Appendix 4E

Preliminary Final Report
to the Australian Securities Exchange

Part 1– Company details

Name of Entity	Qanda Technology Limited
ABN	60 066 153 982
Financial Year Ended	30 June 2014
Previous Corresponding Reporting Period	Financial year ended 30 June 2013

Part 2 – Results for Announcement to the Market

	Current Period (30 Jun 2014) $'000	**Percentage increase /(decrease) over previous corresponding period**	**Previous Corresponding Period (30 Jun 2013) $'000**
Revenue from ordinary activities[1]	3,398	3%	3,313
Loss from ordinary activities after tax attributable to members[2]	(1,448)	(15%)	(1,711)
Net profit/(loss) for the period attributable to members	(1,448)	(372%)	533

Notes:
1. Revenue from continuing operations has been disclosed as revenue from ordinary activities.
2. Net loss for the period from continuing operations has been disclosed as loss from ordinary activities after tax attributable to members.

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer Part 10.

Part 3 – Contents of ASX Appendix 4E

Part 4 –Statement of Comprehensive Income

	Consolidated Group 2014 $	Consolidated Group 2013 $
Revenue	3,398,330	3,313,125
Cost of sales	(404,812)	(375,950)
Gross profit	2,993,518	2,937,175
Other income	93,357	17,867
Corporate and administrative expenses	(3,568,466)	(2,897,477)
Technical expenses	(575,972)	(392,239)
Research and development expenses	(555,709)	(302,403)
Other expenses	(24,407)	(2,405)
Impairment losses	(170,153)	(1,275,080)
Results from operating activities	(1,807,832)	(1,914,562)
Finance income	7,861	19,958
Finance costs	(64,770)	(96,120)
Net financing costs	(56,909)	(76,162)
Loss before income tax	(1,864,741)	(1,990,724)
Income tax benefit	416,448	279,761
Loss from continuing operations	**(1,448,293)**	**(1,710,963)**
Discontinued operation		
Profit from discontinued operation	-	2,244,372
Profit/(loss) for the period	(1,448,293)	533,409
Other comprehensive income		
Items which may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	(52,246)	35,981
Reclassification adjustments:		
Exchange differences reclassified on disposal of foreign operations	-	(535,226)
Total comprehensive profit/loss for the period	**(1,500,539)**	**34,164**
Profit/loss for the period is attributable to:		
Non-controlling interest	(647)	235
Owners of the parent	(1,447,646)	533,174
	(1,448,293)	**533,409**
Total comprehensive profit/loss for the period is attributable to:		
Non-controlling interest	(647)	235
Owners of the parent	(1,499,892)	33,929
	(1,500,539)	**34,164**
Basic earnings per share (cents)	(0.10)	0.07
Basic earnings per share from continuing operations (cents)	(0.10)	(0.23)
Diluted earnings per share (cents)	(0.10)	0.06
Diluted earnings per share from continuing operations (cents)	(0.10)	(0.20)

Part 5 – Accumulated losses

	Consolidated Group	
	2014	**2013**
	$	**$**
Accumulated losses at beginning of year	(19,730,833)	(20,264,007)
Loss for the year	(1,447,646)	(533,174)
Accumulated losses at end of year	(21,178,479)	(19,730,833)

Part 6 – Statement of financial position

	Consolidated Group 2014 $	2013 $
CURRENT ASSETS		
Cash and cash equivalents	220,343	559,179
Trade and other receivables	1,361,321	1,029,441
Other current assets	40,358	7,971
Total Current Assets	1,622,022	1,596,591
NON CURRENT ASSETS		
Other receivables	308	85,308
Property, plant & equipment	47,888	28,836
Intangible assets	4,421,159	2,417,214
Deferred tax assets	-	-
Total Non Current Assets	4,469,355	2,531,358
TOTAL ASSETS	**6,091,377**	**4,127,949**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,013,333	382,640
Other current liabilities	760,783	639,902
Borrowings	225,000	127,955
Redeemable convertible notes	175,000	451,810
Short-term provisions	124,140	130,860
Income tax payable	-	-
Total Current Liabilities	2,298,256	1,733,167
NON CURRENT LIABILITIES		
Borrowings	121,694	1,018,973
Other non-current liabilities	41,261	39,272
Redeemable convertible notes	-	-
Long-term provisions	40,970	41,677
Deferred tax liabilities	-	-
Total Non Current Liabilities	203,925	1,099,922
TOTAL LIABILITIES	**2,502,181**	**2,833,089**
NET ASSETS	**3,589,196**	**1,294,860**
EQUITY		
Contributed equity	23,566,939	21,298,285
Reserves	170,305	(306,431)
Accumulated losses	(21,178,479)	(19,730,833)
Parent interests	2,558,765	1,261,021
Non-controlling interests	1,030,431	33,839
TOTAL EQUITY	**3,589,196**	**1,294,860**

