one (1) other non-executive Director who will be the Chair; and
- a majority of the Directors should be independent.

As at the reporting date, the Board has a complement of only two non-executive directors due to the resignation of Mr Warwick Face in May 2014. A search for a replacement non-executive director is underway and an appointment is expected to be announced in due course.

The skills, experience and expertise held by each director in office as at the date of this report are set out on pages 1 to 11 of this report, along with details of the period of office held by each director in office at the date of this report and membership of each Board Committee.

2.5 Chair of the Board

The roles of the Chairman and Managing Director are separate and the Chairman is a non-executive director.

The role of the Chairman is set out in the Board Charter and includes being responsible for managing the Board effectively, providing leadership to the Board and being the interface with the Managing Director.

2. Board of Directors continued

2.6 Director Independence

Onthehouse considers a director to be independent when they are a non-executive director who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Board makes an assessment of the independence of each director upon their appointment and annually thereafter. Directors are required on an ongoing basis to disclose to the Board the relevant personal interests and conflicts of interest. Upon any such disclosure, a director's independence is reassessed.

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

- Gail Pemberton; and
- Tony Scotton.

2.7 Independent professional advice and access to Group information

With the prior approval of the chairman, which may not be unreasonably withheld or delayed, each director has the right to seek independent legal and other professional advice concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Any costs incurred are borne by Onthehouse.

2.8 Board Performance Review

An annual exercise is undertaken to evaluate the effectiveness of the board, board committees and individual directors.

For 2013, the board evaluation process was facilitated by Ixion, an independent external consultancy with no other connection with the Company, engaged by the chairman and co-ordinated by the company secretary.

A comprehensive brief was provided to Ixion, which included detailed interviews conducted with every board member and members of the executive team and the company secretary.

Based on these interviews, each Board member received an individual report as well as a report on the Board as a whole.

Each board member appraised the performance of non-executive and executive directors and provided feedback on each individual's performance and contribution.

A similar process was followed for the board committees. Ixion provided feedback to each of the committee chairs on the performance of each committee.

Following the conclusion of this exercise, the Board discussed the output from the performance evaluation and is incorporating the feedback into Board practices on an ongoing basis.

2.9 Board meetings

The number of Board and Board Committee meetings held during the year along with the attendance by the directors is set out on page 11 of this report.

2. Board of Directors continued

2.10 Board charter and policy

The Board has adopted a charter (which will be kept under review and amended from time to time as the Board may consider appropriate) to give formal recognition to the matters outlined above. This charter sets out various other matters that are important for effective corporate governance including the following:

- a detailed definition of "independence";
- a framework for strategic planning and risk management;
- a framework for individual performance review and evaluation;
- responsibilities and duties of its committees;
- ethical standards and values – formalised in a detailed code of conduct;
- diversity – formalised in a detailed diversity policy;
- dealings in securities – formalised in a detailed securities trading policy designed to ensure fair and transparent trading by Directors and senior management and their associates; and
- communications with Shareholders and the market.

These initiatives, together with other matters provided for in the Board's charter, are designed to "institutionalise" good corporate governance and generally build a culture of best practice in Onthehouse's own internal practices and in its dealings with others.

3. Committees of the Board

3.1 Overview

To assist in the execution of its responsibilities, the board has established three standing committees, the Audit and Risk Committee, the Product and Technology Committee and the Remuneration and Nominations Committee.

Each Committee has a charter, available on the Company's website, which sets out the respective duties and responsibilities of that committee. Committee charters are reviewed on regular basis, most recently in the current financial year.

3.2 Audit and Risk Committee

The Audit and Risk Committee's responsibilities and duties include, but are not limited to, making recommendations to the Board on the following:

(a) ensuring the integrity of the financial statements of the Group and disclosure of all relevant matters to the external auditor and the Board;

(b) appointment, reward and performance of the external auditor and the integrity of the external audit process as a whole;

(c) identification and management of business risks;

(d) the effectiveness of the systems of internal control and risk management, including the application of ASX Corporate Governance Principle 7.

3. Committees of the Board continued

3.2 Audit and Risk Committee continued

3.2.1 External auditor

The role of the external auditor is to provide an independent opinion that the Group's financial reports are true and fair and comply with the applicable regulations. Ernst & Young is the Group's external auditor. The external auditor must remain independent of the Group at all times and comply with the *Corporations Act 2001* and other ethical requirements pertaining to financial independence and business relationships.

The lead audit engagement partner should be rotated after a period of no longer than five years and may not resume the role until at least two years have elapsed. Mr M Reid, the current lead audit engagement partner was first appointed in the financial year ended 30 June 2011.

Restrictions are placed on non-audit work performed by the auditor and projects outside the scope of the audit require the approval of the Audit and Risk Committee. An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in note 27 to the financial statements.

3.3 Product and Technology Committee

The Product and Technology Committee's responsibilities and duties include, but are not limited to, making recommendations to the Board on the following:

(a) ensuring that the Group's technology and product strategy exist and are aligned with and underpin each other and the overall corporate strategy;

(b) all risks associated with the delivery of the strategy are identified and mitigated consistent with the risk appetite of the Group.

3.4 Remuneration and Nomination Committee

The Remuneration and Nomination Committee's responsibilities and duties include, but are not limited to, making recommendation to the Board on the following:

(a) the remuneration policy and its application (specifically) to the CEO and (generally) to the executives reporting to the CEO;

(b) the adoption of annual and longer-term incentive plans;

(c) the specific determination of levels of reward to the CEO and approval of the general / overall terms of the rewards to executives reporting to the CEO;

(d) guidance to the Chair on the annual evaluation of the CEO;

(e) the communication to the shareholders on the Group's remuneration policy and the Committee's work on behalf of the Board;

(f) the identification of suitable candidates for appointment to the Board; and

(g) the succession plan for the Chair and CEO and periodic evaluation of that plan.

In addition, the Remuneration and Nomination Committee is responsible for ensuring an appropriate HR Policy Framework is in place which is aligned to the goals, values and culture of the Group.

3. Committees of the Board continued

3.4 Remuneration and Nomination Committee continued

3.4.1 Diversity

The Group values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. The Board has established the following objectives in relation to gender diversity. With the exception of the Board, where a casual vacancy exists, the objectives had been achieved.

	Objective		Actual at 30 June 2014	
Area	**Number**	**%**	**Number**	**%**
Women employees in the whole organisation	55	33%	64 of 151	42%
Women in senior executive positions	2	33%	2 of 4	50%
Women on the Board	2	40%	1 of 3	33%

4. Shareholders

4.1 Shareholder communication

The Company has developed a "Shareholder Communications Guidelines and Policy" which is available on the Company's website. Onthehouse's objective is to promote effective communication with its shareholders at all times.

Onthehouse is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about Onthehouse Holdings Limited's activities in a balanced and understandable way;
- Complying with continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act 2001* in Australia; and
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with Onthehouse Holdings Limited.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations;
- Through letters and other forms of communications directly to shareholders; and
- By posting relevant information on Onthehouse Holdings Limited's website.

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

A copy of the Company's Constitution is available to any shareholder upon request.

4. Shareholders continued

4.2 Continuous disclosures

The Company has established a policy that contains the key obligations of directors and employees of the Group in relation to continuous disclosure to help ensure compliance with its ASX Listing Rule and *Corporations Act 2001* obligations and also to ensure accountability at a senior executive level for that compliance.

A copy of the policy is available on the Company's website.

5. Ethical and responsible behaviour

5.1 Code of conduct

Onthehouse has developed and adopted a detailed code of conduct to guide Directors in the performance of their duties.

A copy of the code is available on the Company's website.

5.2 Policy for transactions in securities

Onthehouse has developed and adopted a formal securities trading policy to regulate dealings in securities by Directors and senior management and their associates. This is designed to ensure fair and transparent trading in accordance with both law and best practice. The policy complies with ASX listing rule requirements on trading policies. Under the policy:

- Employees may not deal in Onthehouse securities during the following periods:
  - 1 January and the day of release of the Appendix 4D Half Year Report to the ASX; and
  - 1 July and the day of release of the Appendix 4E Full Year Report to the ASX;
- OTH Board may impose other periods when Employees are prohibited from trading because price sensitive, non-public information may exist in relation to a matter.
- Additional restrictions apply to the Board, the Managing Director and his/her direct reports, the Company Secretary, and the Financial Controller as they are likely to be exposed to confidential or non-public information regarding the Company.

A copy of the policy is available on the Company's website.

