APPENDIX 4E
Preliminary final report

Onthehouse Holdings Limited
ABN: 97 150 139 781

Year ending 30 June 2015
Previous corresponding period: 30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

		Reporting Period $A'000	Previous Reporting Period $A'000
Revenue from continuing operations	Decreased 0.6% to	26,014	26,171
Profit/(loss) from continuing operations after tax attributable to members	Decreased 2156% to	(8,698)	423
Net profit/(loss) for the period attributable to members	Decreased 2156% to	(8,698)	423

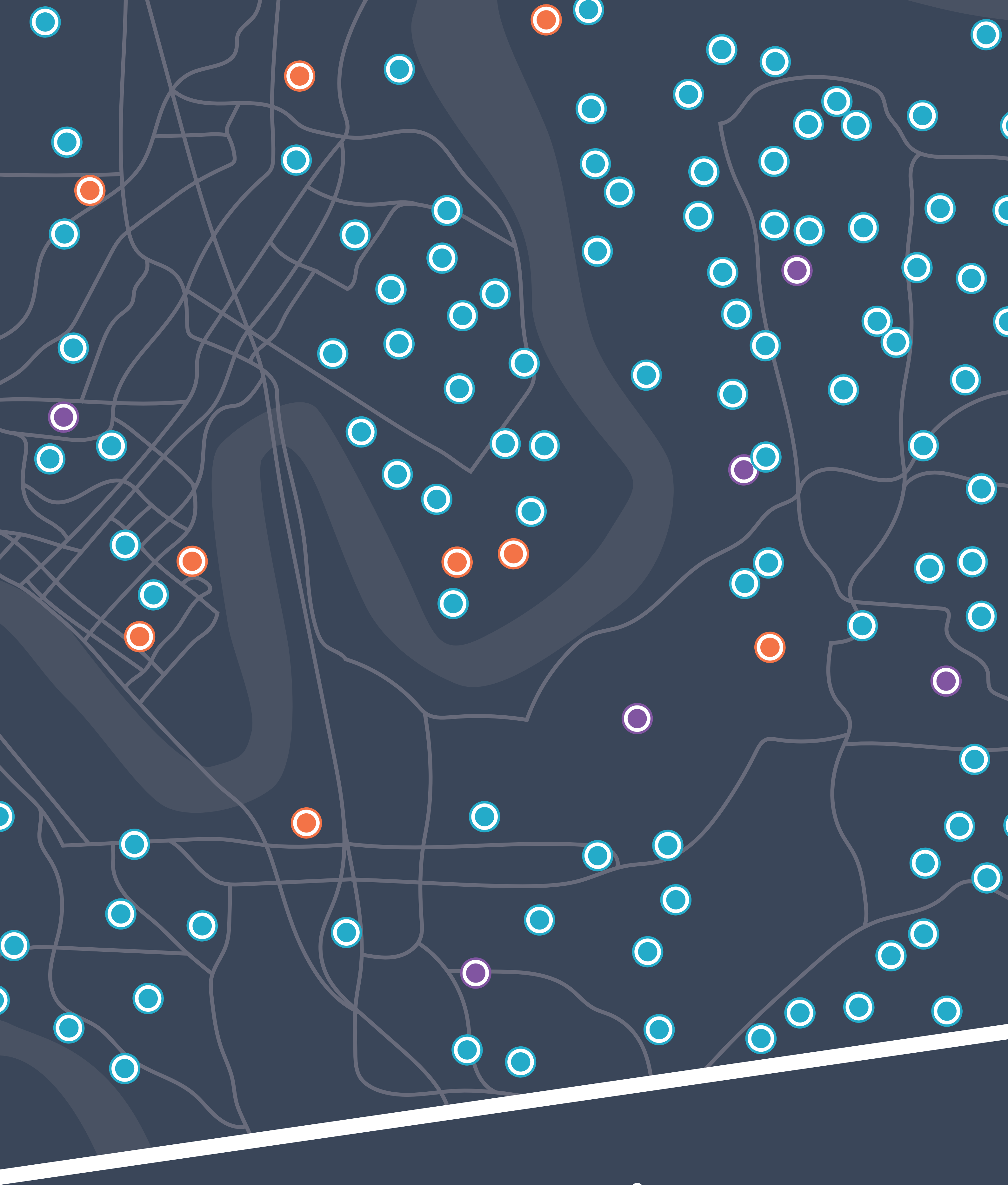
Dividends

No dividend will be paid in respect of the year ended 30 June 2015.