Part 7 –Statement of Cash Flows

	Consolidated Group	
	2014	**2013**
	$	**$**
Cash flows from operating activities		
Receipts from customers	3,662,239	3,976,356
Payments to suppliers and employees	(4,395,303)	(4,349,283)
Interest received	7,860	19,960
Finance costs	(64,769)	(96,245)
Net cash used in operating activities	(789,973)	(449,212)
Cash flows from investing activities		
Purchases of property, plant and equipment	(27,932)	(26,744)
Purchases of intangible assets	(5,000)	(179,020)
Proceeds from sale of business, less cash disposed of	-	869,815
Proceeds from sale of property, plant and equipment	-	72
Cash acquired on acquisition of subsidiary	4,256	-
Net cash (used in)/provided by investing activities	(28,676)	664,123
Cash flows from financing activities		
Proceeds from borrowings	125,000	-
Proceeds from issues of shares	473,982	-
Repayment of borrowings	(89,146)	(68,522)
Net cash (used in)/provided by financing activities	509,836	(68,522)
NET INCREASE/(DECREASE) IN CASH HELD	(308,813)	146,389
Cash and cash equivalents at the beginning of the financial year	559,179	386,375
Effect of exchange rate fluctuations	(30,023)	26,415
Cash and cash equivalents at the end of the financial year	**220,343**	**559,179**

Part 8 –Statement of Changes in Equity

Consolidated Group	Contributed Equity $	Share-based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Owners of the parent $	Non-controlling interest $	Total $
Balance as at 1 July 2013	21,298,285	86,000	(392,431)	(19,730,833)	1,261,021	33,839	1,294,860
Profit for the period	-	-	-	(1,447,646)	(1,447,646)	(647)	(1,448,293)
Other comprehensive income	-	-	(52,246)	-	(52,246)	-	(52,246)
Total comprehensive income for the period	-	-	(52,246)	(1,447,646)	(1,499,892)	(647)	(1,500,539)
Issue of share capital (net of share issue costs)	2,268,654	528,982	-	-	2,797,636	997,239	3,794,875
Balance as at 30 June 2014	**23,566,939**	**614,982**	**(444,677)**	**(21,178,479)**	**2,558,765**	**1,030,431**	**3,589,196**
Balance as at 1 July 2012	21,276,712	86,000	106,814	(20,264,007)	1,205,519	33,604	1,239,123
Loss for the period	-	-	-	533,174	533,174	235	533,409
Other comprehensive income	-	-	(499,245)	-	(499,245)	-	(499,245)
Total comprehensive income for the period	-	-	(499,245)	533,174	33,929	235	34,164
Issue of share capital	21,573	-	-	-	21,573	-	21,573
Balance as at 30 June 2013	**21,298,285**	**86,000**	**(392,431)**	**(19,730,833)**	**1,261,021**	**33,839**	**1,294,860**

Part 9 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The consolidated financial statements of Qanda Technology Limited (the **Company** or **Parent Entity**) as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (**Consolidated Group** or **Group**).

Going concern

The Appendix 4E has been prepared on a going concern basis which assumes realising its assets and extinguishing its liabilities in the normal course of business. The Directors acknowledge that stakeholders may be concerned regarding the ability of the Group to continue as a going concern due to the Group having incurred from continuing operations a net loss of $1,448,293 during the financial year (2013: $1,710,963) and having an excess of current liabilities over current assets of $676,234 as at 30 June 2014 (2013: $136,576). These factors may indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether they will realise assets and extinguish liabilities in the normal course of business and at the amounts stated in the Preliminary Final Report.

The excess of current liabilities over current assets is partly comprised of $564,911 of deferred income which does not represent an outflow of funds in normal circumstances. In addition, a further $320,012 is comprised of employee annual leave and long service leave, which do not necessarily represent immediate cash outflows.

Following year end the Company raised $814,418 (before costs) of new capital to provide ongoing funding to the Group.

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- A substantially updated version of the Marketboomer business unit’s web-based procurement platform, Purchase Plus, is having a positive impact on the Group;
- The R&D tax rebate of $461,886, which has been recorded in other receivables in the Balance Sheet is expected to be received in October 2014;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results.

Furthermore the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group’s performance as the business units emerge from the challenging trading environment over the past year.

Part 10 – Commentary on Results

Operating review

Qanda Technology Limited

During the year the Company made significant progress in re-positioning the business to focus on market segments with high growth potential. Building on its existing capability in online marketplaces through Marketboomer, the Company entered the collaborative consumption market (also known as peer to peer marketplaces) with the acquisition of Australia's first and leading peer to peer car rental business – DriveMyCar Rentals. This was shortly followed by the acquisition of Rentoid, Australia's largest online rental marketplace for household and hardware items.

Mr Adrian Bunter joined the Board of Directors in February 2014 and brings to the Company over 19 years' experience in accounting, finance and a broad range of corporate advisory roles ranging from mergers and acquisitions, divestments of businesses, debt/equity raisings and strategy development and execution. In August 2014, the Company appointed former ninemsn executive, Mr Chris Noone, as Chief Executive Officer to execute the Company's collaborative consumption strategy and drive overall growth. Domenic Carosa was appointed as a non-executive director. Mr Carosa is an experienced investor and founder of ASX listed technology businesses and is currently Chairman of the Future Capital Development Fund.