5.3 Conflicts of interest

Directors have a duty to avoid conflicts of interest between the best interests of the Company and their own personal or commercial interests. Every Director must be aware of both actual and potential conflicts of interest. Directors are required to disclose conflicts of interest, potential or actual, to the full Board immediately. All positions and external Directorships must be disclosed to the full Board. If a conflict arises, common law requires that a Director with a conflict of interest should refrain from voting, entering in to any discussion or even being present during the relevant Board discussions. Details of director related entity transactions with the Group are set out in the Remuneration Report.

6. Risk Management

6.1 Approach to risk management

The Board is committed to the establishment and maintenance of adequate risk management systems. The Company's approach to risk management policy and systems are formalised in the Company's Audit and Risk Committee charter, which is available on the Company website.

6.2 Risk management process

The board has delegated responsibilities under the risk management policy to the Audit and Risk Committee. The Audit and Risk Committee has included within its Charter a section dealing with the monitoring and management of business, operational and financial risks, including appropriately systems and to ensure accountability at an executive level for risk oversight and management.

Each business unit is responsible for ensuring that it has in place appropriate risk management policies and procedures to meet its business, regulatory and operational requirements. During the financial year, the Audit and Risk Committee reviewed the Group's risk register and agreed it was satisfied with the management of the risks contained therein and the effectiveness of the risk management framework.

It is the responsibility of every employee to appropriately manage risk within their area of responsibility. To this end, Onthehouse places strong emphasis on maintaining a risk-aware culture in its decision making and operational processes.

6.3 Financial reporting

In accordance with section 295A of the *Corporations Act 2001*, the CEO and CFO have provided a written statement to the Board that:

- Their view provided on the Group's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board.
- The Group's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be completed by the key management personnel of all significant business units, including finance managers, in support of these written statements.

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Auditor's independence declaration to the Directors of Onthehouse Holdings Limited

In relation to our audit of the financial report of Onthehouse Holdings Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mike Reid
Partner
26 August 2014

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2014
Onthehouse Holdings Limited

	Note	2014 $'000	2013 $'000
Revenue	6	**26,171**	24,162
Expenses			
Direct cost of sales		**(1,446)**	(1,355)
Data costs		**(1,540)**	(974)
Communications and IT infrastructure		**(1,000)**	(1,009)
Employee benefits expense		**(12,604)**	(10,126)
Advertising and marketing		**(491)**	(158)
Occupancy		**(1,233)**	(1,089)
Professional fees and insurance		**(1,242)**	(1,298)
Motor vehicle and travel		**(548)**	(449)
Other expenses		**(528)**	(539)
Financing costs		**(264)**	(379)
Present value interest expense	17	**(203)**	-
Amortisation	7	**(5,060)**	(5,268)
Depreciation	7	**(446)**	(337)
Profit/(loss) on disposal of assets		**(38)**	(160)
Share of profit of an associate		**-**	(54)
		(26,643)	(23,195)
Profit before income tax expense		**(472)**	967
Income tax benefit/(expense)	8	**895**	41
Profit for the year		**423**	1,008
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**90**	89
Other comprehensive income for the year, net of tax		**90**	89
Total comprehensive income for the year		**513**	1,097
Profit is attributable to:			
Owners of Onthehouse Holdings Limited		**423**	1,008
Total comprehensive income is attributable to:			
Owners of Onthehouse Holdings Limited		**513**	1,097
Earnings per share attributable to ordinary equity holders of the parent:		**2014 Per Share**	**2013 Per Share**
Basic (cents per share)	9	**0.52**	1.23
Diluted (cents per share)	9	**0.52**	1.23

Amounts disclosed in the comparative period have been reclassified to ensure consistency of reporting with the current year. Refer to note 2(s) for a detailed breakup of the changes.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
For the Year Ended 30 June 2014
Onthehouse Holdings Limited

	Note	2014 $'000	2013 $'000
Current Assets			
Cash and cash equivalents	10	**3,416**	4,187
Trade and other receivables	11	**2,857**	2,682
Income tax refundable	8	**42**	26
Other assets	12	**498**	306
Total current assets		**6,813**	7,201
Non-Current Assets			
Property, plant & equipment	13	**1,044**	1,096
Intangible assets	14	**65,232**	66,287
Total non-current assets		**66,276**	67,383
Total assets		**73,089**	74,584
Current Liabilities			
Trade and other payables	15	**2,827**	2,002
Borrowings	16	**1,243**	2,365
Provisions	17	**710**	709
Deferred revenue	18	**1,698**	1,680
Other current liabilities	19	**1,000**	-
Total current liabilities		**7,478**	6,756
Non-Current Liabilities			
Borrowings	16	**429**	1,477
Deferred tax liabilities	8	**1,789**	2,720
Provisions	17	**507**	1,402
Total non-current liabilities		**2,725**	5,599
Total liabilities		**10,203**	12,355
Net assets		**62,886**	62,229
Equity			
Contributed equity	20	**64,161**	64,161
Reserves	21	**3,812**	3,155
Accumulated losses	21	**(5,087)**	(5,087)
Total equity		**62,886**	62,229

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

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2014

Onthehouse Holdings Limited

	Contributed equity $'000	Share based payments reserve $'000	Foreign currency translation reserve $'000	Profits reserve $'000	Accumulated losses $'000	Total $'000
	Note 20	**Note 21**	**Note 21**	**Note 21**	**Note 21**	
Balance at 1 July 2012	63,911	311	11	2,141	(5,087)	61,287
Profit for the year	-	-	-	1,008	-	1,008
Other comprehensive income for the year	-	-	89	-	-	89
Total comprehensive income for the year	-	-	89	1,008	-	1,097
Dividends provided or paid	-	-	-	(493)	-	(493)
Acquisition consideration	250	-	-	-	-	250
Share based payments	-	88	-	-	-	88
Balance at 30 June 2013	64,161	399	100	2,656	(5,087)	62,229
Balance at 1 July 2013	**64,161**	**399**	**100**	**2,656**	**(5,087)**	**62,229**
Profit for the year	**-**	**-**	**-**	**423**	**-**	**423**
Other comprehensive income for the year	**-**	**-**	**90**	**-**	**-**	**90**
Total comprehensive income for the year	**-**	**-**	**90**	**423**	**-**	**513**
Share based payments	**-**	**144**	**-**	**-**	**-**	**144**
Dividends provided or paid	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2014	**64,161**	**543**	**190**	**3,079**	**(5,087)**	**62,886**

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

Consolidated Statement of Cashflow
For the Year Ended 30 June 2014
Onthehouse Holdings Limited

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Receipts from customers		**28,573**	27,350
Payments to suppliers and employees		**(22,175)**	(19,856)
Interest received		**54**	62
Finance costs		**(252)**	(359)
Income taxes paid		**(52)**	(54)
Net cash from operating activities	23	**6,148**	7,143
Cash flows from investing activities			
Payments for software and data intangibles	14	**(4,518)**	(2,631)
Payments for acquisition of subsidiaries, net cash acquired		**-**	(3,627)
Payments for plant and equipment	13	**(402)**	(838)
Proceeds from disposal of plant and equipment		**81**	9
Net cash (used in) investing activities		**(4,839)**	(7,087)
Cash flows from financing activities			
Proceeds from borrowings		**287**	3,209
Repayment of borrowings		**(2,457)**	(1,680)
Borrowings net (related parties)		**-**	(60)
Dividends paid		**-**	(493)
Net cash from financing activities		**(2,170)**	976
Net increase in cash and cash equivalents		**(861)**	1,032
Net foreign exchange difference		**90**	89
Cash and cash equivalents at the beginning of the financial year		**4,187**	3,066
Cash and cash equivalents at the end of the financial year	10	**3,416**	4,187

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

1. CORPORATE INFORMATION

Onthehouse Holdings Limited ("the Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The consolidated financial report of the Company for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 27 August 2014.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Both the functional and presentation currency of the Group is Australian dollars.

(a) Basis of preparation

This general purpose financial report for the financial year ended 30 June 2014 has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. Onthehouse Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

Compliance with IFRS

The financial statements of Onthehouse comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

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

Going concern

As at 30 June 2014, the Group has an excess of current liabilities over current assets of $665,000 which includes deferred revenue of $1,698,000. The financial report has been prepared on a going concern basis as the directors believe that the Group will continue to generate operating cash flows to pay liabilities as and when they fall arise.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2014 and the results of all subsidiaries for the year then ended. Onthehouse Holdings Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) which the Group controls. Control is defined as power over the investee, exposure or rights to variable returns from its investment in the investee and has the ability to affect those returns, and the ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(b) Principles of consolidation continued

(i) Subsidiaries continued

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. The differences between any addition purchase consideration and the fair value of identifiable net assets acquired is considered as a bargain price in profit or loss or goodwill.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

(c) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(d) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the Board of Directors.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash at bank and in hand and short-term deposits.

