iProperty Group
Asia's No.1 Online Property Group

2014

ANNUAL REPORT

Annual Report for the financial year ended 31 December 2014

iProperty Group Limited
ABN 99 126 188 538

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2014 Financial Report

This 2014 Financial Report is a summary of our activities and financial position.

Reference in this Report to a "year" is to the financial period ended 31 December 2014 unless otherwise stated. All figures are expressed in Australian current unless otherwise stated.

Revenues and expenses are recognised net of the amount of Goods and Services Tax.

Key Highlights

Key highlights for the iProperty Group Limited for 2014 include:

- Growth of 15% in total income to $21.8m
- Operating expenditure growing only at 1%
- EBITDA improved from a loss of $2.9m (2013) to a loss of $0.4m (2014) due to start up losses in the transaction business
- Record 4Q14 billings of $7.9m provides strong platform for 2015
- Entry into the Thailand market by acquiring the profitable #1 in the market

Malaysia

- Revenue increased 25% to $14.7m from $11.8m
- EBITDA improved 48% from $5.2m to $7.8m, while the EBITDA margin improved from 44% to 53%

Hong Kong

- Organic revenue growth of 38%
- Acquired Squarefoot.com.hk to consolidate leadership position in HK region
- Initial EBITDA profit of $0.3m from a prior year loss of $0.3m

Indonesia

- Revenue grew 20% (in local currency)
- Business primarily focused on improving consumer and customer metrics
- Listings grew 40% to 340,000 and paying agents increased over 30% to 10,009

Singapore, International and eCommerce (Transactions)

- Extension of Singapore business to service international agents and developers
- Entry into the Transaction (eCommerce) business – 100 property sales supported during 2014

Message from the Chairman

Dear Shareholders,

It gives me great pleasure to present to you the 2014 Annual Report of iProperty Group Limited.

Highlights for the year were:

- Continued growth for our flagship Malaysia business, with revenue up 25% and EBITDA up almost 50%.
- A maiden EBITDA profit in Hong Kong off the back of 38% revenue growth.
- Signing up 10,000 paying agents in Indonesia, representing 30% growth in a single year.
- Successful launch of our Transaction business.

The ongoing growth and strength of the business in Malaysia demonstrates our ability to successfully execute our strategy. It also highlights the potential of all our markets if we continue our current trajectory and remain both disciplined and focused.

I am also very excited about the acquisition of ThinkofLiving.com, Thailand's number one real estate portal. The business is already profitable and represents a tremendous opportunity for future growth in a very exciting new market.

We were thrilled to welcome REA Group Limited as a major shareholder during the year and see their decision to invest in the Group as a powerful endorsement of the strategy, achievements and potential of iProperty. Following this investment we were also able to purchase Squarefoot, the number two real estate portal in Hong Kong, which, combined with iProperty's Hong Kong market-leader, GoHome.com.hk, further strengthens our existing leadership position in that market.

Since April 2014, we have been very lucky to have had Georg Chmiel assume the role of Managing Director and CEO. Georg has already made an enormous impact on iProperty through his leadership, enthusiasm and passion for the business. It is also important to acknowledge the vital role that all the employees of the business have made, over a number of years, to the ongoing success of iProperty. This is reflected in the strong finish to 2014 which puts us in a great position for a stellar 2015.

Patrick Grove
Chairman

CEO's Review of Operations

Group Overview

2014 was another outstanding year for the iProperty Group with 15% revenue growth (to $21.8m). Pleasingly operating expenditure only grew by 1% despite an increased investment in marketing and personnel. Overall this meant that EBITDA improved from a loss of $2.9m in the prior year to a loss of $0.4m in 2014, which was due to start-up losses in the transaction business.

EBITDA was adversely impacted by two one-off impacts in 2014 totalling $0.3m, the protests in Hong Kong and the extension of the amortisation period for depth products in Malaysia.

The Group finished the year strongly with an exceptional last quarter as billings jumped to $7.9m, up 57% from 3Q14. This positions the Group well for a strong start to 2015 and record cash collections in 1Q15. During 2014 the Group was focused on extending its leadership across all key markets and the achievements set out below provide proof of number one position in the region.

Malaysia

iProperty.com.my has clear market leadership across all segments and key metrics, which was again evident as revenue grew 25% and EBITDA was also up 48% for the year. This growth in EBITDA was driven by strong discipline on costs which meant that the incremental margin was 87% on additional revenue during the year. Pleasingly the asset base of this business continued to grow, as evidenced by 18% increase in customers during 2014.

Our agent business dominates the market with almost all agents in the market signed up (9,900). Continued regional expansion during 2015 is expected to result in us breaking through10,000 agents for the first time. This leadership position also enabled us to increase subscription and depth prices in February and April 2014 respectively. The iRealtor ('shopify') app was released in the middle of the year representing a massive leap forward in functionality for agents, including the ability to 'bump' listings in real time from an android device. Whilst there was an adverse impact of approximately $0.2m due to the increase in amortisation of depth revenues ARPA still grew to RM213 in the month of December 2014.

The developer market experienced some uncertainty as a result of the government budget changes made towards the end of 2013 but finished the year strongly, with 4Q revenues up 60% on the prior comparable period. As importantly record 4Q billings provides momentum into 2015. The business has over 200 developer clients representing approximately 67% of the market. The inaugural developer awards were held during 2014 and generated a massive response from developers and significant brand exposure and awareness. We also launched iPropertyIQ research (big data) and are very excited about the impact of this product in 2015 as it allows us exposure to our clients earlier in the development life cycle.

Hong Kong

The business in Hong Kong now consists of property portals, Gohome.com.hk, vProperty (Macau), Squarefoot.com.hk, which was acquired late 2014, as well as Smart Expo which was acquired during 2013. A combination of strong organic growth with these acquisitions means that we now have clear market leadership across all segments and key metrics.

Revenue was up 38% for the year, which generated a first time profit for this business with an EBITDA margin of 8%. The incremental margin on revenue growth was 57%, again indicating strong discipline on operating expenditure. Traffic and customer numbers also increased both organically and due to acquisition.

The combined business now has a large customer base of local developers (serviced by Gohome) and international developers (serviced by Squarefoot). A strong focus on key account management resulted in a 28% increase in developer online revenues over the prior year.

The business is also dominant with agents as 909 agencies now subscribe to Gohome and vProperty, up from 871 in 2013. Our leadership position was evidenced by the 20% price increase in July 2014, despite the soft market conditions. This factor, together with the acquisition of Squarefoot resulted in a 123% increase in ARPA to HK$168 (from HK$75).

Indonesia

Rumah123.com is the number one portal for real estate in Indonesia and enjoyed significant growth in market share on back of susbstantial growth in customer numbers during 2014. We are committed to further extending the leadership position by investment in people, technology and infrastructure to further accelerate this growth. Revenue grew 20% during the year (in local currency) and a 35% increase in 4Q billings provide a good springboard for 2015.

The agent business is number one in this market as measured by revenue, number of paying agents, listing ARPA and leads. Paying agents grew by 30% to more than 10,000 at the end of the year. Similarly property listings grew by 40% to 335,000 which is approximately 20% more than the #2 competitor. The business also put through a successful price increase in July 2014 for depth products of 50%.

Similarly with developers we are number one as measured by revenue, number of paying customers and leads. During the year there was continued extension of the customer base through a combination of online solutions, print and expo products. The launch of the inaugural coffee table book in June 2014 was another landmark and indicator of our leadership in Indonesia.

Singapore, International and eCommerce (Transactions)

In Singapore we area strong competitor in the local agent market servicing almost 8,500 agents (or 60% of the market) with two thirds on a freemium model. Strong relationships with local developers resulted in a 16% increase in revenues for online developer products.

The transition of this office to be the gateway for international developers to iProperty Group's region of operation is now substantially complete. The first pilots for the transaction business for international developments were successful with more than 100 properties being sold via the iBonus (Singapore) and Buyers Club (Malaysia) Programs.

Thailand

The Group completed the acquisition of ThinkOfLiving.com, the leading developer portal in Thailand, on 1 April 2015. The upfront payment amounted to approximately $5.8m (75% cash, 25% shares) with future payments based on revenue and EBITDA margin over the next three years. The business generated close to $2m in revenue in 2014 and with the ongoing involvement of the shareholders post acquisition we are confident of further strong growth in 2015.

This business has 106 paying developer clients with all top 20 Thai developers advertising on the site. The website has successfully generated very high social media engagement which has meant that 90% of the 400-500k unique visitors each month are unpaid.

Priorities for 2015

The priorities for 2015 include the integration of Squarefoot (HK) and ThinkOfLiving (Thailand) as well to opportunistically consider other acquisitions relating to either the Advertising or Transaction businesses. Given the strong finish to 2014 from our organic business and the uplift from these new deals the Group is well placed to achieve revenue in the range of $30m to $36m and EBITDA of $2m to $5m in 2015.

Georg Chmiel
Managing Director & Chief Executive Officer

Directors'report

The Directors of iProperty Group Limited ('the Company') submit the annual financial report of the Company and controlled entities ('the Group') for the financial year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Information about the Directors and senior management

The names and particulars of the Directors of the Company during, or since the end of, the financial year are as follows:

Patrick Grove	Chairman and Non-Executive Director
Georg Chmiel	Managing Director and Chief Executive Officer (previously a Non-Executive Director, Executive Director with effect from 21 April 2014)
Lucas Elliott	Non-Executive Director
John Armstrong	Non-Executive Director (appointed 17 March 2014)
Nicholas Geddes	Non-Executive Director and Company Secretary
Owen Wilson	Non-Executive Director (appointed 12 January 2015)
Roland Tripard	Non-Executive Director (resigned 27 August 2014)

Details of Directors of the Company, the Company Secretary, the Chief Executive Officer and the Chief Financial Officer in office at the date of this report, and each of their qualifications, experience and special responsibilities are below.

Name	Experience
Patrick Grove CA, B. Comm (Chairman and Non-Executive Director)	Board member since June 2007 and Chairman since September 2012. Mr Grove was previously the Executive Chairman until February 2010. Mr Grove is a co-founder of iPropertyGroup Limited. Mr Grove's experience and expertise include mergers and acquisitions and extraction of investment value in high growth, traditional media, new media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken four businesses from start up to IPO. He has been independently recognised with numerous international awards, including Business Week's Best Young Asian Entrepreneurs (2008). Until January 2014, Mr Grove was the CEO of Malaysian listed Catcha Media Berhad, and remains Group CEO, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic new media groups. Catcha Group is a major shareholder of iProperty Group Limited. In addition Mr Grove is Chairman of both iCar Asia Limited and Ensogo Limited (both entities are listed on the Australian Securities Exchange). Mr Grove has a Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Georg Chmiel Diplom-Informatiker, MBA, CPA, FAICD (Managing Director and Chief Executive Officer)	Board member since 4 January 2011 and, Managing Director and Chief Executive Officer since 21 April 2014. Mr Chmiel has a strong background in the real estate sector and other online media companies. Prior to joining iProperty as CEO in May 2014, Mr Chmiel was a non-executive Director and Chair of the Audit and Risk Committee. Previously he was the Chief Executive Officer and Managing Director of LJ Hooker Ltd, one of the largest real estate groups in Australasia. Mr Chmiel remains a Director of LJ Hooker Ltd. Before joining LJ Hooker, he held the position of Chief Financial Officer and General Manager International at REA Group Ltd (ASX: REA) for almost six years. Mr Chmiel has a Master of Business Administration (INSEAD), a Diplom-Informatiker (Computer Science Degree) of Technische Universität München, is a CPA (USA)and a Fellow of the Australian Institute of Company Directors.
Lucas Elliott B. Comm (Non-Executive Director)	Board member since February 2010. Mr Elliott, a founding shareholder and Director of iProperty's majority shareholder, Catcha Group, has over 16 years of Asian online experience, with a focus on developing fast moving online business models and monetizing online media assets. Currently, Mr Elliott is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings, with a focus on driving activity that migrates advertising and contents models to the new media arena. Mr Elliott is also a Director of iCar Asia Limited and Ensogo Limited. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney.

	Mr Elliott is a member of both the Audit & Risk Committee and the Remuneration & Nomination Committee.
John Armstrong B. Bus, MBA, CPA (Non-Executive Director)	Board member since 17 March 2014. Mr Armstrong is Chief Financial Officer of SEEK Ltd (ASX:SEK) and in this role has overall responsibility for finance, legal and investor relations across the Group. He has over 20 years' experience in various financial and commercial management roles and has significant oversight and involvement in SEEK's Asian operations and investments, including Directorships of SEEK's business in China, Zhaopin Ltd, and SEEK Asia that operates across South East Asia. Prior to SEEK he worked with Ernst & Young, Blackwoods and Fosters Brewing Group. Mr Armstrong has a Master of Business Administration and a Bachelor of Business from Monash University, and is a member of CPA Australia. Mr Armstrong is Chair of both the Audit & Risk Committee and the Remuneration & Nomination Committee.
Nicholas Geddes FCA, FCIS (Non-Executive Director and Company Secretary)	Board Member since 10 September 2013 and Company Secretary since 15 June 2010. Mr Geddes is the principal of Australian Company Secretaries, a company secretarial practice that he formed in 1993. Nick is a past President of Chartered Secretaries Australia and a former Chairman of the NSW Council of that Institute. His previous experience, as a Chartered Accountant and Company Secretary, includes investment banking and development and venture capital in Europe, Africa, the Middle East and Asia. Nick is a Director of Ensogo Limited (listed on the Australian Stock Exchange). In addition he acts as Company Secretary for a number of ASX listed entities. Mr Geddes is a member of the Audit & Risk Committee.
Owen Wilson B.Comm, CA (Non-Executive Director)	Board Member since 12 January 2015. Mr Wilson is Chief Financial Officer of REA Group Limited (ASX: REA), responsible for leading all aspects of the finance portfolio for the REA across Australia, Europe and Asia. Prior to joining REA in September 2014, Mr Wilson was Chief Financial Officer and Company Secretary at Chandler MacLeod Group Ltd (ASX: CMG), leading the Finance and Mergers & Acquisition functions. He was responsible for financial and ASX reporting, management reporting, performance management of the business, investor relations, mergers and acquisitions, along with treasury and cashflow management. Prior to this role Mr Wilson worked with ANZ for 15 years and before that KPMG in Melbourne and London.
Roland Tripard (Non-Executive Director)	Board member from 28 June 2011 until 27 August 2014. Mr Tripard is CEO of Seloger.com, the leader in online real estate in France for the past 20 years and is part of Axel Springer, one of Europe's largest media groups. Its websites are available on all devices (computer, mobile phone and connected TV) and every day millions of French internet users view the 1.1 million listings posted by over 20,000 real estate professionals.
Rob Goss B.Bus, ACA (Chief Financial Officer)	Chief Financial Officer since October 2012. He is responsible for all aspects of the Group's finance, treasury and risk management functions. Prior to joining iProperty.com, Rob held a number of senior finance roles including Head of Financial Policy, Governance & Compliance at ANZ and CFO Allcapital (Allco US). Mr Goss has significant experience in mergers & acquisitions, transaction structuring, internal controls and financial reporting. His working experience includes finance roles in Australia, Europe, North America and Asia. Rob holds a Bachelor of Business from University of Technology Sydney and is a Member of the Australian Institute of Chartered Accountants.