During the year, the Company extended $175,000 of convertible notes until September 2014 and the Company is in discussion with these note holders about future extensions. In November 2013 the Company also arranged for the conversion of $250,000 of convertible notes into ordinary shares. This removed a debt burden from the Company.

The Directors had also been cognisant of the burden placed on the Company by the $1 million loan facility from its lender Finecross Security Limited (Finecross Loan) and the difficulty this created for the Company. After investigating a range of options, including conversion into equity in the Company and extension of the loan arrangement, in May 2014 the Company entered into agreements to convert the Finecross Loan into a 49.5% interest in the Marketboomer business unit, due to Finecross' strategic alignment with the Marketboomer business. The conversion of this loan has removed the $1 million liability from the Group's balance sheet and has enabled the Company to focus its efforts on the high growth opportunities available to it in the collaborative consumption marketplaces.

The Company is now focussed on optimising and evolving the DriveMyCar Rentals and Rentoid businesses and has embarked upon the development of a reputation platform to enhance trust within the peer to peer marketplaces. The reputation platform will enable the Company to efficiently launch into new product verticals and build a sustainable competitive advantage. The Company continues to actively review and assess acquisition opportunities in the collaborative consumption space.

Subsequent to balance date, the Company completed a successful entitlement issue which raised $814,418 before costs. The funds will be used to underpin the development of DriveMyCar Rentals business as well as ongoing research & development and technical costs associated with the Marketboomer business unit.

DriveMyCar Rentals Business Unit

The acquisition of DriveMyCar Rentals was completed on 19 February 2014. The financial results only cover the period from the acquisition date. DriveMyCar Rentals provides owners with an opportunity to generate income by renting their vehicles to drivers seeking lower prices and a wider choice of vehicles. As the vehicles are owned by private owners, the business does not incur the large capital outlay normally associated with purchasing a fleet of vehicles and it can expand into new regions relatively quickly. DriveMyCar Rentals manages customer acquisition, payments and vehicle marketing and has negotiated a unique motor fleet insurance policy to cover vehicles.

Following completion of the acquisition, management set about optimising the DriveMyCar Rentals business and the benefits of this work are best seen in the results subsequent to the year end. Net rental days sold in July and August to date have increased 148% from the same period in 2013 (pre-acquisition). Ongoing process, marketing and sales improvements have been identified and will be implemented in the coming months.

Rentoid Business Unit

Continuing the strategy to focus on the collaborative consumption market, the Company acquired Rentoid on 5 May 2014. A plan is in place to develop synergies with the Company's existing operations and increase the visibility and revenue potential of Rentoid.

Part 10 – Commentary on Results (cont'd)

Marketboomer Business Unit

Marketboomer continues to rollout its Purchase Plus platform. The transition from the previous version of its eProcurement platform has been slower than initially forecast with about 50% of existing customers having been migrated to the new platform over the reporting period. Implementation of the Loading Dock online directory has occurred but has also taken longer than expected to deliver. While some interest has been shown in the Accounts Payable automation initiatives currently in development, it is clear that the business requires further capital investment to boost R&D and sales and marketing capability.

Financial review

The Group incurred an unaudited loss of $1,448,293 after income tax for the year, down from a profit of $533,409 in the 2013 financial year. The revenue from continuing operations increased by $85,205, or 3%, to $3,398,330 during the year, the net loss from continuing operations was decreased by $262,670, a 15% decrease compared to last financial year. The result was impacted by the costs associated with the acquisition of DMCR.

The working capital of the Group has decreased by $540K to -$676K during the year.

Fully paid ordinary shares issued during the year are as follows:

(a) the issue of 115,000,000 fully paid ordinary shares pursuant to a placement to raise $115,000;

(b) the issue of 187,500,000 fully paid ordinary shares upon conversion of note facility;

(c) the issue of 780,000,000 fully paid ordinary shares to the vendors of DriveMyCar Rentals Pty Ltd (**DMCR**) in consideration for the acquisition of DMCR;

(d) the issue of 225,000,000 fully paid ordinary shares in accordance with an adjustment clause contained in the subscription agreements entered into with sophisticated investors in relation to placements completed in March 2012; and

(e) the issue of 175,000,000 fully paid ordinary shares pursuant to placements raising $350,000.

Total shares on issue at 30 June 2014 were 2,261,599,600.