(f) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Plant and equipment — over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income (net income) on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(i) Goodwill and intangibles

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units), to which the goodwill relates.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(i) Goodwill and intangibles continued

Intangibles continued

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Software Development

An intangible asset arising from a software development expenditure is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities, undertaken with the prospect of enhancing software is recognised in profit or loss as an expense as incurred. Maintenance costs of internally developed software are expensed in Statement of Comprehensive Income.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Property Database

Costs in relation to acquiring data from third parties as well as expenditure incurred in developing or enhancing the data are capitalised. Where the data acquired from third parties does not confer the right of use beyond one year, the costs of such data are expensed in the year acquired.

Customer Contract and Relationships

Customer contracts and relationships have been recognised as part of business combinations as the future value expected to accrue to the Group.

Other Intangibles

Other intangibles recognised as part of business combinations include brand names and non-competition agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(i) Goodwill and intangibles continued

Amortisation

Amortisation is calculated over the cost of the asset, or another amount substituted for cost, less its residual value. Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are reviewed at least annually and in the current and comparative periods are as follows:

- Property database: 10 years
- Software: 3-5 years
- Customer relationships: 7-10 years
- Other intangibles: 2-20 years

(j) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

(l) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(m) Employee leave benefits

(i) Wages, salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

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

(n) Share-based payment transactions

(i) Equity settled transactions

The Group provides benefits to its Directors and employees (including key management personnel) in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a trinomial model.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment in equity or cash
- Conditions that are linked to the price of the shares of the Company (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Comprehensive Income (net income) is the product of:

- The grant date fair value of the award.
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met.
- The expired portion of the vesting period.

The charge to the Statement of Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(n) Share-based payment transactions

(i) Equity settled transactions continued

Equity-settled awards granted by the Company to employees of subsidiaries are recognised in the Company's separate financial information as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by the Company in relation to equity-settled awards only represents the expense associated with grants to its employees. Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition or non-vesting condition is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Company, or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(o) Contributed equity

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.

(p) Deferred Revenue

Deferred revenue relates to subscription based revenue invoiced earlier than the month the revenue is earned and is recognised over the period of the relevant subscription.

(q) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(q) Revenue recognition continued continued

(i) Subscription and transaction revenue

Revenue from the provision of software and data services are recognised on a straight-line basis over the term of the agreement once the customer has access to the software and data application.

Transactional services are recognised at the date of the service, and in respect of development revenue by reference to the stage of completion of a contract or contracts in progress at reporting date or at the time of completion of the contract and billing to the customer. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract which is determined by a set quotation with the customer. As the contracts are reasonably short, there is only a small amount outstanding at balance date, as such the level of judgement required is minimal.

(ii) Interest revenue

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.

(r) Income tax and other taxes

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(r) Income tax and other taxes continued

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(s) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in this financial report.

In the process of preparing the financial report, the classification of expenses in the Statement of Consolidated income was amended to provide a more meaningful representation of the operations of the Group. As a result, the comparative disclosures were also updated to ensure consistency. The changes to the affected expense lines are set out in the following table.

	Updated disclosure FY13	Previous disclosure FY13	Reclassification
Commissions	**-**	812	(812)
Direct cost of sales	**1,355**	-	1,355
Professional fees and insurance	**1,298**	1,197	101
Data costs	**974**	-	974
Profit / (loss) on disposal of assets	**160**	-	160
Other expenses	**539**	2,317	(1,778)
Total of affected expenses	**4,326**	4,326	-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(t) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

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

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Parent entity information

The financial information for the parent entity, Onthehouse Holdings Limited, included in note 29, has been prepared on the same basis as the consolidated financial statements, except as follows:

Investments in subsidiaries and joint venture entities

Investments in subsidiaries and joint venture entities are accounted for at cost less provision for impairment losses. Dividends received from subsidiary and joint venture entities are recorded as a component of other income and do not impact the recorded cost of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(v) New accounting standards and interpretations

(i) New and amended standards and interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

- AASB 10 Consolidated Financial Statements and AASB 127 Separate Financial Statements
- AASB 11 Joint Arrangements and AASB 128 Investments in Associates and Joint Ventures
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 19 Employee Benefits (Revised 2011)
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The adoption of the standards or interpretations is described below:

AASB 10 establishes a new control model that broaden the situations when an entity is considered to be controlled by another. The standard also replaces parts of AASB 127. The adoption of the amended standards did not have any impact of the Group.

AASB 11 establishes a new definition of joint control and therefore the determination of whether joint control exists may change. The standard also replaces parts of AASB 128. The adoption of the amended standards did not have any impact of the Group.

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests. Given that all subsidiaries are 100% owned by the Group, the adoption of the amended standards did not have any impact of the Group.

AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. AASB 13 also requires additional disclosures.

Application of AASB 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 3.

AASB 19 (Revised 2011) provided some amendments to the calculation and classification of annual leave provisions. The adoption of the amended standard did not have any impact of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(v) New accounting standards and interpretations continued

(i) New and amended standards and interpretations continued

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. These amendments remove the unintended consequences of AASB 13 on the disclosures required under AASB 136. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided AASB 13 is also applied. The Group has early adopted these amendments to AASB 136 in the current period since the amended/additional disclosures provide useful information as intended by the AASB.

Accordingly, these amendments have been considered while making disclosures for impairment of nonfinancial assets in Note 14. These amendments would continue to be considered for future disclosures.

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The adoption of the amendments did not have any impact of the Group.

(ii) Accounting Standards and Interpretations issued but not yet effective

Relevant accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted for the year are as follows:

Standard / Interpretation	Application date of standard	Application date for the Group
AASB 9 *Financial Instruments – revised* and consequential amendments to other accounting standards resulting from its issue	1 Jan 2018	1 Jul 2018
AASB 2012-3 *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*	1 Jan 2014	1 Jul 2014
Annual Improvements 2010–2012 Cycle	1 Jul 2014	1 Jul 2014
Annual Improvements 2011–2013 Cycle	1 Jul 2014	1 Jul 2014
AASB 2013 -9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*		
Part B	1 Jul 2014	1 Jul 2014
Part C	1 Jul 2014	1 Jul 2015
Amendments to IAS 16 and IAS 38	1 Jan 2016	1 Jul 2016
IFRS 15 *Revenue from Contracts with Customers*	1 Jan 2017	1 Jul 2017

The Directors anticipate that the adoption of these Standards and Interpretations in future years may have the following impacts:

AASB 9 – This revised standard provides guidance on the classification and measurement of financial assets, which is the first phase of a multi-phase project to replace AASB 139 Financial Instruments: Recognition and Measurement.

Under the new guidance, a financial asset is to be measured at amortised cost only if it is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are payments solely of principal and interest (on the principal amount outstanding). All other financial assets are to be measured at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(v) New accounting standards and interpretations continued

(ii) Accounting Standards and Interpretations issued but not yet effective continued

Changes in the fair value of investments in equity securities that are not part of a trading activity may be reported directly in equity, but upon realisation those accumulated changes in value are not recycled to the profit or loss. Changes in the fair value of all other financial assets carried at fair value are reported in the profit or loss. The Group is yet to assess the impact of the new standard. In the second phase of the replacement project, the revised standard incorporates amended requirements for the classification and measurement of financial liabilities. The new requirements pertain to liabilities at fair value through profit or loss, whereby the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than profit or loss. There will be no impact on the Group's accounting for financial liabilities, as the Group does not have any liabilities at fair value through profit or loss.

AASB 2012-3 – The amendments to AASB132 clarify when an entity has a legally enforceable right to set-off financial assets and financial liabilities permitting entities to present balances net on the Statement of Financial Position. The Group has not yet assessed the impact of the amendments, if any.

Annual Improvements to 2010–2012 and 2011-2013 Cycles – These amendments introduce various changes to AASBs. The Group has not yet assessed the impact of the amendments, if any.

AASB 2013 -9 - The Standard makes amendments to a number Standards and Interpretations. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments. The Group has not yet assessed the impact of the amendments, if any.

Amendments to IAS 16 and IAS 38 - The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The Group has not yet assessed the impact of the amendments, if any.