Directors' shareholdings

The following table sets out each director's shareholding as at 31 December 2014, their relevant interest in shares and options in the Company as at that date.

Directors	Fully paid ordinary shares Number	Share options Number
Patrick Grove	31,334,300*	-
Lucas Elliott	31,324,845*	-
Nicholas Geddes	31,864	-
John Armstrong	-	-
Georg Chmiel	112,166	3,000,000

*Mr Grove and Mr Elliott are significant shareholders in, and represent, Catcha Group Pte Ltd which owns 31,324,845 shares in iProperty Group Limited.

Remuneration of Directors and senior management

Information about the remuneration of Directors and senior management is set out in the remuneration report of this Directors' Report, on page 12.

Share options and rights granted to Directors and senior management

As at the date of this report, there were 3,000,000 unissued ordinary shares under options (also 3,000,000 at reporting date). Refer to the remuneration report 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.

During and since the end of the financial year no share rights have been granted to Directors or senior management (2013: Nil).

Principal activities

The principal activities of the iProperty Group during the year were the development and operation of internet based real estate portals in ASEAN and the greater Hong Kong and Macau region, together with the provision of associated offline property advertising activities, such as property expositions.

Changes in State of Affairs

During the financial year, there were no significant changes in the state of affairs of the iProperty Group.

Review of Operations

A detailed review of operations and results of those operations will be set out in the Annual Report. A summary of the Group's performance is displayed in the following table and discussed further below.

$'000s	2014	2013	%
Revenue	21,836	19,046	15
Other operating expense	(22,206)	(21,988)	1
EBITDA (per Note 4)	(370)	(2,943)	
Thereof EBITDA from **Advertising**	61	(2,943)	
Thereof EBITDA from **Transactions**	(431)	-	
Net profit/(loss) for the year	(10,731)	1,706	

At the Group level the following items are notable in understanding the results of the consolidated entity for the 2014 financial year.

- The growth in total income of 15% to $21.8m was driven by continued strong growth across the key markets of Malaysia, Indonesia and Hong Kong by signing up new agent and developer customers, selling more products to existing customers and exercising pricing power due to the leading market position, thereby accelerating to conversion from print to online spend.
- Operating expenditure grew by 1% despite increased investment in marketing and personnel.
- The combination of strong revenue growth and tight management of operating expenditure lead to the first positive EBITDA from the advertising business of 61k (2013: Loss of 2,943k) despite some other factors which impacted the Revenues and EBITDA.

Review of Operations (cont'd)

- EBITDA from Advertising was adversely impacted by two factors unique to 2014. The protests in Hong Kong adversely impacted our business, and in particular our expo in the second half of the year, with an estimated adverse effect of approximately $100k. In addition the period of amortisation of agent depth products in Malaysia was extended which had the effect of reducing EBITDA by approximately $192k during 2014. The combined impact of these two factors was to reduce EBITDA from Advertising for 2014 from $353k to $61k.
- As reflected in a strong uplift in deferred revenues and debtors, the Group finished Q4 of 2014 with its highest ever quarterly billings of A$ 7.9m (Q4 of 2013: A$ 6.1m) up 57% over Q3 of 2014 and 29% over the prior corresponding period.

Malaysia

- Revenue increased by 25% to $14.7m from $11.8m in the prior year, on the back of strong growth of all digital lines of the business (developers, agents, media).
- The EBITDA for the Malaysia business improved by 48% from $5.2m to $7.8m for 2014, while the EBITDA margin increased to 53%.
- The developer business finished the year strongly, with revenues growing by 60% for Q4 2014 over the prior corresponding period.
- The agent business finished with an ARPA (Average Revenue per Agent) of MYR 213 per agent per month, up 41% over same period last year. Customers (Agents and Developers) and registered users were both up 18% year on year.

Hong Kong

- The business in Hong Kong now consists of property portals, Gohome.com.hk and vproperty.com (Macau) and Squarefoot.com.hk which was acquired in late 2014, as well as the property expo operator, Smart Expo which was acquired during 2013.
- During 2014 the Hong Kong business grew by 38% due to organic growth, the biggest organic growth ever recorded and has reached profitability. The incremental EBITDA margin for the growth was 57%.
- From 22 December 2014 onwards, the newly-acquired and currently loss making Squarefoot.com.hk business will be part of the P&L.
- Average Revenue (digital only) per agent is up 32% for the combined operation, paying agencies are up 17% to 1,020 and registered users up 19% to 120k.

Indonesia

- Revenue (in local currency) increased by approximately 20%although the business was primarily focused on improving consumer and customer metrics to cement its position as the leading property portal in Indonesia.
- Property listings increased by 40% to almost 340,000 at year end.
- Paying agents increased by over 30% to 10,009 paying agents at the end of 2014.
- Developer clients also increased during the year as we were successful in providing many of these customers with an on-line presence for the first time.

Singapore, International and eCommerce (Transactions)

In August, the Group began a transformation project spearheaded by the iProperty Singapore business, whereby the iProperty brand would be engaged by international developers to advertise and sell their property listings to iProperty Group's Asian user base. The combined pilots of iBonus and Buyers Club have already resulted in the sale of more than 100 properties, providing licensed real estate agents in Malaysia and Singapore with access to a growing number of listings. The Group will continue to work to develop its eCommerce and international offerings in tandem through 2015.

Dividends

No dividends have been paid or declared since the start of the financial year and iProperty Group Limited does not propose to pay a dividend for this reporting period.

Business Strategies & Future Developments

The Group will continue to pursue a similar strategy in each of the countries in which we operate, tailored to local market conditions where necessary and appropriate. This strategy may be summarised as follows:

- Attract and sign a critical mass of agent customers to provide content, in the form of listings, for our property portals;
- Attract and retain consumers to our websites who are a source leads for our customers; and,
- Sign and develop deep relationships with property developers and other display advertisers.

Each of our markets are in differing stages of development, albeit that they are all on a similar growth trajectory. In order for this strategy to be successful we must continue to offer a superior consumer experience, which includes our commitment to a 'Mobile First' approach across key platforms and in multiple languages. This is critical in order to successfully grow our share of the developer advertising market which is estimated to be in excess of 75% of the markets in which we operate. Also critical is constant product innovation such as the new "Shopify" agent android app in Malaysia.

The Group will continue to consider M&A opportunities which consolidate our market position or represent new markets which fit our strategic growth criteria. In the opinion of the Directors, further information on its prospects for future years and likely developments in the operations of the Group would, if included in this report, be likely to result in unreasonable prejudice to the Group and has accordingly been omitted.

Environmental Issues

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter.

Shares under rights or issued in exercise of rights

On 27 March 2014 there were 164,835 shares issued to Mr Shaun Di Gregorio as a consequence of the exercise of rights with an expiry of 29 July 2021. On 13 August 2013 595,437 shares were issued to Mr Shaun Di Gregorio from the exercise of rights with an expiry of 20 February 2021. Of these shares 195,437 were issued; the balance were released from an employee share plan trust. During 2014 there were 146,520 rights forfeited by employees relating to 2011 Share Rights Plan. Consequently there were no unissued shares or interests under rights at year end (2013: 311,355).There were no other shares or interests issued during or since the end of the financial year as a result of the exercise of a right.

Share Issues

During the course of the year, the Company issued shares as follows:

Month	No. of Shares	Net Amount $	Issue Type
March 2014	181,414	96,115	Shares issued as part of executive incentive plan
June 2014	123,364	159,485	Part Director remuneration for 2013
December 2014	5,000,000	12,050,000	Purchase of Squarefoot

Events subsequent to reporting date

On 13 February 2015 the Group announced that, subject to satisfaction of outstanding conditions, it had agreed to acquire Thailand's number one real estate portal, Thinkofliving.com. The expected purchase price consists of a base payment of approximately $6m in cash and $2m in newly issued shares, as well as a variable component depending on the financial performance of the business in the years 2015 to 2017.

Indemnification of officers

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' and Officers' Insurance

The Company has paid insurance premiums for one year's cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were 12 Board Meetings, 2 Remuneration and Nomination Committee meetings and 3 Audit and Risk Committee meetings.

	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Patrick Grove	12	11	-	-		-
Georg Chmiel	12	12	1	1	-	-
Lucas Elliott	12	12	3	3	2	2
Nicholas Geddes	12	12	3	3	-	-
John Armstrong	10	10	2	2	-	-
Roland Tripard	8	7	-	-	2	2

Directors' Interest in Contracts

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 23 to the Financial Statements.

Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Fees to the external auditors for non-audit services amounted to $61,683during the financial year (2013: nil).

Auditor's independence declaration

The statement by the Consolidated Entity's external auditors to the members of the iProperty Group Limited in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report on page 27.

No person who was an Officer of the Company during the financial year was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

Remuneration report

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of iProperty Group Limited and controlled entities, including Specified Directors and Specified Executives in accordance with section 300A and Regulation 2M.3.03 of the Corporations Regulations.

Director and senior management details

The following persons acted as Directors of the Company during or since the end of the financial year:

- Patrick Grove
- Georg Chmiel
- Lucas Elliott
- Nicholas Geddes
- John Armstrong (appointed 17 March 2014)
- Roland Tripard (resigned 27 August 2014)
- Owen Wilson (appointed 12 January 2015)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Georg Chmiel (Managing Director and Chief Executive Officer) (from 21 April 2014)
- Shaun Di Gregorio (Chief Executive Officer) (until 21 April 2014)
- Rob Goss (Chief Financial Officer)

Remuneration & Nomination Committee

Role

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.
The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for Non-Executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.
- oversee the Group's general remuneration strategy;
- review the composition of the Board including:
  - the criteria for selection of Directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new Directors.

Membership and meetings

As at the date of this report, the members of the Remuneration & Nomination Committee were:

- John Armstrong (Chairman)
- Lucas Elliott

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration. The Committee members met two times during the year.

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. External reward advice was received during the financial year in respect of executive options (2013:nil).

Reward policy

The Company has an established policy for determining the nature and amount of emoluments of Board members and key management personnel of the Company to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Reward philosophy

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASXCGPR, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

Company Performance

The table below shows the performance results of the Company over the last five years, inclusive of continuing and discontinued operations, as well as the share price at the end of the respective financial years.

	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2012 $'000	31 Dec 2011 $'000	31 Dec 2010 $'000
Revenue	21,836	19,046	15,460	11,965	7,233
Segment EBITDA (per Note 4)	(371)	(2,943)	(2,891)	(2,000)	(2,388)
Net profit/(loss) after tax	(10,731)	1,706	(2,938)	(2,009)	(2,539)

	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Share price at start of year	$1.94	$0.90	$0.98	$0.51	$0.10
Share price at end of year	$2.68	$1.94	$0.90	$0.98	$0.51
Interim dividend	NIL	NIL	NIL	NIL	NIL
Final dividend	NIL	NIL	NIL	NIL	NIL
Basic earnings/(loss) per share	($0.0591)	$0.0094	($0.0167)	($0.0127)	($0.0190)
Diluted earnings/(loss) per share	($0.0590)	$0.0094	($0.0167)	($0.0127)	($0.0190)

The Company has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Company. Key management personnel are compensated with fixed remuneration and "at risk" remuneration based on revenue and earnings targets.

Key Management Personnel and Executive Director Remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff includes an annual review using a formal performance appraisal process.The Remuneration Committee recommends to the Board the level of fixed remuneration for the CEO each year based on his performance.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary, superannuation and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or other benefits.

Key Management Personnel and Executive Director Remuneration (cont'd)

Variable Remuneration

Comprises a short term incentive plan and a long term incentive plan.

- *Short term incentive plan (STI)*

  Short term incentives are used to reward performance on a year by year basis. The principal performance indicator of the short term incentive plan is the Company's financial performance during the year and individual achievement of specified goals, for example for achieving progress with growth initiatives. The percentage and threshold level can differ for each individual and are reviewed each year. The Company has approved predetermined performance targets which must be met in order to trigger payments under the STI. Payments are made in the form of cash and shares. Key employees of iProperty are eligible to participate in the STI program by invitation from the Board.

- *Long term incentive plan (LTI)*

  iProperty has established a long term incentive plan called the iProperty Group Limited Rights Plan ("Plan"). The Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist iProperty in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance, with conditions of vesting and exercise of performance rights under the Plan, encouraging those executives to remain with the Company and contribute to the future performance of the Company.

  LTI payments granted to each participating key employee depends on the extent to which specific targets set at the beginning of the plan are met. The targets relate to earnings of the company and staff remaining in employment. Payments are made in the form of rights or options to the Company's shares that generally vest to the employee and become convertible 2 – 3 years after they are granted. Only key executives of iProperty will be eligible to participate in the Plan by invitation from the Board.

During 2013 Mr Shaun Di Gregorio had 595,437 share rights vest relating to the 2011 Share Rights Plan. The 2011 Plan was based on an earnings per share target for 2012 and the executives being employed in March 2013 (vesting date). In 2014 Mr Shaun Di Gregorio had 164,835 share rights vest relating to the 2012 Share Rights Plan (146,520 share rights were forfeited). The 2012 Plan was based on an earnings per share target for 2013 and the executives being employed in March 2014 (vesting date).The fair value of the rights of the 2011 Plan ranged between 16 cents and 24 cents. The fair value for 2012 Plan was 49 cents.