Part 11 – Revenue, Other Income and Expenses

	Consolidated Group	
	2014	**2013**
REVENUE	**$**	**$**
Rendering of services	3,398,330	3,313,125
OTHER INCOME AND EXPENSES		
(a) Other income		
Other income	93,357	17,867
(b) Other expenses		
Foreign currency translation losses	24,407	2,405
(c) Expenses included in statement of comprehensive income		
Depreciation	33,156	29,760
Amortisation	164,268	136,689
Impairment loss	170,153	1,275,080
Rental expense on operating leases – minimum lease payments	256,512	224,121
(d) Employee benefits expense		
Salaries and wages	2,450,664	1,923,352
Other associated personnel expenses	169,230	97,500
Superannuation costs	112,089	97,380
Increase/(decrease) in liability for leave	(31,960)	50,965
	2,700,023	2,169,197
FINANCE INCOME AND COSTS		
(a) Finance income		
Interest income	7,861	9,101
(b) Finance costs		
Interest expense	64,770	132,251

Part 12 – Intangibles

	Consolidated			
INTANGIBLE ASSETS	**Software Development Costs**	**Patents**	**Goodwill**	**Total**
At 1 July 2013	392,842	2,859	2,021,513	2,417,214
Acquisition of DMCR and Rentoid	258,667	-	2,079,699	2,338,366
Impairment loss	(170,153)	-	-	(170,153)
Amortisation charge for the year	(163,860)	(408)	-	(164,268)
At 30 June 2014, net of accumulated depreciation	**317,496**	**2,451**	**4,101,212**	**4,421,159**
At 30 June 2014				
Cost (gross carrying amount)	1,298,435	8,167	4,101,212	5,407,814
Impairment	(170,153)	-	-	(170,153)
Accumulated amortisation	(810,786)	(5,716)	-	(816,502)
Net carrying amount	**317,496**	**2,451**	**4,101,212**	**4,421,159**
At 1 July 2012	332,638	3,267	3,296,593	3,632,498
Additions	196,485			196,485
Impairment loss	-	-	(1,275,080)	(1,275,080)
Amortisation charge for the year	(136,281)	(408)	-	(136,689)
At 30 June 2013, net of accumulated depreciation	**392,842**	**2,859**	**2,021,513**	**2,417,214**
At 30 June 2013				
Cost (gross carrying amount)	742,744	8,167	3,296,593	4,047,504
Impairment	-	-	(1,275,080)	(1,275,080)
Accumulated amortisation	(349,902)	(5,308)	-	(355,210)
Net carrying amount	**392,842**	**2,859**	**2,021,513**	**2,417,214**

(a) Description of the Group's intangible assets and goodwill

(i) Software Development costs

Software Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 4 years. The amortisation has been recognised in the statement of comprehensive income in the line item "corporate and administrative expenses". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(ii) Patents

Patents were acquired through business combinations and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 10 years. During the 2014 financial year, amortisation was recognised and updated to reflect the applicable amortisation policy. The amortisation has been recognised in the statement of comprehensive income in the line item "corporate and administrative expenses". The patents have been granted for twenty years by the relevant government agency. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(iii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment (refer to section (c) of this note).

Part 12 – Intangibles (cont'd)

(b) Recoverability of development costs

The carrying amount of an intangible asset representing previously capitalised product development was assessed. The value remaining to be amortised is $99,163. At the current rate of amortisation this represents an expected life for the original Marketboomer product of a further 11 months. This is reasonable and in line with management expectations.

DriveMyCar Rentals Pty Ltd has a remaining value of $3,667 of development costs when acquired, which has been fully amortised during the year. Development costs acquired as part of the acquisition of DriveMyCar Rentals Pty Ltd and Rentoid were assessed as having a fair market value of $255,000 upon acquisition. The value remaining to be amortised is $218,333. At the current rate of amortisation this represents an expected life for the DMCR system of a further 26 months.

(c) Impairment tests for goodwill

In the financial year ended 30 Jun 2014, the recoverable amount of the goodwill carried for DriveMyCar Rentals and for Marketboomer Holdings Pty Ltd has been determined based on a net assets employed calculation using cash flow projections as at 30 June.

In each instance the goodwill, as in previous years, was allocated in its entirety to the cash-generating business units. In the case of Marketboomer Holdings this was $2.022M. For DriveMyCar Rentals Pty Ltd this was $2.135M.

The forecast for the Marketboomer Holdings Pty Ltd derived net present values ranging from $3.448M to $4.791M with a mid-point of $4.120M that increased to $4.305M after the addition of net assets employed amount ($0.185M).

The calculations of value-in-use were based on the following key assumptions:

- Future cash flows estimated based on past performance and expectations for the future, including planned entrances into new regions and securing of new or expansion of existing clients;
- Pre-tax, risk-adjusted discount rate of 14.9% and having regard to the weighted average cost of capital of the group; and
- Cash flows for the five-year period are extrapolated using a 2.5% growth rate for expenses and 3.5% for revenue.

The forecast for DriveMyCar Rentals Pty Ltd derived net present values ranging from $2.563M to $6.015M with a mid-point of $4.289M that increased to $4.480M after the addition of net assets employed amount ($0.190M).

The calculations of value-in-use were based on the following key assumptions:

- Future cash flows estimated based on past performance and expectations for the future, including new investment that will provide a sufficient pool of vehicles for the revenue targets to be met;
- Pre-tax, risk-adjusted discount rate of 14.9% and having regard to the weighted average cost of capital of the group; and
- Cash flows for the five-year period are extrapolated using a 5% growth rate for expenses and 5% existing business growth plus investment related new business for revenue.