IFRS 15 – The Standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Group has not yet assessed the impact of the amendments, if any.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (mainly interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function.

The Group's financial risk management is centralised and governed by policies approved by the Board of Directors. The Board of Directors monitors the operating compliance and performance. The Board provides principles for overall risk management, as well as policies covering specific areas, such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the cash management functions.

The Group has the following financial instruments:

	2014 $'000	2013 $'000
Financial Assets		
Cash and cash equivalents [a]	**3,416**	**4,187**
Trade and other receivables [a]	**2,857**	**2,682**
	6,273	**6,869**
Financial Liabilities		
Trade and other payables [b]	**2,827**	**2,002**
Other current liabilities [b]	**1,000**	**-**
Borrowings [b]	**1,672**	**3,842**
	5,499	**5,844**

[a] Loans and receivables category

[b] Amortised cost category

(a) Market risk

Foreign exchange risk

As a result of operations in New Zealand the Group is exposed to transaction and translation risk in this currency. The impact of this is not considered to be material to the Group's financial results.

Cash flow and fair value interest rate risk

The Group's main cash flow interest rate risk arises from the commercial bills and cash and cash equivalents which are subject to variable interest rates. All the borrowings are either repayable in the short term or rolling 90 day commercial bills at variable rates. Given the quantum of borrowings involved there is no significant fair value risk associated with changes in market interest rates.

Accordingly, a change in interest rates at reporting date would not have impacted the carrying value of the Group's variable rate instruments, and would therefore have had no impact on the Group's equity or profit or loss.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

(b) Credit risk

Credit risk arises from cash and cash equivalents and receivables. The credit risk on financial assets which have been recognised is generally the carrying amount, net of any provisions.

At balance date, cash and deposits were held with Westpac Banking Corporation and ANZ Banking Group.

There were no material concentrations of credit risk in relation to receivables at balance date. Over 84% of receivables are managed through a direct debit process. For receivables collateral is not normally obtained.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its cash requirements as and when appropriate.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount $'000	Total Contractual Cash Flows $'000	Less than 6 Months $'000	6 – 12 Months $'000	1 – 2 years $'000	2 -5 years $'000	Over 5 years $'000
2014							
Trade and other payables	**2,827**	**2,827**	**2,827**	**-**	**-**	**-**	**-**
Other current liabilities	**1,000**	**1,000**	**500**	**500**	**-**	**-**	**-**
Bank Borrowings	**1,672**	**1,764**	**672**	**654**	**438**	**-**	**-**
Lease liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	5,499	**5,591**	**3,999**	**1,154**	**438**	**-**	**-**
2013							
Trade and other payables	2,002	2,002	2,002	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Bank Borrowings	3,806	4,070	1,176	1,382	1,192	320	-
Lease liabilities	36	41	6	6	11	18	-
	5,844	6,113	3,184	1,388	1,203	338	-

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

(d) Fair values

Fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The net fair value of trade receivables, trade payables, other current liabilities and borrowings approximates their carrying value due to their short-term nature.

The Group uses the following hierarchy for determining and disclosing the value of financial instruments by valuation technique:

Level 1 the fair value is calculated using quoted prices in active markets

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Software development expenditure

Software development expenditure, to the extent that it represents probable future economic benefits controlled by the Group that can be reliably measured, are capitalised and amortised within the period of the expected benefit, generally within five years. The period of the expected benefit is reviewed at least annually.

Intangibles with finite useful lives

The Group assesses impairment and the lives of the intangibles at each reporting date by evaluating conditions specific to the Group and to the particular intangibles that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Refer note 14 for further information.

Intangibles with indefinite useful lives

The Group assesses whether goodwill and intangibles with indefinite useful lives are impaired at least annually. This requires the estimation of the recoverable amount of the cash-generating units to which the goodwill and the intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangible assets with indefinite useful lives are outlined in note 14.

5. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Board of Directors (the Chief Operating Decision Maker) for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The operating segments are identified in current year and the comparative numbers have been presented accordingly.

(a) Description of segments

The Group principally operates in two business segments: namely Real Estate Solutions and Consumer Online and are predominantly conducted with the Australian market with smaller operations in New Zealand.

Real Estate Solutions

The Real Estate Solutions Division provides tools for real estate agents, other property professionals and financial institutions to effectively run their businesses. It provides a platform for office administration, property sales, property information and management applications. The product offering includes software solutions for real estate agents, business performance tools for data and valuation related services that utilise Onthehouse's extensive databases and intellectual property.

Consumer Online

The Consumer Online Division is a platform of publicly available real estate websites underpinned by the www.onthehouse.com.au website, providing free access to an extensive database of real estate content and property values on most properties in Australia, including traditional real estate online classified listings. The division generates its revenue from advertising fees, corporate sponsorships and products offered to the retail and end-user market.

5. OPERATING SEGMENTS continued

(b) Segment analysis

Year ended 30 June 2014

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment revenue			
Sales to external customers	23,026	3,091	26,117
Total revenue	**23,026**	**3,091**	**26,117**
Segment EBITDA	**15,818**	**330**	**16,148**
Unallocated data costs			(2,288)
Unallocated occupancy costs			(1,659)
Unallocated IT infrastructure and communications			(1,621)
Unallocated corporate costs			(4,767)
Other unallocated income/(expenses)			(328)
Profit/(loss) on sale of assets			(38)
Depreciation and amortisation			(5,506)
EBIT			**(59)**
Interest revenue			54
Finance costs			(264)
Present value interest expense			(203)
Profit before income tax			**(472)**
Income tax benefit/(expense)			895
Profit for the year			**423**

Segment assets	**2,307**	**429**	**2,736**
Deferred tax assets			-
Unallocated cash assets			3,416
Unallocated intangible assets			65,232
Unallocated property, plant and equipment			1,044
Other unallocated assets			661
Total assets			**73,089**

5. OPERATING SEGMENTS continued

(b) Segment analysis continued

Year ended 30 June 2014

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment liabilities	**1,698**	**-**	**1,698**
Deferred tax liabilities			1,789
Unallocated trade and other payables			2,827
Unallocated borrowings			1,672
Unallocated provisions			2,217
Total liabilities			**10,203**

As part of the preparation of the financial report for the year ended 30 June 2014 and a review of the reports received by the Chief Operating Decision maker, it was determined that some items in the prior year segment disclosures were required to be restated to ensure consistency between reporting periods. The restatements are predominately due to the allocation of certain data costs and development expenditure that have been amended. The amended comparative disclosures are set out below.

5. OPERATING SEGMENTS continued

(b) Segment analysis continued

Year ended 30 June 2013

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment revenue			
Sales to external customers	22,056	2,044	24,100
Total revenue	**22,056**	**2,044**	**24,100**
Segment EBITDA	**16,226**	**(277)**	**15,949**
Unallocated data costs			(1,499)
Unallocated occupancy costs			(1,479)
Unallocated IT infrastructure and communications			(1,212)
Unallocated corporate costs			(4,577)
Other unallocated income/(expenses)			(133)
Profit/(loss) on sale of assets			(160)
Depreciation and amortisation			(5,605)
EBIT			**1,284**
Interest revenue			62
Finance costs			(379)
Profit before income tax			**967**
Income tax (expense)/benefit			41
Profit for the year			**1,008**
Segment assets	**2,305**	**328**	**2,633**
Deferred tax assets			-
Unallocated cash assets			4,187
Unallocated intangible assets			66,287
Unallocated property, plant and equipment			1,096
Other unallocated assets			381
Total assets			**74,584**

5. OPERATING SEGMENTS continued

(b) Segment analysis continued

Year ended 30 June 2013

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment liabilities	**1,680**	**-**	**1,680**
Deferred tax liabilities			2,720
Unallocated trade and other payables			2,002
Unallocated borrowings			3,842
Unallocated provisions			2,111
Total liabilities			**12,355**

(c) Notes to, and forming part of, the segment information

i) Segment revenues

Segment revenues are derived from sales to external customers as set out in the table above. The nature of the segment revenues are disclosed in Note 5(a) above.

ii) Segment EBITDA

The Group's key operating decision maker assesses the performance of the segments based on a measure of EBITDA. Corporate overheads (such as Board and Executive costs, occupancy cost, human resources and finance), interest revenue and expense, depreciation and amortisation are not reported to the chief operating decision maker by segment. These items are assessed at a Group level.

iii) Unallocated expenses

Unallocated expenses represented corporate overheads and group wide costs that are not reported to the Chief Operating Decision Maker on a segment basis. Examples of such expenditure included Board and Executive costs, human resources, occupancy costs, finance and data and IT infrastructure costs. These costs are managed on a group-wide basis.

iv) Segment assets

Segment assets consist of trade receivables. Unallocated assets include intangible assets property, plant and equipment, cash and cash equivalents and other assets. All unallocated assets are assessed by the chief operating decision maker at the Group level.

v) Segment liabilities

Segment liabilities consist of deferred revenue. Unallocated liabilities include borrowings, provisions for employee entitlements and other liabilities. All unallocated liabilities are assessed by the chief operating decision maker at a Group level.