Net Tangible Assets

	Current Period	Previous Period
Net tangible asset backing per ordinary security (cents)	(0.55)	(2.85)

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



onthehouse
HOLDINGS

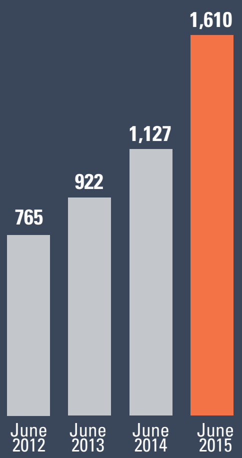
Annual Report 2015

Group performance highlights

Onthehouse Holdings Limited's financial results and operational highlights for the 2015 financial year demonstrate the underlying strength of the Group.

Operational

Monthly unique browsers 000s



43%

Unique visitors to the website up 43% year-on-year as more people sought property information from Onthehouse.com.au.

54%

Active listings

Active real estate listings, sale and rent, showed strong growth and increased 54% year-on-year.

46%

Active agency listings

Active agency listings increased 46% year-on-year to 3,188 listings in June 2015, as we continued to strengthen and grow our agency relationships.

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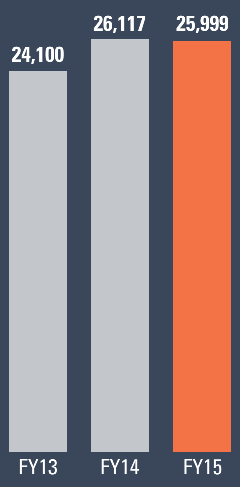
During the past 12 months, we have progressed many of our strategic and operational objectives, aimed at building a strong platform for future growth and success.

Financial

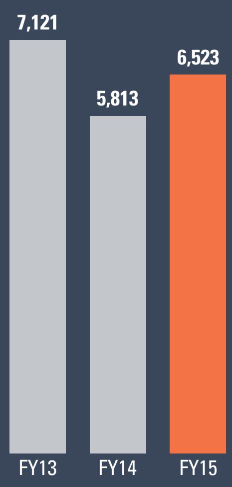
Sales revenue $000s



0.4%

Sales revenue of $26.0m represented a slight decline of 0.4% on the previous corresponding period (FY14: $26.1m).

Underlying EBITDA $000s



12.2%

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation up 12.2% to $6.5m (FY14: $5.8m).

$(8.7)m

Statutory NPAT

Statutory Net Profit After Tax Loss of $8.7m. The result was heavily impacted by the $10.5m non-cash impairment charge relating to intangible assets in the COD division.

$665,000

Underlying NPAT

Underlying Net Profit After Tax $665,000 (FY14: $653,000).

Information in addition to IFRS measures included in this report has been used for consistency with prior periods and user readability. The measures have been derived from information contained in the financial statements. Refer to page 14 for a detailed reconciliation to IFRS amounts.

Operational highlights sourced from Google Analytics June 2015 (OTH and OTH GTM) and Onthehouse Management Reporting.

Chairman's letter to shareholders

Dear Shareholders,

The Board is pleased to present to shareholders Onthehouse Holdings Limited's (Onthehouse) Annual Report for the financial year ending 30 June 2015.

The past year has been one of significant change for the Group. Changes in shareholding, the Board and management led to a period of relative instability as the impact of these changes were worked through. Pleasingly, we have finished the year with a stable Board and management team that has the support of the majority shareholders and the skills necessary to drive the Group's future growth.

Notwithstanding these difficulties over the past twelve months, your Board has put a new management team in place, completed a strategic review of the Group, and continued to invest in the future of both our operating divisions.

Considering the uncertainty of the past twelve months, financial outcomes have been reasonable as they have remained relatively stable:

- Revenue was steady compared to the previous corresponding period (pcp), from $26.1m to $26.0m in FY2015
- Underlying Profit (EBITDA) was up 12.2% on the pcp from $5.8m to $6.5m
- EBITDA margins rose on the pcp from 22% to 25%
- Net Profit (After Tax) was down from $0.4m to a loss of $8.7m as a result of an impairment charge of $10.5m recorded in December 2014 in relation to the Consumer Online Division (COD).