If any of the assumptions above were to significantly change, this may have a material impact on the value-in-use calculation. However, there were no reasonably possible changes in any of the key assumptions that would have caused the carrying amount of the intangibles allocated to Marketboomer Holdings Pty Ltd nor DriveMyCar Rentals Pty Ltd to exceed their recoverable amount.

Part 13 – Borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	Consolidated	
	2014	**2013**
	$	**$**
Current		
Unsecured loan	225,000	50,000
Unsecured bank loan	-	77,955
	225,000	**127,955**
Non-Current		
Secured loan	121,694	-
Unsecured loan	-	947,239
Unsecured bank loan	-	71,734
	121,694	**1,018,973**

(a) Terms of borrowings

Unsecured loan – current

The unsecured loan of $125,000 classified as current bears interest at a rate of 12% p.a. Pursuant to the terms of the loan agreement dated 30 Jan 2014, the repayment commences in July 2014 or upon finalisation of the Group's rights issue raising.

The unsecured loan of $100,000 classified as current bears no interest. Pursuant to the terms of the loan agreement dated 22 May 2014, the repayment commences the earlier of Aug 2014 or 5 Business Days from of completion of the Entitlement Issue.

Secured loan – non-current

The Secured loan classified as non-current bears interest at a rate of 10% pa. The Secured loan is secured against the assets of DriveMyCar Rentals Pty Ltd. Pursuant to the terms of the loan agreement dated 19 February 2014, the repayment of the loan is due on 19 February 2016.

(b) Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

Part 14 – Redeemable convertible notes

		Consolidated	
		2014	**2013**
	Maturity Date	**$**	**$**
Current			
Redeemable convertible notes	Sept 2014	**175,000**	**451,810**
Non-Current			
Redeemable convertible notes		-	-

(a) Redemption of notes

On 5 November 2013, 187,500,000 shares were issued upon conversion of notes in accordance with the terms of the secured redeemable convertible note facility deed to Simon Philip Wallace and Sievwrights Trustee Services No.4 Limited (the Wallace Facility).

(b) Terms of notes

No new notes were issued.

On 12 March 2014, the Company negotiated the extension of the maturity date of the convertible note facilities below due to mature in March 2014. Pursuant to deeds of amendment signed with the convertible note holders the maturity dates were extended for six months.

The terms of notes on issue are:

Issue Date	Facility Amount A$	Number of Notes	Note Holder	Maturity Date
13 March 2012	75,000	18,750,000	Jayaych Holdings Pty Limited <Jonathan Harris No.1 Trust>	12 September 2014
16 March 2012	100,000	25,000,000	A.J.Brackin Pty Limited <A.J.Brackin Family Trust>	16 September 2014
	175,000	43,750,000		

(c) Assets pledged as security

The Facilities are secured by a first ranking registered security interest under the Personal Property Securities Act 2009 (Cth) over the assets and undertakings of Qanda Technology Limited, with the security interests of the Note Holders ranking equally in their respective portions of the Facilities.

(d) Fair value

The Directors consider that the carrying amounts of the redeemable convertible notes recorded in the financial statements approximate their fair values.

Having regard to the specific terms and conditions of the Deeds and for the purposes of the Australian Accounting Standards, the Directors have determined the equity portion of the redeemable convertible notes is immaterial and have therefore treated the notes as a current liability.

Part 15 – Notes to the Consolidated Statement of Cash Flows

	Consolidated Group	
	2013	**2013**
	$	**$**
(a) Reconciliation of net loss after tax to net cash used in operating activities		
Net loss after income tax	(1,454,959)	533,409
Adjustments for:		
Depreciation	33,156	32,502
Amortisation	127,601	136,689
Impairment loss	170,153	1,275,080
Loss on disposal of property, plant and equipment	1,536	(72)
Foreign exchange loss	(7,254)	12,326
Share based payments	-	-
Gain on disposal	-	(2,003,836)
Other non-cash items	59,911	55,496
Operating loss before changes in working capital and provisions	(1,069,856)	41,594
Changes in assets and liabilities:		
Change in trade and other receivables	(143,052)	(251,975)
Change in prepayments	(9,737)	(4,542)
Change in deferred tax assets	-	-
Change in deferred tax liabilities	-	-
Change in trade and other payables	281,864	(187,230)
Change in other liability	200,104	-
Change in provisions	(49,297)	(47,059)
Net cash used in operating activities	(789,974)	(449,212)

(b) Non-cash investing and financing activities

The Group has entered into agreements to convert the $1 million loan facility from its lender Finecross Security Limited into a 49.5% interest in the Marketboomer business unit. The transactions were completed on 30 June 2014.

On 19 February 2014, the Company issued 225,000,000 fully paid ordinary shares in accordance with an adjustment clause contained in the subscription agreements entered into with sophisticated investors in relation to placements completed in March 2012. The Company also issued 780,000,000 fully paid ordinary shares and 260,000,000 deferred shares to the vendors of DriveMyCar Rentals Pty Ltd (**DMCR**) to acquire a 100% interest in DMCR. The deferred shares will be issued if DMCR achieves an audited profit before tax of $500,000 in any consecutive 12 month period in the 36 months following the acquisition of DMCR.