Key Management Personnel Remuneration

The following table summarises the remuneration arrangements for the key management personnel for 2014. Details of remuneration of key management personnel and Directors are shown on Table A of this report.

	Mr G Chmiel	Mr R Goss
Position	Chief Executive Officer	Chief Financial Officer
Term of employment	31 December 2018	No fixed term
Notice period	6 months	3 months
Total employment cost (TEC)[(1)]	AUD 500,000 per annum	AUD 262,500 per annum
Short term incentive	Up to AUD 250,000 subject to meeting performance targets as set by the Board. Payment is to be made in shares in years 1 and 2.	Up to AUD 100,000 subject to meeting performance targets as set by the Board. Payment is to be made in cash.
Long term incentive	Up to AUD 250,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.	Up to AUD 75,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.
Other benefits	Sign on bonus of AUD 50,000 and a relocation allowance of AUD 50,000. An expatriate allowance of AUD 110,000 to cover housing, schooling and associated costs.	Housing allowance of MYR 9,000 per month (equivalent to approximately AUD 3,150 per month). School fees of up to MYR 28,000 per child per annum (AUD equivalent $9,800).
Options	3,000,000 options over ordinary shares as described later in the remuneration report	-
Termination by executive	6 months	3 months
Termination by company	6 months	3 months

[(1)]A portion of TEC may be taken in the form of packaged benefits (such as a motor vehicle and parking), and is inclusive of fringe benefits tax where relevant and employer superannuation contributions.

Key Management Personnel and Executive Director Remuneration (cont'd)

Key Management Personnel Remuneration (cont'd)

The Remuneration Committee of the Board recommends each year, reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Remuneration Committee of the Board reviews each Executive's performance in comparison to these measures and targets. STI targets (as a percentage of Total Executive Compensation ("TEC")) are determined annually by the Board, based on the recommendation of the Remuneration Committee for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

Details of remuneration

The following tables show details of the nature and amount of each element of the remuneration paid or payable with respect to services provided for the period as Directors of the Company and key management personnel of the Group during the period.

Remuneration of Directors and senior management (Table A)

	Short-term Employee benefits										
2014	Salary & fees $	Bonus $	Non-monetary $	Other $	Post employment benefits $	Other long-term employee benefits $	Shares & unit $	Options & Rights $	Total $	Performance bonus as a % of total remuneration	% of compensation for the year consisting of options/rights
Non-executive Directors											
P Grove	40,000	-	-	-	-	-	40,000	-	80,000	-	-
L Elliott	30,000	-	-	-	-	-	30,000	-	60,000	-	-
N Geddes	30,000	-	-	-	-	-	30,000	-	60,000	-	-
J Armstrong	23,710	-	-	-	-	-	23,710	-	47,420	-	-
R Tripard	19,677	-	-	-	-	-	19,677	-	39,354	-	-
G Chmiel	9,148	-	-	-	-	-	9,148	-	18,296	-	-
	152,535	**-**	**-**	**-**	**-**	**-**	**152,535**	**-**	**305,070**	-	-
Key Management Personnel											
G Chmiel	347,588	30,000	-	166,184	-	-	-	933,702	1,477,474	2%	63%
S Di Gregorio	203,354	-	-	33,614	-	-	17,503	-	254,471	7%	-
R Goss	258,637	15,000	-	58,592	-	-	-	-	332,229	5%	-
	809,579	45,000	-	258,390	-	-	17,503	933,702	2,064,174	3%	45%
	962,114	**45,000**	**-**	**258,390**	**-**	**-**	**170,038**	**933,702**	**2,369,244**	**2%**	**39%**

No retirement benefits were paid to Directors or Key Management Personnel in either 2013 or 2014. Bonuses were paid to key management personnel upon review of individual performance by the Directors against targets set.

	Short-term Employee benefits										
2013	Salary & fees $	Bonus $	Non-monetary $	Other $	Post employment benefits $	Other long-term employee benefits $	Shares & unit $	Options & Rights $	Total $	Performance bonus as a % of total remuneration	% of compensation for the year consisting of options/rights
Non-executive Directors											
P Grove	30,000	-	-	-	-	-	42,000	-	72,000	-	-
L Elliott	20,000	-	-	-	-	-	28,000	-	48,000	-	-
N Geddes	5,000	-	-	-	-	-	6,290	-	11,290	-	-
R Tripard	10,000	-	-	-	-	-	14,000	-	24,000	-	-
G Chmiel	20,000	-	-	-	-	-	28,000	-	48,000	-	-
H Morrow	15,000	-	-	-	-	-	21,786	-	36,786	-	-
S Weiss	15,000	-	-	-	-	-	21,786	-	36,786	-	-
	115,000	**-**	**-**	**-**	**-**	**-**	**161,862**	**-**	**276,862**	-	-
Key Management Personnel											
S Di Gregorio	289,154	55,730	-	61,720	10,846	-	-	-	417,450	13%	-
R Goss	250,000	30,833	-	61,111	-	-	-	-	341,944	9%	-
	539,154	86,563	-	122,831	10,846	-	-	-	759,394	11%	-
	654,154	**86,563**	**-**	**122,831**	**10,846**	**-**	**161,862**	**-**	**1,036,256**	**8%**	**-**

Key Management Personnel and Executive Director Remuneration (cont'd)

Share based payments to executives

On 5 September 2014 the shareholders approved the issue of 3,000,000 options to the Managing Director and Chief Executive Officer. The options vest in three equal tranches from 2015 to 2017, dependent upon hitting a hurdle price. The details of these options are summarised in the table below.

2014 Grant Date	Expiry Date	Exercise Price	Hurdle Price	Fair Value	Opening Balance No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	Closing balance No.	Options vested & exercisable No.
CEO Options										
5 September 2014	30 April 2017	3.13	3.29	1.11	-	1,000,000	-	-	1,000,000	-
5 September 2014	30 April 2018	3.13	3.45	1.24	-	1,000,000	-	-	1,000,000	-
5 September 2014	30 April 2019	3.13	3.62	1.18	-	1,000,000	-	-	1,000,000	-
Total CEO Options		3.13	3.45	1.18	-	3,000,000	-	-	3,000,000	-

During 2013 Shaun Di Gregorio exercised 595,437 rights relating to the 2010 plan. In 2014 he also exercised 164,835 rights relating to the 2011 plan, whilst 146,520 rights were forfeited. There were a further 67,155 rights outstanding to other employees relating to the 2011 plan which were forfeited during the year.

Share based payments to Non-Executive Directors

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the iProperty prospectus the Non-Executive Directors will be remunerated using a mixture of cash and iProperty shares. During the financial year and the previous financial year, Directors' entitlement to shares vests monthly on a pro-rata basis provided they continue to be Directors of the Company at that time.

The remuneration of Non-Executive Directors for the year ended 31 December 2014 includes $152,535 (2013: $161,862) in value of shares which are yet to be issued to Non-Executive Directors. The number of shares in respect of the 2013 remuneration is based on the VWAP over the period that they accrued and was calculated to be 97.87 cents for the period.

A total of 123,364 shares were issued during the year for 2013 and were approved at the 2014 AGM (including Directors who retired during 2013). The total number of shares outstanding to all Directors is 52,666 which was determined using a VWAP of 289.63 cents and is subject to shareholder approval at the next annual general meeting.

	2014			2013		
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued in 2013	Total
P Grove	32,488	13,811	46,299	37,549	32,488	70,037
L Elliott	21,658	10,358	32,016	28,609	21,658	50,267
N Geddes	6,705	10,358	17,063	-	6,705	6,705
J Armstrong	-	8,186	8,186	-	-	-
R Tripard	10,829	6,794	17,623	14,305	10,829	25,134
G Chmiel	21,658	3,159	24,817	28,609	21,658	50,267
	93,338	52,666	146,004	109,072	93,338	202,410

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group as officers. It is not possible to allocate the benefit of this premium between individual Directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

Non-Executive Director Remuneration

The following persons were Non-Executive Directors of the Company at 31 December 2014:

Name	Position
Patrick Grove	Non-Executive Director
Georg Chmiel	Managing Director and Chief Executive Officer
Lucas Elliott	Non-Executive Director
Nicholas Geddes	Non-Executive Director
John Armstrong	Non-Executive Director

Remuneration Policy

The fees paid to Non-Executive Directors on the Board are based on data from external remuneration sources. The determination of the amount of the fees takes into consideration the level of fees paid to Board members of other Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established from time to time for the Chairman, Deputy Chairman and Non-Executive Directors.

The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time.

Each Non-Executive Director receives a fee for being a Director of the Company. These fees are paid partly in cash and partly by the issue of iProperty shares.

Options

Other than the options issued to the Managing Director and Chief Executive Officer (described in the paragraph headed Share based payments to executives) there were no share options granted to Directors during or since the end of the financial year.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the Corporations Act 2001.
On behalf of the Directors

Dated 19 February 2015

Patrick Grove
Chairman

Corporate Governance Statement

The following statement sets out the governance framework adopted by the iProperty Board.

Approach to Governance

In relation to corporate governance, the Board seeks to embrace those principles and practices that are relevant and appropriate to the size of the Company.

Compliance with Corporate Governance Codes

The Company is listed on ASX and is required by ASX Listing Rule 4.10.3 to disclose the extent to which it has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The ASX Corporate Governance Council recommendations are contained in the 2nd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX CGP). The Group will report against the 3rd edition of the ASX Corporate Governance Principles and Recommendations in the 2015 Annual Report.

With the following exceptions the Company has adhered to the ASX Corporate Governance Principles and Recommendations:

Principle 1 - Lay solid foundations for management and oversight

Recommendation 1.2: Companies should disclose the process for evaluation of the performance of senior executives.

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performancesare regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the Board. This takes place via a questionnaire circulated to all Directors by the Chairman of the Remuneration & Nomination Committee which is then reviewed by that Committee. The Chairman also speaks to Directors individually regarding their performance as a Director.

Principle 2 – Structure the Board to add value

Recommendation 2.1: A majority of the Board should be independent directors.

Two of the Company's six Directors are considered to be independent. The Managing Director and Chief Executive Officer continued as a Director and accordingly is non-independent. The other directors are considered not to be independent as they are representatives of substantial shareholders.

Recommendation 2.2: The chair should be an independent director.

Mr Patrick Grove, the Chairman controls a substantial shareholder and consequently cannot be regarded as an independent director but it is considered that this is offset by his significant knowledge of and experience in the on-line media industry.

1. Board of Directors – Role and Responsibilities

The Board is responsible for and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the ultimate responsibility for the success of the Company.

Where the Board considers that particular expertise or information is required, which is not available within the Board, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board. Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- Formulation and approval of the strategic direction, objectives and goals of the Company;
- Prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- Resourcing, review and monitoring of executive management;
- Ensuring maintenance of and compliance with appropriate internal control systems and procedures;
- Identification and management of significant business risks and ensuring that such risks are appropriately addressed;
- Timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market (ASX);
- Establishment and maintenance of appropriate ethical standards.

2. Board of Directors - Compositions, Structure and Process

The Board has an appropriate blend of skills and experience and is of an appropriate size to adequately discharge its responsibilities and duties given the current size, scale and nature of the Company's activities.
Details of the Directors are found in the Directors' Report.

2.1 Skills, knowledge and experience

Directors are appointed based on the specific corporate, technical and governance skills and experience required by the Company. The Board includes Directors with a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and director-level business or corporate experience, having regard to the scale and nature of activities of the Company.

2.2 Non-Executive Directors

All Directors are non-executive Directors with the exception of Mr Georg Chmiel who is Managing Director and Chief Executive Officer.

2.3 Chairman and Chief Executive Officer

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

Patrick Grove was appointed Chairman of the Company in September 2012.

Georg Chmiel commenced as Managing Director and Chief Executive Officer in April 2014 and is responsible for and accountable to the Board for the Company's management.

2.4 Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the appropriate governance systems and processes for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Nick Geddes FCA FCIS.

2.5 Committees of the Board

To assist in the execution of its corporate governance responsibilities, the Board has two committees, the Audit & Risk Committee and the Remuneration & Nomination Committee. When appropriate special Board committees may be appointed to address specific issues. Requirements for Board committees are reviewed regularly. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

2.5.1 Audit & Risk Committee

The Board has established an Audit & Risk Committee that operates under a charter approved by the Board.

The Committee is responsible for:

- The review of the half year and annual financial statements prepared by management;
- The oversight of the Group's financial controls and systems, including accounting policies;
- The appointment, oversight and evaluation of the external auditor; and,
- Determining (in conjunction with the Board) that there is an adequate and effective process to identify and manage all areas of potential risk.

In addition to the review of half year and annual financial statements, the Committee also reviews significant financial reporting issues and assesses the appropriateness of accounting policies and methods chosen by management. It also considers the reliability and appropriateness of disclosure in the financial statements to stakeholders, particularly with regard to estimates and judgements.

The Committee is responsible for reviewing the effectiveness of the annual audit and the independence and objectivity of the external auditors. It is also responsible for the appointment and compensation of the external auditors as well as the determination of the non-audit services which are consistent with the role of the external auditor. The Committee reviews the performance of the external auditors on an annual basis.
In respect of risk management the Committee is responsible for ensuring that the Company has an ongoing program to identify material potential risks, including relevant policies and procedures and ensuring that there is executive level accountability for risk oversight, remediation and management.

2.5 Comittees of the Board (cont'd)

2.5.1 Audit & Risk Committee (cont'd)

The members of the Audit & Risk Committee are John Armstrong (Chair), Lucas Elliott and Nick Geddes. Full details and qualifications of the members are contained in the Directors' Report. The members are experienced in executive management, public company management and finance. The Chair of the Audit & Risk Committee is not the Chairman of the Board. The external auditors, the CEO and CFO are invited to Audit & Risk Committee meetings at the discretion of the Committee. The Committee met formally three times during the year. Attendance at the meetings is set out in the Directors' Report.