5. OPERATING SEGMENTS continued

(d) Geographic information

Revenue from external customers

	2014 $'000	2013 $'000
Australia	**25,000**	23,039
New Zealand	**1,117**	1,061
Total revenue per consolidated income statement	**26,117**	24,100

The revenue information above is based on the location of the customers.

Non-current assets

	2014 $'000	2013 $'000
Australia	**66,276**	67,383
New Zealand	**-**	-
Total non-current assets per geographical region	**66,276**	67,383

Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

6. REVENUE

	2014 $'000	2013 $'000
Sales revenue		
Subscription and transaction revenue	**26,117**	24,100
Other revenue		
Interest	**54**	62
	26,171	24,162

7. EXPENSES

	2014 $'000	2013 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**446**	337
Amortisation		
Software development	**2,925**	2,346
Data	**506**	486
Customer contracts and relationships	**1,604**	2,051
Joint ventured accounted amortisation Residex Pty Ltd	**-**	188
Other	**25**	197
Total Amortisation	**5,060**	5,268
Finance costs		
Interest expense	**264**	379
Lease payments		
Minimum lease payments – operating leases	**1,103**	922
Defined contribution superannuation expense	**1,068**	794
Loss on disposal of assets	**38**	160

8. INCOME TAX

	2014 $'000	2013 $'000
Income tax expense		
Current tax	**-**	(217)
Deferred tax	**(456)**	176
Under/(over) provision prior years (recognition of R&D tax offset)	**(474)**	-
Under/(over) provision prior years (other)	**35**	-
Income tax (benefit)/expense	**(895)**	(41)
Numerical reconciliation of income tax expense to prima facie tax		
Profit before income tax	**(472)**	967
Tax at the Australian tax rate of 30% (2013: 30%)	**(142)**	290
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Share-based payments expense	**43**	26
- Non-deductible professional fees	**43**	65
- Difference in overseas tax rates	**11**	(1)
- Equity accounting for jointly controlled entity	**-**	16
- Other non-deductible expenses	**86**	-
- R&D offset (current period)	**(497)**	(220)
	(456)	176
- Tax losses not brought to account	**-**	-
- (Over) provision	**(439)**	(217)
Income tax expense/(benefit)	**(895)**	(41)
Unrecognised deferred tax assets (at 30% tax rate)		
- Tax losses	**-**	-
- Temporary differences (unutilised R&D offset)	**-**	493
	-	493

In previous financial years, the unutilised R&D offset had not been recognised as a deferred tax asset in the tax balances in the Statement of Financial Position. As at 30 June 2014, the unutilised R&D tax offset has been recognised.

8. INCOME TAX continued

Recognised deferred tax assets and liabilities	2014 $'000 Income tax payable/ (receivable)	2014 $'000 Deferred income tax (assets)/ liabilities	2013 $'000 Income tax payable/ (receivable)	2013 $'000 Deferred income tax (assets)/ liabilities
Opening balance	**(26)**	**2,720**	219	2,223
Charged to income	**35**	**(931)**	(217)	176
Taxes paid	**(51)**	**-**	(54)	-
Charge to equity	**-**	**-**	-	-
Acquisitions	**-**	**-**	26	321
Closing Balance	**(42)**	**1,789**	(26)	2,720

	2014 $'000	2013 $'000
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities:		
Intangibles – Customer relationships	**2,359**	2,840
Intangibles – Brand Names	**128**	135
Intangibles – Software	**1,972**	1,174
Intangibles – Data	**325**	-
Gross deferred tax liabilities	**4,784**	4,149
Set off of deferred tax assets	**(2,995)**	(1,429)
Net deferred tax liabilities	**1,789**	2,720
Deferred tax assets:		
Doubtful debts	**31**	29
Provision – employee benefits	**337**	273
Provision – make good	**-**	47
Provision - other	**3**	-
Accruals	**56**	40
Property, plant and equipment	**26**	34
Intangibles – Data	**-**	145
Equity raising costs	**574**	861
R&D tax offsets available	**1,968**	-
Gross deferred tax assets	**2,995**	1,429
Set off with deferred tax liabilities	**(2,995)**	(1,429)
Net deferred tax assets	**-**	-

8. INCOME TAX continued

Tax Consolidation

Onthehouse Holdings Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 26 May 2011. Onthehouse Holdings Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

Franking account

Balance of franking account on a tax paid basis at financial year-end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits and any credits that may be prevented from distribution in subsequent years.

	2014 $'000	2013 $'000
At 1 July	**637**	613
Acquisition of subsidiaries	**-**	13
Tax payments	**17**	11
At 30 June	**654**	637

9. EARNINGS PER SHARE

	2014	2013
The following reflects the income used in the basic and diluted earnings per share computations:		
Earnings used in calculating earnings per share ($'000)	**423**	1,008
Weighted average number of shares		
Weighted average number of ordinary shares for basic earnings per share	**82,174,927**	81,999,450
Effect of Dilution: Share options	**170,118**	150,399
Weighted average number of ordinary shares for diluted earnings per share	**82,345,045**	82,149,849

Options are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive.

10. CASH AND CASH EQUIVALENTS

	2014 $'000	2013 $'000
Cash on hand and at bank	**3,416**	4,187
	3,416	4,187

11. TRADE AND OTHER RECEIVABLES

	2014 $'000	2013 $'000
Trade receivables	**2,838**	2,731
Allowance for impairment loss	**(102)**	(98)
	2,736	2,633
Other receivables	**121**	49
	2,857	2,682

Allowance for impairment loss

Trade receivables are non-interest bearing and are generally 30 – 60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $87,000 (2013: $76,000) has been recognised by the Group in the current year. These items have been included in the other expense item. No individual amount within the impairment allowance is material.

Movements in the provision for impairment loss were as follows:

	2014 $'000	2013 $'000
At 1 July	**(98)**	(64)
Acquisition of subsidiaries	**-**	(3)
Allowance for impairment loss	**(87)**	(76)
Amounts written off	**83**	45
At 30 June	**(102)**	(98)

At 30 June, the ageing analysis of trade receivables is as follows:

$'000	Total	0 – 30 days	31 – 60 days	61 – 90 days PDNI*	+ 91 days PDNI*	+ 91 days CI*
2014	**2,838**	**2,243**	**327**	**60**	**106**	**102**
2013	2,731	2,253	231	56	93	98

* Past due not impaired (PDNI)

Considered impaired (CI)

11. TRADE AND OTHER RECEIVABLES continued

Allowance for impairment loss continued

Receivables past due but not considered impaired are $166,000 (2013: $149,000). Payment terms on these amounts have not been renegotiated; however credit has been stopped until further payment is received. Amounts in other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Fair value and credit risk

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

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities. Further details regarding fair value and credit risk is disclosed in note 3.

12. OTHER CURRENT ASSETS

	2014 $'000	2013 $'000
Prepayments	**472**	279
Other assets	**26**	27
	498	306

13. PROPERTY, PLANT & EQUIPMENT

	2014 $'000	2013 $'000
Plant & equipment – at cost	**2,751**	2,626
Accumulated depreciation	**(1,707)**	(1,530)
	1,044	1,096
Reconciliations of movements in the carrying amounts of property, plant and equipment are set out below.		
Balance at 1 July	**1,096**	652
Additions	**500**	838
Acquisition of subsidiaries	**-**	111
Disposals	**(106)**	(168)
Depreciation	**(446)**	(337)
Balance at 30 June	**1,044**	1,096

Plant & equipment includes $nil (2013: $28,000) under finance lease.