On 5 November 2013, the Company issued 187,500,000 fully paid ordinary shares upon conversion of notes in accordance with the terms of the secured redeemable convertible note facility deed.

Refer to Part 19 for further details of these transactions. These transactions are not reflected in the Statement of Cash Flows.

Part 16 – Details Relating to Dividends

Date the dividend is payable	**N/A**
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 17 – Earnings per Share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of $1,448,293 (2013 profit: $533,409) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2014 of 1,403,524,258 (2013: 748,105,003) calculated as follows:

Profit/(loss) attributable to ordinary shareholders (basic)	**2014 Continuing Operations**	**2014 Discontinued Operations**	**2014 Total**	**2013 Continuing Operations**	**2013 Discontinued Operations**	**2013 Total**
Profit/(loss) attributable to the ordinary shareholders	(1,448,293)	-	(1,448,293)	(1,710,963)	2,244,372	533,409

Weighted average number of ordinary shares	**2014 Number**	**2013 Number**
Balance at beginning of the year	779,099,600	713,706,375
Effect of shares issued 28 August 2013	96,726,027	-
Effect of shares issued 5 November 2013	122,260,274	-
Effect of shares issued 19 February 2014	363,452,055	-
Effect of shares issued 14 March 2014	37,328,767	-
Effect of shares issued 28 May 2014	4,657,534	-
Effect of shares issued 21 December 2012	-	21,041,096
Effect of shares issued 21 December 2012	-	10,520,548
Effect of shares issued 21 December 2012	-	2,836,984
	1,403,524,258	748,105,003

Part 17 – Earnings per Share (cont'd)

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of $1,412,529 (2013 profit: $569,109) and a weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares during the financial year ended 30 June 2014 of 1,447,274,258 (2013: 854,355,003) calculated as follows:

Profit/(loss) attributable to ordinary shareholders (diluted)	**2014** Continuing Operations	**2014** Discontinued Operations	**2014** Total	**2013** Continuing Operations	**2013** Discontinued Operations	**2013** Total
Profit/(loss) attributable to the ordinary shareholders (basic)	(1,448,293)	-	(1,448,293)	(1,710,963)	2,244,372	533,409
Interest expense on convertible notes, net of tax	35,764	-	35,764	35,700	-	35,700
Profit/(loss) attributable to the ordinary shareholders (diluted)	(1,412,529)	-	(1,412,529)	(1,675,263)	2,244,372	569,109

Weighted average number of ordinary shares	**2014 Number**	**2013 Number**
Balance at beginning of the year	779,099,600	713,706,375
Effect of shares issued 28 August 2013	96,726,027	-
Effect of shares issued 5 November 2013	122,260,274	-
Effect of shares issued 19 February 2014	363,452,055	-
Effect of shares issued 14 March 2014	37,328,767	-
Effect of shares issued 28 May 2014	4,657,534	-
Effect of shares issued 21 December 2012	-	21,041,096
Effect of shares issued 21 December 2012	-	10,520,548
Effect of shares issued 21 December 2012	-	2,836,984
Effect of convertible notes on issue	43,750,000	106,250,000
	1,447,274,258	854,355,003

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

	2014 Number	**2013 Number**
Options on issue	401,160,041	25,000,000
	401,160,041	25,000,000

Options to acquire ordinary shares are not considered dilutive.

Part 18 – Net Tangible Assets per Security

	2014 $	**2013 $**
Net tangible asset backing per ordinary security	(0.04 cents)	(0.14 cents)

Part 19 – Details of Entities Over Which Control has been Gained or Lost

Acquisition of the DriveMyCar Rentals Pty Ltd (DMCR)

On 19 February 2014, the Company acquired 100% interest in DriveMyCar Rentals Pty Ltd (**DMCR**) which owns the DMCR business and assets, which operates Australia's leading online marketplace for private car rentals (drivemycarrentals.com.au).

The consideration transferred was $2,080,000 and comprised an issue of fully paid ordinary shares and a contingent consideration component. The Company issued 780,000,000 fully paid ordinary shares in the Company (**Shares**) and 260,000,000 deferred shares (**Deferred Shares**) (together, the **Consideration Shares**) to the vendors at a deemed issue price of 0.2 cents per Consideration Share, following shareholder approval at the Company's general meeting held 10 January 2014.

The Consideration Shares have been valued at 0.2 cents per Consideration Share based on the trading price of the Company on the date of issue.

The Deferred Shares are to be issued to the vendors of DMCR subject to DMCR achieving an audited net profit before tax of at least $500,000 in any consecutive 12 month period in the 36 months following settlement of the acquisition.If these events do not occur within the 36 months from the settlement date of the acquisition, the Deferred Consideration Shares will not be allotted.