2.5.2 Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for reviewing the remuneration of Directors and senior management, evaluation of senior management and makes recommendations to the Board on these matters. This role also includes responsibility for recommendations to the Board on share and option schemes, incentive performance packages, superannuation entitlements, composition of the Board and the process and criteria for selection of new Directors. The Committee also has the responsibility to oversee the Company's general remuneration strategy.

The Company does not have a defined process for selecting new Directors.

Remuneration levels are competitively set to attract the most qualified and experienced Directors and key management personnel. The Committee is authorised to obtain independent advice on the appropriateness of remuneration packages.

The members of the Committee are John Armstrong (Chair), and Lucas Elliott. The Committee met twice during the year. Attendance at the meetings is set out in the Directors' Report. Mr Roland Tripard previously served as Chairman of the Remuneration & Nomination Committee.

Details of the amount of remuneration, and all monetary and non-monetary components, for each of the (non-Director) key management personnel and all Directors during the year ending 31 December 2014 are contained in the Remuneration Report included in the Directors' Report. Termination entitlements for key management personnel, if any, are also contained in the report.

Non-Executive Directors are remunerated by way of fees and shares, and are not provided with retirement benefits.

2.6 Independence

An independent director, in the view of the Company, is a Non-Executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not previously been employed in an Executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a professional adviser or a consultant to the Company to a material extent, or an employee of a significant service provider;
- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

John Armstrong and Nick Geddes are regarded as independent directors. The size of the Board will be reviewed periodically and if the Company's activities increase in size, nature and scope the composition and size of the board will be reviewed.

2.7 Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be perceived to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be determined by the Board, takes such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself or herself from the room when the conflicted matter is being discussed and/or when voting occurs, save with the approval of the remaining Directors and subject to the Corporations Act.

2.8 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. As was the case with the shareholder approval for the acquisition of Squarefoot from REA Group Limited during the year. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

2.9 Share Dealings and Disclosures

The Company's Share Trading Policy regarding Directors, executives and employees dealing in its securities, is set by the Board and complies with ASX Listing Rules Chapter 12. The Board restricts Directors, executives and employees from trading in Company securities except during trading windows and in any event when in possession of price sensitive information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives, employees and Directors are required to obtain approval from either the CEO/Managing Director or Chairman prior to dealing in securities in the Company or other companies in which the Company has a relationship. The policy outlines the exceptional circumstances during which trading may take place during a blackout period and sets rules for “passive trading”.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

2.10 Board nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

2.11 Terms of Appointment as a Director

The current Directors of the Company have been appointed until they are either removed (which will include the circumstances where the Director is not re-elected) or resign. The Constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

2.12 Performance Review and Evaluation

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their performance as a Director and of the Board.

2.13 Meetings of the Board

The Chairman and CEO will generally schedule formal Board meetings. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled meetings. Circular Resolutions are also utilised when appropriate. Board meetings are held predominantly by telephone conference as Directors are resident in several countries. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. It is recognised and accepted that Board members may also concurrently serve on other Boards, either in an executive or non-executive capacity.

2.14 Independent Professional Advice

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

2.15 Access to Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company are required to keep confidential, information obtained in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

2.16 Nomination of new Directorships

The primary vehicle for the effective management of director nominations will be the Remuneration & Nomination Committee appointed by the Board.

The responsibilities assumed by the Remuneration & Nomination Committee will include:

- devising criteria for Board membership, regularly reviewing the need for various skills and experience of the Board and identifying specific individuals for nominations as Directors; and
- oversight of the Board and Executive succession plans.

2.17 Director's deeds

The Company has also entered into a Deed of Indemnity, Insurance and Access with each of the Directors and senior officers to regulate certain matters between the Company and each Director, both during the time the Directors hold office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

3. Remuneration Policy

The fees and emoluments paid to Directors are approved in advance by Shareholders. The salary and emoluments paid to officers are approved by the Remuneration & Nomination Committee. Consultants are engaged as required pursuant to Consultancy Service Agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company and that they will not be excessive. All salaries of Directors and senior executives are disclosed in the Remuneration Report of the Company each year.

4. Diversity

The 2010 amendments to the ASX Corporate Governance Guidelines Principles and Recommendations included amendments that seek to address diversity concerns, in particular, the under- representation of women on Boards and in senior management.

In addition to business policies, practices and behaviours that promote diversity and equal opportunity and create an environment where individual differences are valued the Board adopted a Diversity policy in February 2012. This policy set out minimum expectations to be met by the Group on workforce diversity. A copy of the Policy is available on the Investor Relations – corporate governance section of the Group's website: www.iproperty.com. The Policy describes the Group's intention to be an organisation with a leadership and workforce that reflects the diversity of the broader communities in which the Group operates.The breakdown of Directors and employees by gender is as follows:

Proportion of female to male employees at iProperty Group Limited as at 31 December 2014				
iProperty Group Limited	**Board**	**Senior executives**	**Manager**	**Employee**
Female	0%	20%	51%	46%
Male	100%	80%	49%	54%

The Board has set a number of objectives under the Policy, namely to:

- the Board is committed to addressing the lack of gender diversity on the Board. There is a 2016 target of 15% of the Board being female Directors.
- continue to maintain a balanced ratio of female management
- optimise local talent in senior management and theworkforce in established international markets; and establish an effective measurement and reporting framework. The Policy objectives, and the Group's progress in achieving them, will be assessed on an annual basis.

5. Code of Conduct and Ethical Standards

The Company has adopted a formal Code of Conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

6. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk and has established a separate Audit and Risk Management Committee which is governed by a separate Board Charter. The Board receives regular reports from the Management Risk Committee about the financial condition and operational results of the Company.

The Board has also received written assurances from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge and belief:

- the Company's financial statements present a true and fair view of the Company's financial condition and operational results and comply with relevant accounting standards; and
- the risk management and internal compliance and control systems are sound, appropriate and operating effectively and implement the policies adopted by the Board.

The Board and management undertake annual reviews on the Company's strategic and operational risks as part of its annual strategy and budget process. In addition the Management Risk Committee meets on a quarterly basis to monitor and review the Group's risk management procedures and practices including, where necessary, remediation activities.

The Company has identified the following possible business risks which the Company believes to be inherent in the industry in which the Company operates:-

- Competition and disruptive technologies
- Protection of intellectual property
- Fluctuations in exchange rates
- Political stability risk in some of the countries in which the Group operates
- Stability of internet infrastructure
- Risk of penetration of internal systems by unauthorised persons
- Changes in local government regulations
- Increased cost of operations including employment costs
- Retention of key employees
- Fluctuations in website traffic
- Cyclical property markets due to general market outlook for economic growth and interest rates
- Force majeure events

The above risks are provided to assist investors to better understand the nature of the risks faced by the Company and the industry in which the Company operates in. They are not necessarily an exhaustive list. Management regularly undertakes reviews of its risk management procedures which include implementation of a system of internal sign-offs to ensure not only that the Company complies with its legal obligations but that the Board, and ultimately shareholders, can take comfort that an appropriate system of checks and balances is in place regarding those areas of the business which present financial or operating risks.

7. CEO and CFO Certification

The Chief Executive Officer and the Chief Financial Officer have provided a written statement to the Board that their view provided on the Group's financial reports founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and that the Group's risk management and internal compliance and control system is operating effectively in all material respects.

8. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to shareholders and the market through:

- the Annual Report which is made available to shareholders;
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the Half-Yearly Directors' and Financial Reports;
- quarterly Report for Entities admitted on the basis of commitments;
- other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to Shareholders.

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.iproperty-group.com or the ASX website: www.asx.com.au under ASX code "IPP".

9. Continuous Disclosure to ASX

The Board has adopted a Continuous Disclosure Policy and has designated the CEO, CFO or Company Secretary as the persons responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company will notify the ASX promptly of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Compliance with The ASX Corporate Governance Principles and Recommendations

The extent to which iProperty has followed the ASXCGPR is as follows:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	Compliance	Corporate Governance Statement (CGS) References/Comments
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	1, 2
1.2 Formalise and disclose the process for evaluating the performance of management.	Yes	2.5.2, 2.12
1.3 Provide the information indicated in Guide to reporting on Principle 1.	Yes	Annual Report Website CGS
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE		
2.1 A majority of the Board should be independent directors.	No	The current members of the Board have the relevant and appropriate mix of skills and experience to perform the Board's functions and responsibilities.
2.2 The Chairman should be an independent director	No	The Chairman is not independent as a consequence of being a substantial shareholder in the Company. This has not impeded his ability to chair the Board effectively.
2.3 The roles of Chairman and Chief Executive officer should not be exercised by the same individual	Yes	2, 2.3
2.4 The Board should establish a Nomination Committee	Yes	2.5.2, 2.16
2.5 Formalise and disclose the process for evaluating the performance of the Board, its committees and individual directors	Yes	2.5.2, 2.12
2.6 Provide the information indicated in Guide to reporting on Principle 2.	Yes	Annual Report Website CGS

PRINCIPLE3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	**Compliance**	**Corporate Governance Statement (CGS) References/Comments**
3.1 Establish a Code of Conduct to guide the Directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 The practices necessary to maintain confidence in the Company's integrity. 3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. 3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	5
3.2 Establish a policy concerning diversity and disclose that policy or a summary.	Yes	4 Website
3.2a Disclose the policy concerning trading in Company Securities by Directors, officers and employees	Yes	2.9 Website
3.3 Disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Yes	4
3.4 Disclosure in each annual report of the proportion of women in the whole organisation, women in senior executive positions and women on the Board.	Yes	4
3.5 Provide the information indicated in Guide to reporting on Principle 3.	Yes	CGS
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1 The Board should establish an audit committee.	Yes	2.5.1
4.2 Structure the audit committee so that it consists of: 4.2.1 Only non-executive Directors. 4.2.2 A majority of independent director. 4.2.3 An independent chairperson, who is not chairperson of the Board. 4.2.4 At least three members	Yes	2.5.1
4.3 The audit committee should have a formal charter.	Yes	2.5.1
4.4 Provide the information indicated in Guide to reporting on Principle 4.	Yes	CGS
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Yes	8
5.2 Provide the information indicated in Guide to reporting on Principle 5.	Yes	Annual Report Website CGS

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	Compliance	Corporate Governance Statement (CGS) References/Comments
6.1 Design and disclose a communications strategy for promoting effective communication with shareholders and encouraging participation at general meetings.	Yes	8
6.2 Provide the information indicated in Guide to reporting on Principle 6.	Yes	Annual Report Website CGS
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
7.1 The Board or appropriate Board committee should establish and disclose policies on risk oversight and management.	Yes	2.5.1, 6
7.2 Management to design and implement a risk management and internal control system to manage the Company's material business risks. The Board to disclose that management has reported to the Board in writing that: • The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Yes	2.5.1, 6
7.3 The Board to disclose that the chief executive officer (or equivalent) and the chief financial officers (or equivalent) have provided to the Board in writing that: • the declaration provided in accordance with Section 295A of the Corporations Act 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	2.5.1, 6, 7
7.4 Provide the information indicated in Guide to reporting on Principle 7	Yes	Annual Report Website CGS
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
8.1 The Board should establish a remuneration committee.	Yes	2.5.2, 3
8.2 The remuneration committee should be structured so that it: • it should consist of a majority of independent director; • be chaired by an independent director; • have at least 3 members.	No	The current membership of the committee is considered to have the requisite skills and judgement to fairly represent all shareholders.
8.3 Clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives.	Yes	Annual Report
8.4 Provide the information indicated in Guide to reporting on Principle 8.	Yes	Annual Report Website& CGS

Building a better
working world

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Auditor's Independence Declaration to the Directors of iProperty Group Limited

In relation to our audit of the financial report of iProperty Group Limited for the financial year ended 31 December 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

D. R. McGregor
Partner
19 February 2015

Directors'Declaration

In accordance with a resolution of the Directors of iProperty Group Limited, the Directors declare that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of iProperty Group Limited for the financial year ended 31 December 2014 are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of the financial position and performance of the Group

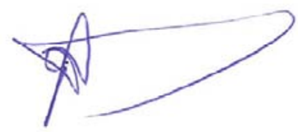
      (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*

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

   (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 31 December 2014.

On behalf of the Board



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Patrick Grove
Chairman

19 February 2015

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Consolidated statement of comprehensive income for the financial year ended 31 December 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue from continuing operations		21,835,721	19,045,657
Realised gain on sale of AFS investments		-	4,957,609
Advertising and marketing expenses		(3,245,233)	(3,569,375)
Employment expenses	5	(13,482,683)	(13,029,136)
Premises and infrastructure expenses		(1,548,797)	(1,508,548)
Offline production costs		(2,591,273)	(2,742,702)
Other expenses		(1,338,238)	(1,138,659)
Depreciation and amortisation		(654,251)	(429,594)
Impairment of goodwill, intangibles, property, plant and equipment	11,12,13	(8,806,399)	-
Amortisation of employee options		(933,702)	-
Transaction advisory costs		(210,684)	-
Total expenses		**(32,811,260)**	**(22,418,014)**
Interest income		367,756	281,878
Profit/(loss) before tax		**(10,607,783)**	**1,867,130**
Income tax expense	6	(123,550)	(161,137)
Profit/(loss) for the year		**(10,731,333)**	**1,705,993**
Other comprehensive income/(loss)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(825,914)	1,009,580
Other comprehensive income for the year		**(825,914)**	**1,009,580**
Total comprehensive income/(loss) for the year		**(11,557,247)**	**2,715,573**
Profit/(loss) attributable to:			
Owners of the Company		(10,731,333)	1,705,993
		(10,731,333)	**1,705,993**
Total comprehensive loss attributable to:			
Owners of the Company		(11,557,247)	2,715,573
		(11,557,247)	**2,715,573**
Loss per share from continuing operation		**Cents**	**Cents**
Basic	7	(5.91)	0.94
Diluted	7	(5.90)	0.94

Notes to the financial statements are included on pages 34 to 58.

In accordance with Note 2 Management use EBITDA modified for one-off items to measure performance of the underlying business and this is reconciled to the statutory result in Note 4.