14. INTANGIBLE ASSETS

	2014 $'000	2013 $'000
Software development – at cost	**17,110**	13,061
Accumulated amortisation	**(7,366)**	(4,108)
	9,744	8,953
Data – at cost	**5,244**	4,955
Accumulated amortisation	**(1,313)**	(807)
	3,931	4,148
Customer contracts and relationships– at cost	**14,270**	14,270
Accumulated amortisation	**(6,407)**	(4,803)
	7,863	9,467
Other intangibles – at cost	**972**	972
Accumulated amortisation	**(545)**	(520)
	427	452
Goodwill	**43,267**	43,267
	65,232	66,287

Movement in intangible assets during the financial year were as follows:

	Software $'000	Data $'000	Customer contracts& relationship $'000	Other Intangibles $'000	Goodwill $'000	Total $'000
Balance at 30 June 2012	6,546	2,388	10,545	551	39,588	59,618
Additions	2,503	128	-	-	-	2,631
Acquisition of subsidiaries	2,253	2,118	973	98	3,679	9,121
Disposals	(3)	-	-	-	-	(3)
Amortisation*	(2,346)	(486)	(2,051)	(197)	-	(5,080)
Balance at 30 June 2013	**8,953**	**4,148**	**9,467**	**452**	**43,267**	**66,287**
Balance at 1 July 2013	**8,953**	**4,148**	**9,467**	**452**	**43,267**	**66,287**
Additions	4,229	289	-	-	-	4,518
Acquisition of subsidiaries	-	-	-	-	-	-
Disposals	(13)	-	-	-	-	(13)
Amortisation	(3,425)	(506)	(1,604)	(25)	-	(5,560)
Balance at 30 June 2014	**9,744**	**3,931**	**7,863**	**427**	**43,267**	**65,232**

* Amortisation per the Consolidation Statement of Comprehensive Income for the year ended 30 June 2013 of $5,268,000 includes $188,000 of amortisation of pre-acquisition intangibles within Residex Pty Ltd.

14. INTANGIBLE ASSETS continued

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to operating segment.

A segment-level summary of the allocation is presented below:

	2014 $'000	2013 $'000
Real Estate Solutions	**39,589**	39,589
Consumer Online	**1,503**	1,503
Unallocated	**2,175**	2,175
Whole-of- Business	**43,267**	43,267

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a four or five year period. Cash flows beyond the financial budget period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates.

(b) Key assumptions used for value-in-use calculations

The following key assumptions for those CGUs that have significant goodwill allocated to them are as follows:

Real Estate Solutions Cash Generating Unit

The forecast period of five years assumes an average annual revenue growth rate of 8% (2013: 7%), a long term growth rate beyond five years of 2.5% (2013: 3.0%) and a pre-tax discount rate of 16.62% (2013: 15.07%).

Consumer Online Cash Generating Unit

The forecast period of four years assumes an average annual revenue growth rate of 61% (2013: 90%), a long term growth rate beyond four years of 2.5% (2013: 3.0%) and a pre-tax discount rate of 21.57% (2013: 20.91%).

Whole-of-business Cash Generating Unit

The forecast period of four years assumes an average annual revenue growth rate of 20% (2013: 22%), a long term growth rate beyond for years of 2.5% (2013: 3.0%) and a pre-tax discount rate of 15.94% (2013: 14.30%).

In performing the value-in-use calculations for each CGU, the Group has applied post-tax discount rates to discount the forecast future attributable post-tax cashflows. The equivalent pre-tax discount rates have been disclosed above.

The assumptions set out above have been used for the analysis of each CGU. Management determined forecast gross margin based on past performance and its expectations for the future. The revenue growth rates used are consistent with historical performance and forecasts for each CGU. The discount rates used reflect specific risks relating to the relevant CGUs.

14. INTANGIBLE ASSETS continued

(c) Impact of possible changes in key assumptions

Real Estate Solutions Cash Generating Unit

The Directors consider that there are no reasonable possible changes in key assumptions on which management has based its determination of recoverable amount, which would cause the carrying amount to exceed the recoverable amount.

Consumer Online Cash Generating Unit

If the revenue growth assumptions used on the value-in-use calculation had been 22% lower than management's estimates at 30 June 2014 (39% instead of 61%), the recoverable amount of the CGU would equal its carrying amount. A reasonably possible change in any of the other key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

Whole-of-business Cash Generating Unit

If the revenue growth assumptions used in value-in-use calculation had been 5% lower than management's estimates at 30 June 2014 (15% instead of 20%), the recoverable amount of the CGU would equal its carrying amount. A reasonably possible change in any of the other key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

15. TRADE AND OTHER PAYABLES

	2014 $'000	2013 $'000
Trade payables	**1,843**	1,005
Other payables	**984**	997
	2,827	2,002

Trade and other payables are non-interest bearing.

Fair value risk

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

16. BORROWINGS

	2014 $'000	2013 $'000
Current		
Commercial bill	**840**	2,090
Equipment finance facility	**403**	266
Lease liabilities – secured	**-**	9
Shareholder loans – unsecured (refer note 24)	**-**	-
	1,243	2,365
Non-current		
Commercial bill	**190**	1,030
Equipment finance facility	**239**	420
Lease liabilities – secured	**-**	27
	429	1,477

Westpac Banking Corporation ("Westpac") has provided the Group with the following facilities:

	2014 $'000	2013 $'000
Commercial bill facility	**-**	1,250
Commercial bill facility	**1,030**	1,870
Equipment finance facility	**418**	686
Equipment finance facility	**224**	-
Credit standby facility	**695**	458
Total used	**2,367**	4,264
Facility limit	**2,779**	4,672
Total undrawn	**412**	408

The two equipment finance facilities; the first has a principal outstanding of $418,000 and has a term expiring in November 2015 with repayments (principal and interest) of $26,000 on a monthly basis. The second has a principal outstanding of $224,000 and has a term expiring in May 2016 with repayments (principal and interest) of $10,000 on a monthly basis.

The commercial bill facility is subject to an interest rate of BBSW + 1.90% and a line fee of 2.50%. At balance date, it has a principal outstanding of $1,030,000 and has a term expiring in September 2015 with principal repayments of $210,000 on a quarterly basis.

The credit standby facility is currently utilised as banker's undertakings/guarantees. These guarantees are not included in the statement of financial position (off-balance sheet). For further details refer to note 26.

The facilities are secured by floating registered circulating charge over the Company, its subsidiaries and all assets and uncalled capital. The facilities are subject to ongoing covenants relating to interest coverage ratio, debt coverage ratio and gearing, and are also subject to annual and quarterly monitoring. Onthehouse Holdings Limited has complied with the financial covenants during the 2014 and 2013 reporting periods.

Information about the Group's risk exposure is provided in note 3.

17. PROVISIONS

	2014 $'000	2013 $'000
Current		
Employee benefits	**681**	573
Make good	**-**	82
Lease incentives, rent free liabilities and straight line leasing	**29**	54
	710	709
Non-current		
Employee benefits	**141**	84
Make good	**1**	-
Lease incentives, rent free liabilities and straight line leasing	**365**	21
Contingent consideration	**-**	1,297
	507	1,402

Movement in provisions

Movements in each class of provision other than employee benefits, during the financial year are set out below:	Make Good Provisions $'000	Lease incentives, rent free liabilities and straight line leasing $'000	Contingent consideration Provision $'000
Balance at 1 July 2012	193	164	-
- Acquired in a business combination	-	-	1,297
- Additional provision (credited)	-	(89)	-
- Provision utilised	(111)	-	-
Balance at 30 June 2013	82	75	1,297
- Additional provision (credited)	-	319	-
- Provision utilised	(81)	-	203
- Reversal of provision	-	-	(500)
- Reclassification to other liability	-	-	(1,000)
Balance at 30 June 2014	1	394	-

Make-good: The Group has certain leases that require the asset to be returned to the lessor in a lease stipulated condition. As such, a provision for make good obligations is measured.

Contingent consideration: As at the acquisition date, the fair value of the contingent consideration was estimated to be $1,297,000 which was discounted to its present value. The movement in the contingent consideration provision due to the period is due to the unwinding of the present value discount in the amount of $203,000. During the financial year, the terms of the purchase agreement with The Ad Network Pty Ltd were renegotiated and the contingent consideration payment was agreed to be fixed at $1,000,000 and has therefore been reclassified to “Other liabilities”.

18. DEFERRED REVENUE

	2014 $'000	2013 $'000
At 1 July	**1,680**	1,475
Deferred during the year	**1,698**	1,680
Released to profit or loss	**(1,680)**	(1,475)
	1,698	1,680

Deferred income consists of customer subscriptions paid in advance on monthly or quarterly accounts.