The Group has recognised the fair values of the identifiable assets and liabilities of DMCR based upon the best information available as of the reporting date. Business combination accounting is as follows:

	Fair Value
	$
Cash and cash equivalents	4,256
Trade and other receivables	113,445
Property, plant and equipment	18,835
Intangible assets	3,667
	140,203
Trade and other payables	(223,247)
Income tax receivable	55,039
Loans and borrowings	(221,694)
	(389,902)
Goodwill arising on acquisition	2,079,699
Website recognized on acquisition	250,000
Consideration transferred	2,080,000
Acquisition-date fair value of consideration transferred	
Shares issued, at fair value	1,560,000
Contingent consideration	520,000
Consideration transferred	2,080,000

The statement of comprehensive income includes sales revenue and net loss for the year of $131,082 and $196,552 respectively, as a result of the acquisition of DMCR. Given the acquisition was completed on 19 February 2014, management believes it is not reasonable to disclose the contribution of DMCR had the acquisition been effected on 1 July 2013.

Part 19 – Details of Entities Over Which Control has been Gained or Lost (cont'd)

Key factors contributing to the $2,079,699 of goodwill are the synergies existing within the acquired business, and synergies expected to be achieved as a result of combining DriveMyCar Rentals with the rest of the Group.

The Group incurred acquisition-related costs of $173,689 relating to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in corporate and administrative expenses in the Group's consolidated statement of comprehensive income.

Acquisition of Rentoid.com

The Company incorporated Rentoid Group Pty Ltd (**Rentoid**) on 28 April 2014 for the purpose of acquiring the Rentoid.com website and business. The website was acquired on 5 May 2014. No revenue and no net gain or loss is reflected in the statement of comprehensive income.

Restructure of Marketboomer

The Company incorporated Marketboomer Holdings Pty Ltd on 25 March 2014 for the purpose of holding all Marketboomer related entities and assets.

Part 20 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2014 %	2013 %	2014 $A'000	2013 $A'000
Name of entity	**N/A**	**N/A**	**N/A**	**N/A**
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

Part 21 – Issued Securities

	Consolidated Group 2014 $	Consolidated Group 2013 $
2,261,599,600 (2013: 779,099,600) fully paid ordinary shares	23,566,939	21,298,285

(a) Ordinary shares

The following movements in ordinary share capital occurred during the year:

	2014 Number of Shares	2013 Number of Shares	2014 $	2013 $
Balance at beginning of year	779,099,600	713,706,375	21,298,285	21,276,712
Issue of shares at $0.001 each by share placement	115,000,000		115,000	
Conversion of notes	187,500,000		286,988	
Issue of shares at $0.002 each as part consideration for acquisition of DMCR (see part 19)	780,000,000		1,560,000	
Issued as per 2012 subscription agreement adjustment clause	225,000,000		-	
Issue of shares at $0.002 each by share placement	175,000,000		350,000	
Issued as per 2010 subscription agreement adjustment clause[1]	-	40,000,000	-	-
Issued as per 2010 subscription agreement adjustment clause[1]	-	20,000,000	-	-
Issue of shares at $0.004 each by shareholder approval for services rendered	-	5,393,225	-	21,573
Balance at end of year	2,261,599,600	779,099,600	23,610,272	21,298,285

1. A placement in August 2013 raising $115,000 at an issue price of $0.001 per Share triggered the adjustment clause in subscription agreements entered into by the Company in 2012. Approval of the issue of the 225,000,000 additional Shares required to be issued to meet the adjustment obligation was approved by shareholders on 10 January 2014.

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Parent Entity in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Options

The Company issued 125,000,000 options exercisable at $0.002 each and expiring on 30 April 2017 on 14 March 2014. The Company then issued 50,000,000 options exercisable at $0.002 each and expiring on 30 April 2017 on 28 May 2014. On 11 Jun 2014 the Company issued 226,160,041 options exercisable at $0.002 each and expiring on 30 April 2017 pursuant to a Bonus Issue to all shareholders.

At the date of this report, unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Options	30 April 2017	$0.002	401,160,041

These options do not entitle the holder to participate in any share issue of the Company or any other entity. No options were exercised during the year.

Part 22 – Segment Information

The Group had two reportable segments, as described below, which are the Group's strategic business units. The Group has identified its business units based on the internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The following summary describes the operations in each of the Group's reportable segments:

- Marketboomer: Internet based procurement and materials management system.
- Collaborative Consumption Marketplaces: Internet based peer-to-peer marketplace

Collaborative consumption marketplace only commences from 19 February 2014 to 30 June 2014, the date on which DMCR was acquired by the Company.