Consolidated statement of financial position as at 31 December 2014

	Note	Consolidated 2014 $	2013 $
Current assets			
Cash and cash equivalents	8	11,748,507	14,518,547
Trade and other receivables	9	4,222,580	2,571,802
Other assets	10	1,114,650	975,138
Total current assets		**17,085,737**	**18,065,487**
Non-current assets			
Property, plant and equipment	11	851,591	583,157
Intangibles	12	1,678,133	2,242,315
Goodwill	13	22,639,869	18,865,685
Other non-current assets	10	268,649	75,619
Total non-current assets		**25,438,242**	**21,766,776**
Total assets		**42,523,979**	**39,832,263**
Current liabilities			
Trade and other payables	14	4,178,470	3,275,017
Billings in advance		4,794,513	3,747,111
Provisions	15	655,981	1,039,200
Current tax liabilities		26,611	84,089
Total current liabilities		**9,655,575**	**8,145,417**
Non-current liabilities			
Other payables		-	561,798
Total non-current liabilities		**-**	**561,798**
Total liabilities		**9,655,575**	**8,707,215**
Net assets		**32,868,404**	**31,125,048**
Equity			
Issued capital	16	51,243,759	38,965,896
Reserves	17	736,377	539,551
Accumulated losses	18	(19,111,732)	(8,380,399)
Total equity		**32,868,404**	**31,125,048**

Notes to the financial statements are included on pages 34 to 58.

Consolidated statement of cash flows
for the financial year ended 31 December 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Receipts from customers		21,599,441	20,315,970
Payments to suppliers		(9,821,768)	(9,385,048)
Payments to employees		(13,203,307)	(12,178,896)
Interest received		432,372	271,074
Income tax paid		(132,189)	(107,896)
Net cash used in operating activities	28	**(1,125,451)**	**(1,084,796)**
Cash flows from investing activities			
Payments for business acquisitions net of cash acquired		(551,403)	(1,808,439)
Proceeds from sale of investment		-	6,957,609
Proceeds from sale of intangible assets		-	-
Purchases of property, plant and equipment	11	(561,987)	(385,977)
Payments for intangible assets		(526,209)	(380,625)
Net cash used in investing activities		**(1,639,599)**	**4,382,568**
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Payment for share issue costs	16	(4,990)	(3,474)
Net cash provided by financing activities		**(4,990)**	**(3,474)**
Net increase in cash and cash equivalents		(2,770,040)	3,294,298
Cash and cash equivalents at the beginning of the financial year		14,518,547	11,224,249
Cash and cash equivalents at the end of the financial year		**11,748,507**	**14,518,547**

Notes to the financial statements are included on pages 34 to 58.

Consolidated statement of changes in equity
for the financial year ended 31 December 2014

		Fully paid ordinary shares	Foreign currency translation reserve	Share treasury reserve	Equityreserve	Equity settled employee benefits reserve	Accumulated losses	Total
		$	$	$	$	$	$	$
Balance at 1 January 2013		38,744,760	(303,012)	(48,000)	(182,514)	94,521	(10,086,392)	28,219,363
Changes								
Profit for the year	18	-	-	-	-	-	1,705,993	1,705,993
Foreign currency translation difference	17	-	1,009,580	-	-	-	-	1,009,580
Total comprehensive profit for the year		-	1,009,580	-	-	-	1,705,993	2,715,573
393,236 shares issued during the year	16	224,610	-	-	-	(31,024)	-	193,586
Transaction costs relating to shares issued	16	(3,474)	-	-	-	-	-	(3,474)
Recognition of share based expense		-	-	-	-	-	-	-
Sub-total		221,136	1,009,580	-	-	(31,024)	1,705,993	**2,905,685**
Balance at 31 December 2013		**38,965,896**	**706,568**	**(48,000)**	**(182,514)**	**63,497**	**(8,380,399)**	**31,125,048**
Balance at 1 January2014		38,965,896	706,568	(48,000)	(182,514)	63,497	(8,380,399)	31,125,048
Changes								
Profit for the year	18	-	-	-	-	-	(10,731,333)	(10,731,333)
Foreign currency translation difference	17	-	(825,914)	-	-	-	-	(825,914)
Total comprehensive loss for the year		-	(825,914)	-	-	-	(10,731,333)	(11,557,247)
5,304,778 shares issued during the year	16	12,305,600	-	-	-	(63,497)	-	12,242,103
Transaction costs relating to shares issued	16	(27,737)	-	-	-	-	-	(27,737)
Recognition of share based expense	25	-	-	-	-	1,086,237	-	1,086,237
Sub-total		12,277,863	(825,914)	-	-	1,022,740	(10,731,333)	**1,743,356**
Balance at 31 December 2014		**51,243,759**	**(119,346)**	**(48,000)**	**(182,514)**	**1,086,237**	**(19,111,732)**	**32,868,404**

Notes to the financial statements are included on pages 34 to 58.

1. General information

iProperty Group Limited (the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:IPP).

iProperty Group Limited's registered office and its principal place of business are as follows:

Registered office	**Principal place of business**
Suite 806, Level 8	Suite 11.01, Level 11 Menara IGB
70 Pitt Street	Mid Valley City 59200
Sydney NSW 2000	Kuala Lumpur
Australia	Malaysia

The financial statements relate to the consolidated entity consisting of iProperty Group Limited and its subsidiaries ('the Group'). The Group is a for-profit entity and primarily focused on developing and operating internet-based real estate property portals in markets across Asia.

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

2. Statement of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 19 February 2015.The Directors have the power to amend and reissue the financial report.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, except for available for sale investments which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

The presentation of the Statement of Comprehensive Income has been amended in the current period because the management view of the results, being earnings before interest, income tax expense, depreciation, amortisation and non cash capital related expenses (including impairment of goodwill, intangibles, property, plant & equipment as well as amortisation of employee options) ('EBITDA') amended for one-off items, does not comply with the requirements of *AASB 101 Presentation of Financial Statements* for the current period. Apart from combining Administration expenses ($912,126) and Other expenses ($226,533) into a single expense line in the 2013 comparatives there have been no other changes to the presentation of line items from the 2013 financial statements when an EBITDA format was used for the Statement of Comprehensive Income.

Management uses EBITDA, in combination with other financial measures, primarily to evaluate the Company's operating performance before financing costs, income tax and non cash capital related expenses (including impairment of goodwill, intangibles, property, plant & equipment as well as amortisation of employee options). Additionally we believe EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a key measure of operating performance. Accordingly EBITDA is calculated and included in the segment Note4 which also includes areconciliation to net profit after tax.

EBITDA reflects the net profit for the year prior to including the effect of interest, income taxes, depreciation and amortisation. Depreciation and amortisation are calculated in accordance with AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets and interest is calculated in accordance with AASB 139 Financial Instruments: Recognition and Measurement respectively. The impairment of goodwill, intangibles, property, plant & equipment is calculated in accordance with AASB 136 *Impairment of Assets*. In addition the amortisation of employee options is calculated in accordance with *AASB 2 Share-based payment*.

The accounting policies set out below have been consistently applied to all years, although certain comparative amounts have been reclassified to conform with the current year's presentation.

New and revised Accounting Standards

There have been amendments to AASB 136 *Impairment of Assets* in relation to the recoverable amount disclosures for non-financial assets. These amendments require disclosure of the recoverable amounts for the assets or CGUs for an impairment loss has been recognised or reversed during the period. These changes took effect for annual periods beginning on, or after, 1

2. Significant accounting policies (cont'd)

January 2014. Changes to the disclosure requirements when fair value less costs to sell is used to measure impairment are not applicable given the Group applied a value in use approach. The disclosure changes required are reflected in Note 13.

Similarly there have been disclosure changes to *AASB124 Related Party Disclosures* removing the disclosure requirements for KMPs in relation to equity holdings, loans and other related party transactions. These changes have reduced the disclosures set out in the Related party transactions Note23.

The disclosure changes to *AASB 7 Financial Instruments: Disclosures* take effect for the current period and do not impact the Group as there are no netting arrangements impacting on the presentation and disclosure of financial assets and liabilities. Similarly there are changes to *AASB 139 Financial Instruments: Recognition & Measurement* relating to the novation of derivatives and continuation of hedge accounting. These changes apply to the Group from 1 January 2015 but are not expected to have any impact given that no hedging activities are undertaken.

In May 2014, the IASB issued *IFRS 15 Revenue from Contracts with Customers*, which replaces *IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations* (*IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers* and *SIC-31 Revenue—Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The AASB adopted this standard on 12 December 2014 and it will apply to the financial year commencing 1 January 2017 if not adopted earlier.The Group is currently evaluating the impact of this new standard.

A number of other new accounting standards become applicable with effect from 1 January 2014 (or later), however none of these standards had any material impact on the financial statements of the Group. In addition, the Group has not elected to adopt early any of the new standards or amendments that are issued but not yet effective.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements comprisethe financial statements of iProperty Group Limited, the Company, and its subsidiaries (referred to as the "Group" in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A list of subsidiaries is contained in Note 22 to the financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to effective date of disposal, as appropriate.

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Business combinations

Business combinations are accounted for using the acquisition method. Theconsideration for each acquisition is measured at the aggregate of the fair values (at the date ofexchange) of assets given, liabilities incurred or assumed, and equity instruments issued by theGroup in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in theacquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attainscontrol) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising frominterests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

2. Significant accounting policies (cont'd)

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with AASB 2 Share-based Payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtainscomplete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(d) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Amounts expected to be paid under short term incentive plans are recognised if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by employees.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting.

Share-based payments

The fair value of share rights and options granted to employees is recognised as either an employee benefit expense, or amortisation of employee options (respectively) over theperiod during which the employees become unconditionally entitled to the rights and options with a corresponding increasein equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impactof any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptionsabout the number of options that are expected to vest which are revised at the end of each reporting period. The impact of therevision to original estimates, if any, is recognised in the consolidated statement of comprehensive income, with a corresponding adjustmentto equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value of options is independently determined using a binomial or similar option pricing model that takes into account the exercise price, the term of theoption, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expecteddividend yield and the risk-free interest rate for the term of the option.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an employment expense in the income statement in the period during which the services are rendered by employees.

(f) Financial assets

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' investments, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At the balance date the following categories of financial assets were held:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

2. Significant accounting policies (cont'd)

Impairment of financial assets carried at cost

Financial assets carried at cost are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownerships of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of transferred financial assets, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(g) Financial instruments issued by the Company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issued costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. The Group has no financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(h) Foreign currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of iPropertyGroup Limited, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

2. Significant accounting policies (cont'd)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to Australian Accounting Standards are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to Australian Accounting Standards is treated as an Australian dollar denominated asset.

(i) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control isacquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose ofimpairment testing, goodwill is allocated to each of the Group's cash-generating units expected tobenefit from the synergies of the combination. Cash-generating units to which goodwill has beenallocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(j) Goods and services tax ('GST') and Value added tax ('VAT') – indirect tax

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

Receivables and payables are stated inclusive of the amount of indirect tax receivable or payable. The net amount of indirect tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The indirect tax component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(k) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. Significant accounting policies (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(l) Intangible assets

Intangible assets acquired separately
The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Acquired Software
Software is not considered to have an indefinite life and is generally amortised over 3 - 5 years. If at any point the software no longer is in use or continuing to add value it will be written down to zero.

(m) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

2. Significant accounting policies (cont'd)

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives
In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(n) Property, plant and equipment
Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assess appropriateness of each method for each entity within the Company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Class of Fixed Asset	*Years of Useful Life*
Plant and equipment	2 - 5 years
Furniture and fittings	3 - 5 years
Leased plant and equipment	3 - 8 years

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 'Revenue'.

(p) Revenue
Revenue is recognised to the extent that 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:

Rendering of services
Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and released in the appropriate period when the service is delivered. Prepayments are capitalised and released in the appropriate period when service is delivered. Occasionally the Group will enter into barter transactions and the revenue and expense relating to these transactions is only recognised when the services are dis-similar in nature and capable of reliable measurement.

Dividend and interest revenue
Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established. Interest revenue is recognised as interest accrues using the effective interest rate method.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The preparation of the financial report required the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Alternatively comparable market prices are obtained in order to calculate fair value less costs to sell. The carrying amount of goodwill at the balance sheet date was$22,639,869(2013: $18,865,685). Impairment losses of $8,806,399 have been recognised in the current financial year (2013: Nil). Details are provided in Note 13.

Allowance for doubtful debts

A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past the average credit period. This provision is determined by reference to past default experience and any change in quality of trade receivables. In most instances amounts greater than 120 days are provided for as well as those amounts less than 120 days that have some uncertainty as to their collectability.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees and other parties based on the fair value of the equity provided at the time of exchange. Where this is with an external party this is generally based on an appropriately time framed Volume Weighted Average Price (VWAP) of iProperty shares traded on the ASX at the time of settlement. Where it is with employees in relation to performance payments in the future, the fair value is estimated based on an estimation of the probability of all performance criteria being met. This value is then used to discount the current value of the equity to determine an appropriate amount to be expensed each period until the vesting date. This estimate will have no impact on the carrying amount of the assets or liabilities of the Company but may impact the value of expenses and equity in the current and future periods. Any variance in the possible amounts is not considered by the Board to be material.

4. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is focused on the geographical regions for residential properties. The Corporate segment now incorporates the results of the Commercial business to reflect the changed operating model of this business. Similarly prior year balances have been updated to reflect the current year presentation of segment results to the Chief Executive Officer, including changes for the consistent presentation of Smart Expo in 2013. The Company's reportable segments under AASB 8 are as follows:

- Malaysia
- Hong Kong
- Indonesia
- Singapore
- Transaction Business
- Corporate

The Transaction Business was a new initiative during 2014 that was focused on working more closely with developers to generate sales for success based marketing fees.

Information regarding these segments is presented on the following page. The accounting policies of the reportable segments are the same as the Group's accounting policies.