19. OTHER CURRENT LIABILITIES

	2014 $'000	2013 $'000
Consideration in relation to purchase of The Ad Network Pty Ltd	**1,000**	-
	1,000	-

Previously classified as a provision, the contingent consideration in relation to the purchase of The Ad Network Pty Ltd was renegotiated during the year and a fixed amount agreed. The consideration is payable in two $500,000 tranches (due 1 October 2014 and 31 January 2015, 50% of each which may be settled through the issue of share capital in the Group.

20. CONTRIBUTED EQUITY

	2014 $'000	2013 $'000
Share capital		
82,174,927 (2013: 82,174,927) fully paid ordinary shares	**64,161**	64,161

Movements in ordinary share capital	Number of shares	$'000
Balance – 30 June 2013 and 30 June 2014	**82,174,927**	**64,161**

Effective 1 July 1998, the corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the parent does not have authorised capital nor par value in respect of its issued shares.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

20. CONTRIBUTED EQUITY continued

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of commercial bills, finance leases and shareholder loans disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed above and in note 21 respectively.

In order to maintain or adjust the capital structure, the Company may pay dividends to shareholders, pay returns capital to shareholders, issue new shares or sell assets to reduce debt. Currently the Company raises capital to fund start-up losses as required.

21. RESERVES AND ACCUMULATED LOSSES

	2014 $'000	2013 $'000
a. Movements in accumulated losses		
Accumulated losses at 1 July	**(5,087)**	(5,087)
Loss for the period	**-**	-
Accumulated losses at 30 June	**(5,087)**	(5,087)

	Profits Reserve $'000	Share Based Payments Reserve $'000	Foreign Currency Translation $'000
Balance at 1 July 2012	2,141	311	11
Share based payment expense for the year	-	88	-
Foreign currency translation	-	-	89
Dividends paid during the year	(493)	-	-
Profit for the year	1,008	-	-
Balance at 30 June 2013	2,656	399	100
Share based payment expense for the year	**-**	**144**	**-**
Foreign currency translation	**-**	**-**	**90**
Dividends paid during the year	**-**	**-**	**-**
Profit for the year	**423**	**-**	**-**
Balance at 30 June 2014	**3,079**	**543**	**190**

21. RESERVES AND ACCUMULATED LOSSES continued

The profits reserve represents current year profits which is maintained in a reserve to preserve the characteristic as a profit and not appropriated against prior year accumulated losses.

The share-based payments reserve is used to recognise the fair value of share–based payment transactions issued by the Company issued to suppliers in return for services.

The foreign currency translation reserve is used to record the exchange differences arising from the translation of financial statement of foreign subsidiaries.

22. DIVIDENDS

	2014 $'000	2013 $'000
a. Dividends provided for or paid		
A dividend of 0.6 cents per share was paid in November 2012, fully franked based on tax paid at 30%.	**-**	**493**

23. CASH FLOW STATEMENT RECONCILIATION

	2014 $'000	2013 $'000
a. Reconciliation of net profit to net cash from operating activities		
Profit for the year	**423**	1,008
Amortisation	**5,060**	5,268
Depreciation	**446**	337
Transaction costs in creditors and accruals	**-**	78
Losses on property, plant and equipment	**38**	160
Share of loss/(profit) of an associate	**-**	54
Equity settled share based payments expense	**144**	88
Changes in operating assets and liabilities (net of amounts acquired):		
(Increase)/decrease in trade and other receivables	**(175)**	670
(Increase)/decrease in prepayments	**(192)**	225
Increase/(decrease) in trade and other creditors	**732**	(366)
Increase/(decrease in deferred income	**18**	-
Increase/(decrease in other liabilities	**1,000**	-
Increase/(decrease) in income tax payable	**(16)**	(272)
Increase/(decrease) in deferred taxes	**(934)**	176
Increase/(decrease) in provisions	**(396)**	(283)
Net cash from operating activities	**6,148**	7,143
b. Non-cash financing and investing activities		
Settlement of subsidiary The Ad Network Pty Ltd purchase with shares	**-**	250

24. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Onthehouse Holdings Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity interest		Investment $'000	
		2014	2013	2014	2013
onthehouse.com.au Pty Limited (i)	Australia	100%	100%	4,619	4,619
Console Australia Pty Limited (ii)	Australia	100%	100%	42,623	42,623
Console New Zealand Limited (ii), (vi)	New Zealand	100%	100%	9	9
PortPlus Pty Limited (ii)	Australia	100%	100%	15,197	15,197
PortPlus (NZ) Limited (ii), (vii)	New Zealand	100%	100%	66	66
Agent Apps Pty Ltd (iii)	Australia	100%	100%	-	-
Residex Pty Ltd (iv)	Australia	100%	100%	7,440	7,440
Residex Technology Pty Ltd (viii)	Australia	100%	100%	-	-
The Ad Network Pty Ltd (v)	Australia	100%	100%	1,797	1,797
				71,751	71,751

i. Acquired on 26 May 2011
ii. Acquired on 27 May 2011
iii. Acquired on 17 June 2011
iv. Acquired on 20 September 2012
v. Acquired on 24 October 2012
vi. Subsidiary of Console Australia Pty Limited
vii. Subsidiary of Console New Zealand Limited
viii. Subsidiary of Residex Pty Ltd

(b) Ultimate parent

The ultimate parent company is Onthehouse Holdings Limited.

(c) Key management personnel compensation

	2014 $	2013 $
Short-term employee benefits	**1,780,451**	1,676,640
Post-employment benefits	**92,572**	87,644
Other long-term benefits	**-**	-
Termination benefits	**-**	63,199
Share-based payment	**103,438**	76,296
Total	**1,976,461**	1,903,779

(d) Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

24. RELATED PARTY DISCLOSURES continued

(e) Loans from Director-related entities

The following loans from key management personnel (or their related entities) were in place during the current or prior financial period:

Lauren Doherty (resigned as a Director 22 December 2010)	2014 $'000	2013 $'000
Balance at 1 July	-	60
Advances	-	-
Repayments	-	(60)
Balance at 30 June	-	-

The loan was unsecured and was non-interest bearing.

25. SHARE-BASED PAYMENT PLANS

Recognised share-based payment expenses

The expense recognised from share-based payment transactions recognised as part of employee benefits expense were as follows:

	2014 $'000	2013 $'000
Expense arising from options issued	**144**	88
	144	88

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2014.

Employee share option plans (ESOP)

Under the terms of the ESOP, offers to apply for the issue of Options to subscribe for Shares may be made to eligible employees or Directors, as determined by the Board.

The total number of Shares which may be acquired from the issue of Options under the ESOP must not exceed 5% of the total of the following:

- the total number of issued Shares in the Company as at the date of the offer made to the participant;
- the total number of Shares underlying the Options issued under the ESOP; and
- the number of Shares underlying the outstanding Options to subscribe for Shares issued by the Company under any other employee share or option scheme of the Company, less that number of Options granted under certain exemptions listed in the terms of the ESOP including where the offer of Options did not need disclosure to investors under the *Corporations Act 2001*.

The Board has discretion to determine the specific terms and conditions applying to each offer under the ESOP including the exercise price. The Options are personal to the participant and cannot be exercised by another person, unless approved by the Board.

25. SHARE-BASED PAYMENT PLANS continued

Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at the beginning of the year	**3,570,000**	**0.80**	3,800,000	0.80
Granted during the year	**1,700,000**	**0.55**	880,000	0.79
Forfeited during the year	**(860,000)**	**0.64**	(1,110,000)	0.64
Exercised during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**4,410,000**	**0.77**	3,570,000	0.85
Exercisable at the end of the year	**2,075,000**	**0.94**	1,037,500	1.00

2,200,000 options expire on 30 June 2016. The key terms of these options are:

- the first vesting condition was listing;
- exercise price of $1.00; and
- the options granted to Michael Fredericks are subject to completion of two years employment with the Group (completed).

60,000 options expire on 2 January 2016, 500,000 options expire on 30 April 2017 and 1,650,000 options expire on 1 March 2017. The key terms of these options are:

- the first vesting condition is 24-36 months after grant date;
- exercise price is Value Weighted Close Price for the 5-90 days preceding the date of the grant plus a 25% premium; and
- upon cessation of employment - accelerated vesting of $1-$5 plus the exercise price to be exercised in 10 days from ceasing employment.

Weighted average remaining contractual life: The weighted average remaining contractual life for the share options outstanding as at 30 June 2014 is 2.3 years (2013: 3.3 years).

Range of exercise price: The exercise price of the options range from $0.51 to $1.00.

Weighted average fair value: The weighted average fair value of options granted during the year was $0.28 (2013: $0.26).