30 June 2014	**Marketboomer** **$**	**Collaborative Consumption Marketplace** **$**	**Consolidated** **$**
Segment revenue and income	3,357,409	139,590	3,496,999
Other unallocated revenue and income			2,549
Total revenue and income			3,499,548
Segment result	(861,901)	(196,552)	(1,095,030)
Unallocated revenues and expenses			(769,711)
Loss from ordinary activities before related income tax expense			(1,864,741)
Depreciation and amortisation	(153,187)	(44,237)	(197,424)
Segment assets	3,593,299	2,498,078	6,091,377
Capital expenditure	(19,144)	(9,862)	(29,006)
Segment liabilities	(1,637,552)	(864,629)	(2,502,181)

30 June 2013	**Marketboomer** **$**	**Collaborative Consumption Marketplace** **$**	**Consolidated** **$**
Segment revenue and income	3,313,125	-	3,313,125
Other unallocated revenue and income			419,557
Total revenue and income			3,732,682
Segment result	(1,990,724)	-	(1,990,724)
Unallocated revenues and expenses			2,244,372
Loss from ordinary activities before income tax expense			253,648
Depreciation and amortisation	(165,904)	-	(165,904)
Segment assets	4,127,949	-	4,127,949
Capital expenditure	(42,829)	-	(42,829)
Segment liabilities	(2,833,089)	-	(2,833,089)

The Group has not presented geographical information as the necessary information is not available and management believes the cost to develop such information would be excessive.

Part 23 – Discontinued Operation

In November 2012, the Group entered into a share sale agreement with US-based Fastvue Inc, to divest its 100% interest in the Webspy business unit comprising the Australian, US and UK subsidiaries and the intellectual property of the Webspy software on a going concern basis. The transaction settled on 12 November 2012, with the Group receiving consideration comprising immediate cash proceeds of $800,000, a further cash payment in relation to a net operating surplus adjustment of $128,564 as determined at the settlement date of which all the proceeds have been received and up to a further $250,000 based on the following formula:

If, on each six (6) month anniversary following the Settlement Date (each a Half Yearly Date) the total revenue for the previous six months period from the sale, licencing, renewal or upgrade of WebSpy products by any means whatsoever, equals or exceeds $525,000, then 35% of the portion of any revenue that exceeds $525,000 (exclusive of GST or sales taxes) shall be paid by the Purchaser to the Vendor within 14 days of the relevant six monthly period and shall continue in perpetuity until the total deferred consideration payable to the Vendor has been paid in full.

At the time of disposal the Directors' best estimate for the amount receivable was $106,236 and subsequently this amount was fully impaired.

Total gain on disposal The amount attributable to discontinued operations is:	**Year ended 30 June 2014 $**	**Year ended 30 Jun 2013 $**
Profit after tax from discontinued operations (iv)	-	134,300
Gain on disposal (i)	-	2,110,072
	-	**2,244,372**

(i) Consideration received or receivable	**30 Jun 2013 $**
Cash	800,000
Net operating surplus adjustment	128,564
Contingent consideration component	125,000
Total disposal consideration	1,053,564
Net liabilities disposed of	1,056,508
Gain on disposal before income tax	2,110,072
Income tax expense	-
Gain on disposal after income tax	**2,110,072**

(ii) Net liabilities as at date of sale

The carrying amounts of assets and liabilities as at the date of sale in November 2012 were:

Cash and cash equivalents	77,513
Trade and other receivables	139,364
Property, plant and equipment	9,893
Trade and other payables	(192,407)
Deferred income	(480,860)
Employee provisions	(74,785)
Net liabilities	(521,282)
Exchange differences reclassified on disposal of business unit	(535,226)
Total	**(1,056,508)**

(iii) Net cash inflow on disposal

The cash inflow on disposal is:

Cash consideration received	947,328
Net cash and cash equivalents disposed of	(77,513)
Net cash inflow on disposal (refer statement of cash flows)	**869,815**

Part 23 – Discontinued Operation (cont'd)

(iv) Financial performance and cash flow information

The financial performance and cash flow information presented is for the period from 1 July 2012 until the date of disposal being 12 November 2012.

	Year ended 30 June 2014 $	Year ended 30 Jun 2013 $
Financial performance from discontinued operation		
Revenue	-	419,557
Expenses	-	(285,257)
Profit before tax from discontinued operations	-	134,300
Income tax expense	-	-
Profit after tax from discontinued operations	**-**	**134,300**
Cash flows from discontinued operation		
Net cash flow from operating activities	-	105,448
Net cash flow from investing activities	-	871,398
Net cash flow from financing activities		-
	-	**976,846**

Part 24 – Subsequent Events

In July 2014, the Company completed the entitlement issue of shares and options raising $714,418, before costs(**Entitlement Issue**). In August 2014, the Company placed shortfall shares and options from the Entitlement Issue to raise $100,000, before costs. The funds raised from Entitlement Issue will be primarily used to underpin the development and marketing of the DMCR business as well as the ongoing research and development and technical costs associated with the Marketboomer business unit.

On 26 August 2014, the Company issued 17,875,000 fully paid ordinary shares in lieu of cash payment for services rendered by a consultant.

Part 25 – Audit Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter: Whilst the audit for the 30 June 2014 accounts is still underway it is considered likely that the independent auditor's report will contain an emphasis of matter in relation to going concern. The emphasis of matter is likely to state that on the basis of the factors indicated in the going concern note to the financial statements, there is a material uncertainly that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.
If the accounts have been audited contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter: Not applicable