4. Segment information (cont'd)

Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment results	
	2014 $	2013 $	2014 $	2013 $
Malaysia	14,714,421	11,808,103	7,752,824	5,225,217
Hong Kong including Squarefoot.com.hk	4,232,442	3,068,195	332,672	(328,854)
Indonesia	1,204,209	1,075,762	(2,397,626)	(1,955,210)
Singapore	2,158,597	3,064,277	(1,097,982)	(1,479,028)
Corporate (and consolidation)	(702,274)	29,320	(4,528,606)	(4,404,888)
Revenue and EBITDA - Advertising businesses	**21,607,395**	**19,045,657**	**61,282**	**(2,942,763)**
Revenue and EBITDA - Transactionbusinesses	228,326	-	(431,785)	-
Segment Revenue and EBITDA	21,835,721	19,045,657	**(370,503)**	**(2,942,763)**
Realised gain on sale of AFS investments (iCar)	-	-	-	4,957,609
Impairment of goodwill, intangibles, property, plant and equipment	-	-	(8,806,399)	-
Amortisation of employee options	-	-	(933,702)	-
Transaction advisory costs	-	-	(210,684)	-
Depreciation and amortisation	-	-	(654,251)	(429,594)
Net interest	-	-	367,756	281,878
Income tax expense	-	-	(123,550)	(161,137)
Consolidated segment revenue and profit/(loss) for the year	21,835,721	19,045,657	(10,731,333)	1,705,993

All revenue is generated from external customers. No single customer contributes 10% or more to the Group's revenue for 2014 or 2013. Cross border transactions are grossed up 100% for both segments involved in each cross border transaction and then a central consolidation adjustment made at a Corporate level, resulting in negative revenue in this segment for 2014.

Segment assets and liabilities

	Segment assets	
	2014 $	2013 $
Malaysia	10,884,723	10,521,819
Hong Kong	19,895,465	6,871,149
Indonesia	660,438	4,108,675
Singapore	563,240	5,734,679
Transaction business	288,637	-
Corporate	10,231,476	12,595,941
Total segment assets	42,523,979	39,832,263
Consolidated total assets	42,523,979	39,832,263

The segment assets disclosed in the table above include goodwill and other intangible assets. Further details on the amount of goodwill and intangible assets attributable to each segment are set out in Notes 12 and 13. Note 13 also contains details of the impairment of Singapore and Indonesia CGUs.

4. Segment information (cont'd)

	Segment liabilities	
	2014 $	2013 $
Malaysia	4,474,154	3,768,797
Hong Kong	1,806,097	1,259,357
Indonesia	443,602	849,078
Singapore	1,018,197	1,175,954
Transaction business	739,855	-
Corporate	1,173,670	1,654,029
Total segment liabilities	9,655,575	8,707,215
Consolidated total liabilities	9,655,575	8,707,215

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5. Profit/(loss) for the year from continuing operations

Profit/(loss) for the year from continuing operations has been arrived at after charging/(crediting):

	Consolidated	
	2014 $	2013 $
Employee benefits expense		
Salaries and wages	8,670,574	8,864,656
Superannuation and pension related	813,746	772,165
Commissions paid	1,747,850	1,495,012
Other employment benefits	2,101,906	1,735,440
	13,334,076	12,867,273
Share-based payments		
Equity-settled share-based payments	148,607	161,863
Total employee benefits expense	**13,482,683**	**13,029,136**

The amounts above exclude the charge for amortisation of employee options, details of which are included in Note 25.

6. Income taxes

Income tax recognised in profit or loss

	Consolidated	
	2014 $	2013 $
Current tax		
Current tax expense in respect of the current year	261,105	178,921
Over provisions of prior year tax	(137,555)	(17,784)
	123,550	161,137
Deferred tax		
Deferred tax expense recognised in the current year	-	-
	-	-
Total income tax expense recognised in the current year	**123,550**	**161,137**

6. Income taxes (cont'd)

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

	Consolidated	
	2014 $	2013 $
Profit/(loss)before tax from operations	(10,607,783)	1,867,130
Income tax expense calculated at 30% (2013: 30%)	(3,182,335)	560,139
Effect of different tax rates of subsidiaries operating in other jurisdictions	349,582	387,538
Non assessible income	-	(1,487,283)
Non deductible charge	2,641,920	-
Tax effects of:		
Temporary differences – accruals and provisions	102,538	7,391
Over provision in the prior years	(137,555)	(17,784)
Deductible costs relating to share issue expenses	(8,321)	(41,221)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	357,721	752,357
	123,550	**161,137**

Unrecognised deferred tax assets

Share issue costs
A deferred tax asset has not been recognised in relation to deferred share issue costs (which have been recognised directly into share capital) because, in the opinion of the Directors, it is not probable that sufficient taxable income will be generated to utilise the future deductions.

Carry forward losses
A deferred tax asset has not been recognised in relation to the carry forward taxation losses due to insufficient sources of taxable income to utilise the losses and/or future deductions.

The tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets not brought to account as an asset

	Consolidated	
	2014 $	2013 $
Tax losses – Revenue	1,800,066	1,513,046
Tax losses – Capital	67,990	67,990
Share issue costs deferred	168,646	270,199
	2,036,702	**1,851,235**

7. Earnings Per Share

	Consolidated	
	2014 Cents per share	2013 Cents per share
Basic earnings/(loss) per share	(5.91)	0.94
Diluted earnings/(loss) per share	(5.90)	0.94

The profit/(loss) and weighted average number of ordinary shares used in the calculation of both basic earnings/(loss) per share and diluted earnings/(loss) per share are as follows:

	2014 $	2013 $
Profit/(loss) used in the calculation of basic and diluted EPS from continuing operations	**(10,731,333)**	**1,705,993**

7. Earnings Per Share (cont'd)

	2014 No.	2013 No.
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	**181,727,443**	**181,398,426**
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	**181,810,435**	**175,600,887**

During 2014 there were no potential ordinary shares that are considered dilutive as they did not meet the requirements for inclusion as per AASB 133 earnings per share as the consolidated entity generated a loss during the 2014 financial year.

8. Cash and cash equivalents

	Consolidated	
	2014 $	2013 $
Cash at bank	3,248,507	4,518,547
Term deposits	8,500,000	10,000,000
Cash and cash equivalents	**11,748,507**	**14,518,547**

9. Trade and other receivables

	Consolidated	
	2014 $	2013 $
Trade receivables	4,351,968	2,626,332
Less: Provision for doubtful debts	(281,054)	(227,107)
	4,070,914	2,399,225
Other	151,666	172,577
Total trade and other receivables	**4,222,580**	**2,571,802**

The average credit period on rendering of services is 30 days (2013:30 days) for direct client billings and 90 days (2013:90 days) for agency billings. The Group does not charge interest on trade receivables for amounts owing past the due date neither does it hold collateral over these balances. A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past credit period determined by reference to past default experience and the change in quality of trade receivables.

Age of trade receivables that are past due but not impaired:

	Consolidated	
	2014 $	2013 $
31 - 60 days	1,212,608	482,218
61 - 90 days	555,506	448,166
91 plus days	914,555	714,190
Total	**2,682,669**	**1,644,574**

The balance of the trade debtors is current.

Movement in the provision for doubtful debts:

	Consolidated	
	2014 $	2013 $
Balance at the beginning of the year	(227,107)	(152,681)
Bad debts recognized during the year	51,346	45,353
Doubtful debts allowance recognised during the year	(230,300)	(229,004)
Impairment losses reversed	125,007	109,225
Balance at the end of the year	**(281,054)**	**(227,107)**

10. Other assets

	Consolidated 2014 $	Consolidated 2013 $
Deposits and prepayments		
- current	1,114,650	975,138
- non-current	268,649	75,619
	1,383,299	**1,050,757**

Non-current deposits and prepayments are primarily non-cancellable operating lease deposits expiring after more than one year.

11. Plant and equipment

	Consolidated 2014 $	Consolidated 2013 $
Plant and equipment		
At cost	1,068,623	1,137,412
Less: Accumulated depreciation*	(896,362)	(973,241)
	172,261	164,171
Furniture and fittings		
At cost	464,952	306,657
Less: Accumulated depreciation*	(179,891)	(171,753)
	285,061	134,904
Leasehold improvements		
At cost	684,351	490,874
Less: Accumulated depreciation*	(290,082)	(206,792)
	394,269	284,082
Total plant and equipment	**851,591**	**583,157**

* Includes impairment

Movement in carrying amounts

Movement in the carrying amounts of each class of plant and equipment between the beginning and the end of the year are set out below:

	Consolidated			
	Plant and equipment $	Furniture and fittings $	Leasehold improvements $	Total $
Balance at 1 January 2013	273,330	97,389	239,376	610,095
Additions	145,134	88,863	151,980	385,977
Disposals	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Depreciation	(176,258)	(42,228)	(94,973)	(313,459)
Net foreign currency exchange differences	(78,035)	(9,120)	(12,301)	(99,456)
Balance at 31 December 2013	164,171	134,904	284,082	583,157
Balance at 1 January 2014	164,171	134,904	284,082	583,157
Additions	109,612	275,366	390,631	775,609
Disposals	(789)	(32)	(33,889)	(34,710)
Impairment	(6,873)	(55,995)	(70,900)	(133,768)
Acquisitions through business combinations	17,362	26,250	-	43,612
Depreciation	(118,084)	(112,685)	(202,981)	(433,750)
Net foreign currency exchange differences	6,862	17,253	27,326	51,441
Balance at 31 December 2014	172,261	285,061	394,269	851,591

12. Intangible assets

	Consolidated 2014 $	Consolidated 2013 $
Malaysia	865,928	599,365
Hong Kong	321,463	14,511
Indonesia	29,290	974,681
Singapore	-	221,140
Other	461,452	432,618
	1,678,133	**2,242,315**

	2014 $	2013 $
Websites, domain names, trademarks and other intangibles		
Balance at the beginning of the year	2,242,315	2,154,817
Amortisation	(220,501)	(116,135)
Impairment	(1,162,967)	-
Additions	842,155	380,625
Other	(22,869)	(176,992)
Total intangible assets	**1,678,133**	**2,242,315**

Websites and domain names are considered to have indefinite lives and are assessed for impairment on an annual basis. Indefinite life intangibles are allocated to the cash-generating units for which they relate. Software is amortised evenly over periods up to 5 years. Further details on the impairment of intangible assets is set out in Note 13. Intangible assets comprise of websites and domains $352,891 (2013: $1,528,803), software and capitalised IT costs $1,288,945 (2013: $663,647) and other intangibles $36,297 (2013: $49,865).

13. Goodwill

	Consolidated 2014 $	Consolidated 2013 $
Malaysia	4,768,801	5,045,756
Hong Kong	17,846,677	5,736,851
Indonesia	-	3,602,529
Singapore	-	4,456,158
Other	24,391	24,391
	22,639,869	**18,865,685**

	2014 $	2013 $
Cost		
Balance at the beginning of the year	18,865,685	14,544,288
Additional amounts recognised from business combinations occurring during the year (Note 21)	11,929,754	3,373,645
Impairment	(7,509,664)	-
Foreign exchange and other impacts	(645,906)	947,752
Balance at the end of the year	**22,639,869**	**18,865,685**

The recoverable amount of the cash-generating units are determined based on a value in use calculation which uses cash flow projections based on the financial budgets approved by management for the 2015 financial year. The budget is then extrapolated for a further four years at projected growth rates for both revenue and costs which management consider are appropriate for the markets the CGU's operate, to which a discount rate is applied. Given the sensitivity of growth rates for both revenue and expenses due to stage of where Group and the markets for which the Group operates are at, a range of possible scenarios are modelled to assess the carrying value of goodwill for impairment.

Management have determined the appropriate discount rate applied based on the risk free rate plus a risk margin appropriate for the market the CGU operates in. This is as follows:

Malaysia	13.6% (2013: 14.5%)
Hong Kong	11.4% (2013: 13.2%)

Other scenarios have been modelled at possible higher discount rates and none of these scenarios indicate impairment. Similarly a range of terminal value growths rates have been used in these calculations, with none of these inputs indicating impairment in any CGU. Management believes that any reasonably possible change in the key assumptions on which the

13. Goodwill (cont'd)

recoverable amount is based would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of the cash generating unit.
Management annually reviews the carrying amount of goodwill and intangible assets to determine whether there is any indication that goodwill or intangible assets have been impaired. The discount cash flow method of measurement was used to estimate the recoverable amount of those assets. The recoverable amount using the stated method of calculation was greater than the carrying value of the stated assets and accordingly there was no impairment. For details of acquisitions from business combinations refer to Note 21.

The balance of goodwill of the Hong Kong CGU includes provisional goodwill of $11,929,754 relating to the acquisition of Squarefoot, which is described in detail at Note 21. Squarefoot does not constitute a separate CGU given that the Hong Kong CGU operates as a single business unit with multiple brands.

Impairment

Singapore cash-generating unit
At 30 June 2014 the comparable transactions previously relied upon were considered less relevant. In addition there was a decline in revenue, even though profitability improved relative to the previous comparable period. Given these indicators of impairment a value in use calculation was performed estimating cash-flows to 30 June 2019 using a range of possible scenarios. The discount rate used was 9.8%, although a scenario using a higher discounted rate was also produced. The scenarios included revenue growth rates ranging between 3.0% - 10.0% and expense growth rates between 2.0% and 5.0%. A number of new developments and product initiatives in the pipeline were not taken into consideration in estimating future cash-flows. As a result of this analysis an impairment charge of $4,613,101 was recognised in the income statement. Of the impairment charge $4,267,167 related to goodwill, $212,166 to intangible assets and $133,768 to fixed assets.

Indonesia cash-generating unit
The strategy and vision for this business was also reviewed by the new CEO in the period leading up to 30 June 2014, who identified the need to increase investment in Indonesia to extend our leadership position in this market. As a result another value in use calculation was performed estimating cash-flows for the business to 30 June 2019 using a range of possible scenarios. A discount rate of 19.6% was used. The scenarios which indicated impairment (including the base case) included revenue growth rates ranging between 10% - 40% and expense growth rates between 10% and 30%. Accordingly goodwill of $3,242,497 and intangibles assets of $950,801 were fully impaired and recorded as impairment of goodwill and intangibles in the statement of profit or loss.

14. Trade and other payables

	Consolidated	
	2014 **$**	**2013** **$**
Current		
Trade payables	2,119,187	1,625,734
Sundry payables and accrued expenses	1,094,776	985,065
GST payable	348,819	102,420
Deferred acquisition consideration	615,688	561,798
	4,178,470	**3,275,017**
Non-current		
Deferred acquisition consideration	**-**	**561,798**

The average credit period on purchases normally 30 – 60 days (2013: 30 – 60 days). No interest is payable on trade payables. The Group has financial risk management in place to ensure that all payables are paid within the credit time frame.