25. SHARE-BASED PAYMENT PLANS continued

Option pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Trinomial Lattice Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the years ended 30 June 2014.

	2014 Employee Options	2014 Director Options*	2013 Employee Options	2013 Non-executive Director Options
Dividend yield (%)	**0.0%**	**0.0%**	0.7%	0.7%
Expected volatility (%)	**60.0%**	**60.06%**	68.9%	70.0%
Risk-free interest rate (%)	**2.85%**	**3.01%**	2.5%	2.9%
Expected life of options (years)	**3.49**	**3.26**	3.66	4.59
Option exercise price ($)	**$0.55**	**$0.55**	$0.76	$0.87
Weighted average share price at measurement date ($)	**$0.57**	**$0.73**	$0.61	$0.70
Model used	Trinomial Lattice	Trinomial Lattice	Trinomial Lattice	Trinomial Lattice
Fair value at grant date	**$0.26**	**$0.37**	$0.373	$0.292

* 2014 disclosure includes options granted to the Managing Director, Michael Fredericks. No options were granted to Mr Fredericks in the prior year.

The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility was determined using an analysis of the volatility of comparable companies. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

26. COMMITMENTS FOR EXPENDITURE AND CONTINGENCIES

	2014 $'000	2013 $'000
Leasing commitments		
Operating lease commitments – Group as lessee		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	**915**	646
Later than one year but not later than 5 years	**2,412**	152
Later than 5 years	**1,221**	-
	4,548	798

The operating leases primarily relate to leases of premises. The operating leases are under normal commercial operating lease terms and conditions with third parties.

	2014 $'000	2013 $'000
Finance leases and hire purchase commitments – Group as lessee		
Commitments in relation to finance leases are payable as follows:		
Within one year	**-**	11
After than one year but not later than five years	**-**	30
Total minimum lease payments	**-**	41
Less amounts representing future finance charges	**-**	(5)
Present value of minimum leasing payments	**-**	36
Included in the financial statements as:		
Current borrowings (note 16)	**-**	9
Non-current borrowings (note 16)	**-**	27
	-	36

Finance leases comprise leases of items of plant and equipment under normal commercial finance lease terms and conditions.

Guarantees

As at 30 June 2014, the Group has provided guarantees totalling $685,000 (2013: $458,000) to the lessors of the premises it occupies. In addition a further guarantee of $10,000 was provided to Western Australian Land Information Authority. These guarantees have been provided as a banker's undertaking provided by Westpac. No liability is expected to arise in relation to any of these guarantees.

Contingent liabilities

The Directors are not aware of any contingent liabilities not otherwise disclosed in the accounts.

27. AUDITOR'S REMUNERATION

The auditor of Onthehouse Holdings Limited is Ernst & Young.

	2014 $	2013 $
During the year the auditor of the Group earned the following remuneration:		
Audit services:		
Audit and review of the financial reports	**144,525**	166,000
Other services:	**-**	-
Total	**144,525**	166,000

28. EVENTS AFTER THE REPORTING DATE

No matter of circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in subsequent financial years.

29. INFORMATION RELATING TO ONTHEHOUSE HOLDINGS LIMITED ("THE PARENT ENTITY")

	2014 $'000	2013 $'000
Current assets	**1,987**	2,214
Total assets	**66,402**	70,037
Current liabilities	**2,382**	2,814
Total liabilities	**2,810**	5,141
Contributed equity	**64,161**	64,161
Accumulated losses	**(569)**	(526)
Profits reserve	**-**	1,261
	63,592	64,896
Profit/(loss) of the parent	**(1,083)**	2,070
Total comprehensive income of the parent	**(1,083)**	2,070

29. INFORMATION RELATING TO ONTHEHOUSE HOLDINGS LIMITED ("THE PARENT ENTITY") continued

Onthehouse Holdings Limited has entered into a deed of cross guarantee on 27 May 2011. The effect of the deed is that Onthehouse Holdings Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

Console Australia Pty Ltd, Portplus Pty Ltd and Onthehouse.com.au Pty Ltd have also given a similar guarantee in the event that Onthehouse Holdings Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

Onthehouse Holdings Limited has provided guarantees totalling $685,000 (2013: $458,000) to the lessors of the premises it occupies. In addition a further guarantee of $10,000 was provided to Western Australia Land Info Authority. These guarantees have been provided as a banker's undertaking provided by Westpac. No liability is expected to arise in relation to any of these guarantees.

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

1. In the opinion of the Directors:

(a) the financial statements and notes of Onthehouse Holdings Limited for the financial year ended 30 June 2014 are in accordance with the *Corporations Act 2001*, including:

i. Giving a true and fair view of the Company’s financial position as at 30 June 2014 and performance for the year ended on that date;

ii. Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and

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

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

On behalf of the board

Gail Pemberton

Chairman

27 August 2014

Michael Fredericks

Managing Director

27 August 2014

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Independent auditor's report to the members of Onthehouse Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Onthehouse Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Building a better working world

Opinion

In our opinion:

a. the financial report of Onthehouse Holdings 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 2014 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 2.

Report on the remuneration report

We have audited the Remuneration Report included in section 16 of the directors' report for the year ended 30 June 2014. 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 Onthehouse Holdings for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Mike Reid
Partner
Brisbane
27 August 2014

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not shown elsewhere in this report is as follows. The information is current as at 27 August 2014.

(a) Distribution of equity securities

i. Ordinary share capital

- 82,174,927 fully paid ordinary shares are held by 2,028 individual shareholders

All issued ordinary shares carry one vote per share and carry the rights to dividends.

ii. Options

- 4,410,000 options are held by 15 individual option holders

Options do not carry a right to vote

The number of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares	Options
1 – 1,000	91	-
1,001 – 5,000	625	-
5,001 – 10,000	478	-
10,001 – 100,000	728	5
100,000 and over	106	10
	2,028	15

(b) Substantial shareholders

Ordinary shareholders	Number	Fully Paid Percentage
MICHAEL KENNETH FREDERICKS	7,077,606	8.61%
AWJ FAMILY PTY LTD	5,741,743	6.99%
UBS NOMINEES PTY LTD	4,372,023	5.32%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	4,191,009	5.10%
	21,382,381	26.02%

(c) Twenty largest shareholders of quoted equity securities

	Ordinary Shareholders	Fully Paid Number	Percentage
1	MICHAEL KENNETH FREDERICKS <FREDERICKS ONTHEHOUSE NO.1>	4,972,667	6.05%
2	AWJ FAMILY PTY LTD <ANGUS W JOHNSON FAMILY A/C>	4,741,743	5.77%
3	UBS NOMINEES PTY LTD	4,372,023	5.32%
4	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	4,191,009	5.10%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,181,703	2.66%
6	MICHAEL KENNETH FREDERICKS <FREDERICKS ONTHEHOUSE NO.2 A/C>	2,104,939	2.56%
7	CIBAW PTY LTD <THE BLIGH FAMILY A/C>	1,470,000	1.79%
8	NATIONAL NOMINEES LIMITED	1,244,946	1.52%
9	ONE MANAGED INVESTMENT FUNDS LIMITED ACF SANDON CAPITAL INVESTMENTS LIMITED LEVEL 13	1,146,777	1.40%
10	JUMAN PTY LTD & JULIBER PTY LTD <JUSL LIMITED PARTNERSHIP A/C>	1,095,226	1.33%
11	MRS LAUREN KATHLEEN DOHERTY <DOHERTY ONTHEHOUSE A/C>	1,000,488	1.22%
12	AWJ FAMILY PTY LTD	1,000,000	1.22%
13	SIXTH RELNOR PTY LTD <JULEG SUPER FUND A/C>	955,285	1.16%
14	SANDHURST TRUSTEES LTD <TBF SMALL CAP VAL GRWTH A/C>	940,000	1.14%
15	CITICORP NOMINEES PTY LIMITED	934,074	1.14%
16	JEREMY SIMON NEWMAN	836,332	1.02%
17	BJT903 PTY LTD <BJT903 SUPER FUND A/C>	711,000	0.87%
18	MRS LANA ARZOUAN & MR ELIYAHU ARZOUAN	594,119	0.72%
19	MYMAX INVESTMENTS PTY LTD <MYMAX FUND NO 8 A/C>	571,258	0.70%
20	RBC INVESTER SERVICES AUSTRALIA NOMINESS PTY LIMITED <BKCUST A/C>	536,134	0.65%
		35,599,723	**43.34%**

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Auditor

Ernst & Young

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Solicitor to the Company

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