15. Provisions

	Consolidated	
	2014 **$**	**2013** **$**
Current		
Employee entitlements		
Opening balance	178,580	134,436
Net of amounts charged	(18,743)	44,144
Closing balance	159,837	178,580
Staff incentives and bonuses	404,962	794,523
Other amounts	91,182	66,097
	655,981	**1,039,200**
Number of employees	314	279

16. Issued capital

	Consolidated	
	2014 $	2013 $
186,703,204 fully paid ordinary shares(2013: 181,398,426)	**51,243,759**	**38,965,896**

Changes to the then Corporations Act abolished the authorised capital and par value concept in relation to share capital from 1 July 1998.

	2014		2013	
Fully paid ordinary shares	**No.**	**$**	**No.**	**$**
Balance at beginning of financial year	**181,398,426**	**38,965,896**	**181,005,190**	**38,744,760**
Issue of shares	5,304,778	12,305,600	393,236	224,610
Share issue costs		(27,737)	-	(3,474)
Balance at end of financial year	**186,703,204**	**51,243,759**	**181,398,426**	**38,965,896**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.At shareholder meetings each ordinary share is entitled to one vote when a poll is called.Otherwise each shareholder has one vote on a show of hands.

Rights to ordinary shares granted to employees carry no rights to dividends and no voting rights.Further details of the employee share option plan are contained in Note 25 to the financial statements and in the Directors' report.

17. Reserves

	Consolidated	
Reserves	**2014 $**	**2013 $**
Equity reserve	(182,514)	(182,514)
Treasury reserve	(48,000)	(48,000)
Equity settled employee benefits reserve	1,086,237	63,497
Foreign currency translation reserve	(119,346)	706,568
	736,377	**539,551**
Equity reserve		
Balance at beginningof financial year	(182,514)	(182,514)
Equity reserve resulting from increase in interest in controlled entity	-	-
Balance at end of financial year	**(182,514)**	**(182,514)**
Treasury reserve		
Balance at beginning of financial year	(48,000)	(48,000)
Movement of shares owned in iProperty Group Limited by employee share plan	-	-
Balance at end of financial year	**(48,000)**	**(48,000)**
Equity settled employee benefits reserve		
Balance at beginning of financial year	63,497	94,521
Shares issued during the year	(63,497)	(31,024)
Recognition of rights and options expense	1,086,237	-
Balance at end of financial year	**1,086,237**	**63,497**
Foreign currency translation reserve		
Balance at beginning of financial year	706,568	(303,012)
Exchange differences arising on translating the foreign operations	(825,914)	1,009,580
Balance at end of financial year	**(119,346)**	**706,568**

Exchange differences relating to the translation of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

18. Accumulated losses

	Consolidated 2014 $	2013 $
Balance at beginning of financial year	(8,380,399)	(10,086,392)
Profit/(loss) attributable to members of the parent entity	(10,731,333)	1,705,993
Balance at end of financial year	**(19,111,732)**	**(8,380,399)**

19. Contingent liabilities and contingent assets

There are various claims that arise in the ordinary course of business against the iProperty Group Limited and its subsidiaries. The amount of any additional liability (if any) at 31 December 2014 cannot be ascertained and iProperty Group Limited believes that any resulting liability would not materially affect the position of the Group.

20. Capital and leasing commitments

Finance lease commitments
The consolidated entity does not have any finance leases.

Non cancellable operating lease commitments
Non cancellable operating leases contracted but not capitalised in the financial statements.

	Consolidated 2014 $	2013 $
Not longer than 1 year	1,194,983	619,448
Longer than 1 year and not longer than 5 years	1,811,350	856
Longer than 5 years	-	-
	3,006,333	**620,304**

Operating lease commitments relate to premises occupied by the Group with lease terms currently still available of less than 3 years. The Group does not have an option to purchase the premises at the expiry of the lease period.

21. Business combinations

Name of business acquired	Principal activity	Date of acquisition	Percentage of shares acquired %	Cost of acquisition $
Acquisitions in 2014				
Squarefoot	Operator of online property portal and magazine	22 December 2014	100	**12,050,000**
Acquisitions in 2013				
Smart Expo	Operator of property expos	31 January 2013	100	**3,041,634**

Acquisition of Square Foot

Following receipt of shareholder approval at a General Meeting on 19 December 2014, the Group completed the acquisition of Squarefoot.com.hk from REA Group Limited,(a substantial shareholder in iProperty Group)on 22 December 2014. Squarefoot.com.hk is the #2 ranked property portal in Hong Kong and also publishes a property magazine targeting the English speaking segment of the local market. Consideration for the transaction was 5,000,000 new ordinary shares issued at $3.00. For acquisition accounting purposes the consideration is valued at $2.41 per share based on the market value of the shares.

The business was acquired to consolidate the Group's #1 position in the greater Hong Kong region, improve the Group's penetration into the local expat market and provide a platform for further expansion into the adjoining parts of mainland China. The provisional goodwill is attributable to future revenue growth, synergies with the other existing Hong Kong businesses and the ability to better monetise the brand through existing channels. The acquisition accounting is not complete as the transaction was completed just prior to year end and accordingly the excess of the purchase consideration over the fair value of net assets acquired has been classified as provisional goodwill. An assessment and valuation of the other intangible assets acquired will be undertaken during the first half of 2015.

21. Business combinations (cont'd)

	$
Purchase consideration	
5,000,000 shares valued @ $2.41 per share	12,050,000
Cash acquired	NIL
Total consideration	**12,050,000**
Allocation of purchase consideration	
Total assets excluding goodwill	309,101
Provisional goodwill	11,929,754
Total liabilities	(188,855)
Net assets	**12,050,000**

The impact of the acquisition is not material to the results of the Group, nor do the Directors consider it practical to estimate what the consolidated revenue and profit for the year ended 31 December 2014 would have been if the acquisition had occurred on 1 January 2014. It is considered impractical because the capital and cost structure of the business under its previous ownership is significantly different from the way that Squarefoot will be operated by the Group. Transaction costs are disclosed in the Statement of Comprehensive Income.

Acquisition of Smart Expo

On 31 January 2013 the Group entered into an agreement to acquire Smart Expo, an established operator of property expositions focused on the property developer advertising market. The purchase consideration was approximately USD3.0million (AUD equivalent $3.0 million), with an upfront payment of AUD1.7 million and the balance of the consideration payable over two years based on the achievement of agreed revenue and EBITDA targets. The Company was acquired with the objective of expanding the Group's property expo business and providing a platform for further expansion into the mainland China market.

Goodwill is attributable to revenue growth and ability to expand the expo footprint. The valuation of goodwill was completed in December 2013. The revaluation of goodwill for changes in foreign exchanges rates increased the goodwill from $2,878,415 at acquisition date to $3,683,123 at year end. Similarly deferred consideration was revalued from $480,767 to $615,688. During the year, $551,403 of deferred contingent consideration was paid. The variance in the consideration payable is due variances in the USD exchange rate.

22. Controlled entities

		Proportion of owners interest and voting power held by the Group	
	Country of incorporation	2014 %	2013 %
Parent entity			
iProperty Group Limited			
Subsidiaries of iProperty Group Limited			
iProperty.com Pty Ltd	Australia	100	100
IPGA Share Plan Pty Ltd	Australia	100	100
iProperty Group Asia Pte Ltd	Singapore	100	100
Subsidiaries of iProperty Group Asia Pte Ltd			
iProperty.com Singapore Pte Ltd	Singapore	100	100
Info-Tools Pte Ltd	Singapore	100	100
GoHome H.K.Co. Limited	Hong Kong	100	100
Finance18.com Limited	Hong Kong	100	100
House18 Service Limited	Hong Kong	100	100
SMART Expo Limited (note 21)	Hong Kong	100	100
iProperty.com Malaysia Sdn Bhd	Malaysia	100	100
iProperty.com Events Sdn Bhd	Malaysia	100	100
Think Media Sdn Bhd	Malaysia	100	100
PT Web Marketing Indonesia	Indonesia	100	100
IPGA Management Services Sdn Bhd	Malaysia	100	100
Big Sea International Limited	Macau	100	100
Vproperty Pte Ltd	Macau	100	100

23. Related party transactions

(a) Equity interests in subsidiaries

iProperty Group Limited owns 100% of ordinary shares in all its subsidiaries (refer to Note 22).

(b) Transactions with key management personnel

There were no transactions or loans between the Company and key management personnel other than those disclosed below in related party transactions.

(c) Key management and Directors equity holdings

The following shares are either held directly or via an associated party.

Fully paid ordinary shares of iProperty Group Limited

	Balance at 1 January 2014 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31 December 2014 No.	Shares not yet issued*
2014						
Directors						
Patrick Grove**	41,280,699	32,488	-	(9,978,887)	31,334,300	13,811
Lucas Elliott**	41,270,699	21,658	-	(9,967,512)	31,324,845	10,358
Nicholas Geddes	25,159	6,705	-	-	31,864	10,358
John Armstrong	-	-	-	-	-	8,186
Roland Tripard***	31,272,311	10,829	-	(31,283,140)	-	6,794
Executives						
Georg Chmiel	90,508	21,658	-	-	112,166	3,159
Shaun Di Gregorio****	3,901,004	164,835	-	-	4,065,839	-
Rob Goss	-	-	-	-	-	-

* These shares have not yet been issued to Non-Executive Directors, however the cost of these has been included in Non-Executive Director remuneration.
** Mr Grove and Mr Elliott are shareholders in Catcha Group Pte Ltd which owns 31,324,845 shares in iProperty Group Limited.
*** Mr Tripard is the CEO of and represents Seloger.com which owned 31,258,006 shares in iProperty Group Limited. These shares were sold to REA Group Limited on 28 July 2014.
**** Mr Di Gregorio's equity holding are reflected in the table until 21 April 2014 when he was succeeded by Mr Chmiel.

	Balance at 1 January 2013 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31 December2013 No.	Shares not yet issued*
2013						
Directors						
Patrick Grove**	41,088,561	37,549	-	154,589	41,280,699	32,488
Lucas Elliott**	41,079,106	28,609	-	162,984	41,270,699	21,658
Nick Geddes	20,000	-	-	5,159	25,159	6,705
Roland Tripard***	31,258,006	14,305	-	-	31,272,311	10,829
George Chmiel	61,899	28,609	-	-	90,508	21,658
Hugh Morrow	441,574	28,609	-	-	470,183	16,852
Samuel Weiss	547,938	28,609	-	-	576,547	16,852
Executives						
Shaun Di Gregorio	3,305,567	595,437	-	-	3,901,004	-
Rob Goss	-	-	-	-	-	-

* These shares have not yet been issued to Non-Executive Directors, however the cost of these has been included in Non-Executive Director remuneration.
**Mr Grove and Mr Elliott are shareholders in Catcha Group Pte Ltd which owned41,270,699 shares in iProperty Group Limited.
*** Mr Tripard is the CEO of and represents Seloger.com which owned 31,272,311 shares in iProperty Group Limited. Seloger.com is owned by the Axel Springer Group in Germany.

23. Related party transactions (cont'd)

(c) Key management and Directors equity holdings (cont'd)

Share Rights of iProperty Group Limited

During 2013 Mr Shaun Di Gregorio exercised 595,437 rights relating to the 2010 plan. In 2014 he also exercised 164,835 rights relating to the 2011 plan, whilst 146,520 rights were forfeited. There were a further 67,155 rights outstanding to other employees relating to the 2011 plan which were forfeited during the year.

On 5 September 2014 a shareholders' meeting approved the issue of 3,000,000 options to Mr Chmiel. The details of these options are described in Note 25 and the Remuneration Report.

(d) Transactions with other related parties

Purchase of Squarefoot
On 22 December 2014 the Group completed the acquisition of Squarefoot.com.hk from REA Group Limited, a substantial shareholder in iProperty Group. The transaction was approved by the shareholders and further details of the transaction are set out in Note 21.

Sale of iCar Limited
During the second half of 2013, the Group disposed of its entire interest in iCar Asia Limited, which was classified as an available for sale investment and recorded a gain on disposal of $4,957,609.

Other transactions between iProperty Group Limited and its related parties
Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated. During 2014 the Group entered into a barter transaction for $104,895 (2013: $51,724) with iCar Asia Limited (a company associated with Patrick Grove and Lucas Elliott) to promote different targeted campaigns to the audiences of the respective businesses. The terms of other related party transactions are set out below.

	Consolidated	
	2014	**2013**
Payments to related parties	**$**	**$**
A contract publishing agreement was entered into with Rev Luxury Enterprise Sdn Bhd, a company associated with Patrick Grove and Lucas Elliott, to produce a coffee table book and to insert an iProperty exposure booklet in their monthly publication. The outstanding unpaid amount at 31 December 2014 was $24,693 (2013: $21,385).	47,875	21,385
Company secretarial services were provided by Australian Company Secretaries Pty Ltd, a company associated with Nicholas Geddes. The outstanding unpaid amount at 31 December 2014 was $14,935 (2013: $12,406).	83,632	76,767
A contract for online marketing services was entered into with Catcha Digital Asia Pte Ltd, a company associated with Patrick Grove and Lucas Elliott. The outstanding unpaid amount to 31 December 2014 was $17,717 (2013: nil).	36,953	-
	168,460	98,152

	Consolidated	
	2014	**2013**
Receipts from related parties	**$**	$
Listing services fees were charged by the Group to LJ Hooker Franchising Ltd, a company associated with Georg Chmiel. The outstanding unpaid balance at 31 December 2014was $153 (2013: $25,000 outstanding).	60,000	60,000
Agent subscription fees were charged by the Group to LJ Hooker franchises in Indonesia, which are entities associated with Georg Chmiel. No amount was outstanding at 31 December 2014 (2013: nil).	2,717	5,623
	62,717	65,623
Share transactions of Directors		
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company:		
- Ordinary shares	68,632,270	72,668,677

24. Parent entity disclosures

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

	Parent	
	31 December 2014 $	31 December 2013 $
Financial position		
Assets		
Current assets	9,438,776	11,227,243
Non-current assets	38,654,676	30,436,686
Total assets	48,093,452	41,663,929
Liabilities		
Current liabilities	7,229,169	7,386,354
Non-current liabilities	-	-
Total liabilities	7,229,169	7,386,354
Net Assets	**40,864,283**	**34,277,575**
Equity		
Issued capital	51,243,759	38,965,897
Accumulated losses	(11,464,827)	(4,751,819)
Reserves		
Equity settled employee benefits reserve	1,085,351	63,497
Total reserves	1,085,351	63,497
Total equity	**40,864,283**	**34,277,575**
Financial performance		
Loss of the parent entity	(6,832,821)	(1,010,172)
Total comprehensive loss	**(6,832,821)**	**(1,010,172)**

25. Share-based payments

Employee Options

On 5 September 2014 the shareholder approved the issue of 3,000,000 options to the Managing Director and Chief Executive Officer. The options vest in three equal tranches from 2015 to 2017, dependent upon hitting a hurdle price. The details of these options are summarised in the table below.

2014 Grant Date	Expiry Date	Exercise Price	Hurdle Price	Fair Value	Opening Balance No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	Closing balance No.	Options vested & exercisable No.
CEO Options										
5 September 2014	30 April 2017	3.13	3.29	1.11	-	1,000,000	-	-	1,000,000	-
5 September 2014	30 April 2018	3.13	3.45	1.24	-	1,000,000	-	-	1,000,000	-
5 September 2014	30 April 2019	3.13	3.62	1.18	-	1,000,000	-	-	1,000,000	-
Total CEO Options		3.13	3.45	1.18	-	3,000,000	-	-	3,000,000	-

The statement of comprehensive income includes the amortisation of employee options amounting to $933,702. The expense relating to the amortisation of these options in future years is expected to be: 2015 $1,761,227; 2016 $694,083; and, 2017 $147,388. The weighted average remaining contractual life for options outstanding at 31 December 2014 was 3.33 years (2013: nil).

The fair value of options at grant date is independently determined in accordance with *AASB2: Share-based payment*, using a binomial or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options).

25. Share-based payments (cont'd)

Employee share rights plan

Details of share rights issued to employees are set out in Note 23(c) and the Remuneration Report. There was $17,503 (2013: nil) included under employee benefits expense in the statement of comprehensive income that relates, in full, to amortisation of equity-settled share-based transactions.

26. Key management personnel compensation

(a) Details of key management personnel

The Directors and other members of key management personnel of the Group during the year were:

Directors

- Patrick Grove — Non-Executive Director
- Georg Chmiel — Executive Director
- Lucas Elliott — Non-Executive Director
- Nicholas Geddes — Non-Executive Director
- John Armstrong — Non-Executive Director(appointed 17 March 2014)
- Roland Tripard — Non-Executive Director(resigned 27 August 2014)
- Owen Wilson — Non-Executive Director(appointed 12 January 2015)

Executives

- Georg Chmiel — Managing Director and Chief Executive Officer (from 21 April 2014)
- Shaun Di Gregorio — Chief Executive Officer (until 21 April 2014)
- Rob Goss — Chief Financial Officer

(b) Compensation practices

Refer to the Remuneration Report segment of the Directors' Report.

(c) Key management personnel compensation

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

	Consolidated	
	2014 $	2013 $
Short-term employee benefits	1,265,504	863,548
Post-employment benefits	-	10,846
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	1,103,740	161,862
	2,369,244	**1,036,256**

The share based payment expense primarily relates to employee options, as described in Note 25 and the Remuneration Report on pages 12 to 17. There were no share rights issued in 2014 and 2013.

Share based payments

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the iProperty prospectus the Non-Executive Directors will be remunerated using a mixture of cash and iProperty shares.

The remuneration of Non-Executive Directors for the year ending 31 December 2014 includes $152,535 (2013: $161,862) in respect of 52,666 shares (2013: 123,364 shares) which have not yet been issued to Non-Executive Directors.The issue of these shares to Non-Executive Directors is subject to the approval of iProperty members at the next Annual General Meeting.

27. Financial risk management

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk analysis by management on a regular basis including exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The main risk arising from the Group's financial instruments are:

- Capital risk
- Interest rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

27. Financial risk management (cont'd)

(a) Capital risk 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 debt and equity balance.

The Group's overall strategy is to ensure that is holds sufficient capital reserves to fund the expansion of its businesses in emerging markets and to opportunistically make small bolt-on acquisitions without the need for raising additional capital. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 16,17 and 18 respectively. The Group operates in various countries, primarily through subsidiary companies established in the markets in which the Group trades.

The Group has sufficient cash reserves and operating cash flows to maintain the Group's current level of operations as well as to make the routine outflows of tax and the payment of any earn outs under contract. The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratios based on continuing operations at 31 December 2014 and 2013 were as follows:

	Consolidated	
	2014 $	**2013 $**
Total borrowings	-	-
Cash and bank balances	11,748,507	14,518,547
Net debt	Nil	Nil
Equity (i)	32,868,404	31,125,048
Net debt to equity ratio	0%	0%

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(b) Interest rate risk management

The Group's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank as listed in Note 8.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management of this note.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2014 would increase/decrease by $61,614 (2013: $47,463). This is mainly attributable to the Group's exposure to interest rates on its cash held at bank.The Group earned $367,756 in interest income (2013: $281,878) which is an average return of 3% (2013: 3%) on its average cash balance for the year.

(c) Foreign currency risk

The Group is mainly exposed to Singapore dollars (SGD), Malaysian Ringgit (MYR), Hong Kong dollars (HKD) and Indonesian Rupiah (IDR) as a result of the operation of its subsidiaries in those markets. Foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entities functional currency, no foreign currency exposure arises.

However the translation of these entity's results from their respective non-Australian dollar functional currencies into the Australian dollar presentation currency of the Group does represent a foreign currency exposure to the Group. The main currency that the Group is exposed to is Malaysian Ringgit and a 5% movement in the average exchange rate over the course of the year would have impacted earnings positively by $287,767 (in the case of weaker Australian dollar) or negatively by $260,361 (in the case of a stronger Australian dollar). Similarly a 5% movement in the average Indonesian Rupiah exchange rate over the course of the year would have impacted earnings positively by $114,171 (in the case of a stronger Australian dollar) or negatively by $126,189 (in the case of a weaker Australian dollar).

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

27. Financial risk management (cont'd)

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The Group does not have any derivative financial assets and liabilities.

31 December 2014	Weighted average effective interest rate	1-3 months ($)	3 months to 1 year ($)	1-5 years ($)	5+ years ($)	Total ($)
Financial assets						
Cash and cash equivalents	3.39%	9,748,507	2,000,000	-	-	11,748,507
Trade receivables	0%	4,070,914	-	-	-	4,070,914
Other receivables	0%	151,666	-	-	-	151,666
		13,971,087	2,000,000	-	-	15,971,087
Financial liabilities						
Trade payables	0%	2,119,187	-	-	-	2,119,187
Billings in advance	0%	2,527,188	1,869,070	398,255	-	4,794,513
Other payables	0%	2,059,283	-	-	-	2,059,283
		6,705,658	1,869,070	398,255	-	8,972,983

31 December 2013	Weighted average effective interest rate	1-3 months ($)	3 months to 1 year ($)	1-5 years ($)	5+ years ($)	Total ($)
Financial assets						
Cash and cash equivalents	3.66%	7,518,547	7,000,000	-	-	14,518,547
Trade receivables	0.00%	2,399,225	-	-	-	2,399,225
Other receivables	0.00%	172,577	-	-	-	172,577
		10,090,349	7,000,000			17,090,349
Financial liabilities						
Trade payables	0.00%	1,625,735	-	-	-	1,625,735
		1,993,214		85,813		
Billings in advance	0.00%		1,668,084		-	3,747,111
Other payables	0.00%	1,649,283	-	561,798	-	2,211,081
		5,268,232	1,668,084	647,611	-	7,583,927

28. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand in banks at call as well asincluding term deposits with a maturity of less than 6 months, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

28. Notes to the statement of cash flows (cont'd)

	Consolidated 2014 $	Consolidated 2013 $
Cash and cash equivalents	**11,748,507**	**14,518,547**

(b) Reconciliation of loss for the year to net cash flows from operating activities:

	2014 $	2013 $
Cash flows from operating activities		
Profit/(loss) for the year after income tax	(10,731,333)	1,705,993
Noncash flows in profit/(loss) from ordinary activities		
Depreciation and amortization	654,251	429,594
Doubtful debt expense	127,795	111,706
Realised gain on sale of AFS investments	-	(4,957,609)
Impairment of goodwill, intangibles, property, plant & equipment	8,806,399	-
Amortisation of employee options	933,702	-
Other non cash employment costs	148,607	226,630
Exchange differences on translation of foreign operations	(591,710)	(265,306)
Movement in working capital:		
(Increase)/decrease in trade and other receivables	(1,650,778)	(302,033)
(Increase)/decrease in other assets	(332,542)	(408,409)
(Increase)/decrease in current tax asset	-	-
Increase/(decrease) in trade and other payables	903,453	650,882
Increase/(decrease) in deferred revenue	1,047,402	1,488,839
Increase/(decrease) in provisions	(383,219)	231,676
Increase/(decrease) in tax liabilities	(57,478)	3,241
Net cash used in operating activities	**(1,125,451)**	**(1,084,796)**

29. Auditors' remuneration

	Consolidated 2014 $	Consolidated 2013 $
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report	111,793	109,773
Tax services	61,683	-
Total	**173,476**	**109,773**
Remuneration of other auditors of the subsidiaries:		
Auditing or reviewing the financial report (Ernst & Young)	58,207	53,227
Auditing or reviewing the financial report (other auditors)	9,274	-
Other services	-	-
Total	**67,481**	**53,227**

30. Subsequent events

On 13 February 2015 the Group announced that, subject to satisfaction of outstanding conditions, it had agreed to acquire Thailand's number one real estate portal, Thinkofliving.com. The expected purchase price consists of a base payment of approximately $6m in cash and $2m in newly issued shares, as well as a variable component depending on the financial performance of the business in the years 2015 to 2017.

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Independent auditor's report to the members of iProperty Group Limited

Report on the financial report

We have audited the accompanying financial report of iProperty Group Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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.

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.

Opinion

In our opinion:

a. the financial report of iProperty Group 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 31 December 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 pages 12 to 17 of the directors' report for the year ended 31 December 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 iProperty Group Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

David McGregor

D. R. McGregor
Partner
Melbourne
19 February 2015

Additional securities exchange information as at 7 April 2015

Number of holders of equity securities

Ordinary share capital

182,040,989 fully paid ordinary shares are held by 4,957 individual shareholders.

All issued ordinary shares carry one vote per share.

Substantial shareholders as at date of last notice to the company

	Fully paid ordinary shares	% of total ordinary shares issued
Ordinary shareholders	Number	%
Catcha Group Pte Ltd	31,334,300	16.78%
REA Group Limited	37,153,940	19.90%

Twenty largest holders of quoted equity securities

	Fully paid ordinary shares	
Ordinary shareholders	Number	Percentage
CITICORP NOMINEES PTY LIMITED	36,293,439	19.937
REA AUSTIN PTY LTD	32,153,940	17.663
NATIONAL NOMINEES LIMITED	9,095,509	4.996
J P MORGAN NOMINEES AUSTRALIA LIMITED	8,799,774	4.834
CATCHA GROUP PTE LTD	8,324,845	4.573
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,154,790	4.480
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	5,326,085	2.926
BNP PARIBAS NOMS (NZ) LTD <DRP>	2,515,944	1.382
HOLDEX NOMINEES PTY LTD <NO 392 A/C>	2,500,000	1.373
BNP PARIBAS NOMS PTY LTD <DRP>	2,204,414	1.211
MIRRABOOKA INVESTMENTS LIMITED	2,166,300	1.190
TAY KAM CHIEW	1,541,541	0.847
LOW YUET WAH	1,426,992	0.784
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,174,637	0.645
AMCIL LIMITED	1,100,000	0.604
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,056,582	0.580
WONG FOOK YEE	926,992	0.509
SMALLCO INVESTMENT MANAGER LTD <THE CUT A/C>	926,238	0.509
TRACKLAW PTY LTD <ALCOCK/BROWN-NEAVES S/F A/C>	850,000	0.467
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	823,374	0.452
Total Top 20	**127,361,396**	**69.963**
Total Issued Capital	**182,040,989**	

Distribution of shareholders

Range	Number of shareholders as at 7 April 2015
1 – 1,000	957
1,001 – 5,000	2,044
5,001 – 10,000	975
10,001 – 100,000	894
100,001 and over	87
Total Number of holders	4,957
Holders of less than a marketable parcel	463

Corporate Directory

Registered Office	Share Registry
Suite 806, Level 8 70 Pitt Street SydneyNSW2000 Australia Tel: +61 (2) 9239 0277 Fax: +61 (2) 9233 4497	Boardroom Pty Limited Level 7 207 Kent Street Sydney NSW 2000 Australia www.boardroomlimited.com.au

Principal Place of Business	Company Secretary
Suite 11.01, Level 11 Menara IGB Mid Valley City 59200 Kuala Lumpur Malaysia Tel: +60 (3) 2264 6888 Fax: +60 (3) 2264 6999	Nicholas Geddes Email: ngeddes@austcosec.com.au

The Board	
Patrick Grove – Chairman	Lucas Elliott
Georg Chmiel – Managing Director & CEO	Nick Geddes
John Armstrong – Chairman of the Remuneration & Nomination Committee and the Audit & Risk Committee	Owen Wilson

Chief Executive Officer	Chief Financial Officer
Georg Chmiel Email: ceo@iproperty.com	Robert Goss Email: robert.goss@iproperty.com

Websites	Auditors
www.iproperty-group.com www.iproperty.com	Ernst & Young 8 Exhibition Street Melbourne VIC 3000

Other Offices		
iProperty Singapore 360 Orchard Road Singapore 238869	GoHome H.K Co. Ltd 25th Floor, Neich Tower 124-131 Gloucester Road Wan Chai, Hong Kong	PT Web Marketing Indonesia Dea Tower II Lantai 7, Unit no. 1,2 dan 4 Kawasan Mega Kuningan Jl. Mega Kuningan Barat Kav.E-4 no.1, Kuningan Timur Setiabudi, Jakarta Selatan Jakarta, Indonesia

ASX Listing Code
IPP