Key priorities for the financial year ending June 2015 included:

- Securing Board and management stability
- Resolving key strategic issues
- Accelerating investment in the Real Estate Solutions (RES) business
- Developing the Next Generation Consumer Online Portal – *Project Rise*
- Funding these developments internally through improved operational effectiveness and overhead cost base management.

I am pleased to report that good progress has been made on all these initiatives.

> "During the year, a body of work was undertaken aimed at improving operational efficiencies and reducing the Group's overhead cost base. This work has resulted in significant cost savings that have enabled increased investment in both RES and COD, without the need for external funding."

Following an agreement between major shareholders, a new Board was constituted in February 2015. With the addition of Michael Dempsey, Daniel Dempsey, Angus Johnson and Lisa Hickson, the Board has an appropriate mix of public company, technology, property and digital marketing experience to guide the development of Onthehouse into the future. I would like to recognise and thank outgoing Directors for their contribution to the Group.

Following the appointment of the current Board, a number of management changes were announced. Chris Meehan was appointed to the role of Chief Executive Officer in June 2015. Chris has a track record of success in technology businesses having established domain.com.au from 2000 to 2006, and led ASX-listed travel.com.au before it was sold to Wotif. Chris has been with Onthehouse since 2013 as Chief Operating Officer and was appointed acting Chief Executive Officer in February 2015. Chris' appointment follows the appointments of Emily Santucci as the Group's Chief Financial Officer and Andy Antonini as the Chief Operating Officer of the Consumer Online division ("COD") in March.

In June 2015, the Group announced the findings of a strategic review of the business. The key strategic issues that needed to be determined were the degree of interdependence of the RES and COD businesses and the sustainability of the existing funding model. The review concluded that RES and COD were distinct businesses, each with distinct strategies, development and funding needs. The review also concluded that the current model, in which cash generated by the RES business funded the development of COD, was not sustainable.

As a result of these conclusions, we have commenced the internal separation of RES and COD and have commenced the search for an appropriate partner to assist with the development and funding of the COD business.

Both businesses have significant intrinsic value that is not currently recognised by the market. The Board has decided RES will continue to be developed within the current listed legal entity, while COD will be developed in a non-listed joint venture (JV) vehicle in which OTH Holdings would maintain an interest of between 30% and 49%. Potential JV partners include:

- Like businesses that can add experience, technology or other industry assets etc. to the venture, and/or,
- Venture capital investors or other funders.

The Board believes significant value can be created in this structure without the responsibility of funding the COD.

Following a period of under-investment, FY15 saw renewed investment in the RES business. Additional resources were deployed in product development, customer service, sales and account management activities. Work has also commenced on the development of a new integrated SaaS (Software as a Service) based technology platform that will support business growth in the future.

Focus for the COD business has been on the development of the Next Generation Consumer Online Portal. This project (Project Rise) is well-advanced and when complete, will enable the business to initiate a number of monetisation applications. Despite disappointing financial results in terms of monetising traffic and product sales, the lead indicators in this division all remain strong with significant increases in website traffic and agent listings throughout the year.

During the year, a body of work was undertaken aimed at improving operational efficiencies and reducing the Group's overhead cost base across both businesses. This work has resulted in significant cost savings and has enabled increased investment in both RES and COD, without the need for external funding.

Finally, on behalf of the Board, I would like to thank all our employees for their dedication and hard work, and our shareholders for their continued support.

We look forward to 2016 being a strong year for the business and its shareholders.

Tony Scotton
Chairman

CEO's message

I am pleased to advise Onthehouse Holdings Limited (Onthehouse) has delivered a steady financial performance across the business. At the same time, we have progressed many of our strategic and operational objectives, aimed at building a strong platform for future growth and success.

A steady financial performance

Onthehouse's reported revenue remained relatively steady across the business overall, showing a slight decline of 0.4% to $26.0 million (prior year: $26.1 million). Revenue for the Real Estate Solutions (RES) division increased by 1% while revenue for the Consumer Online Division (COD) decreased by 8%. Importantly, underlying earnings, as measured by EBITDA (earnings before interest, taxes, depreciation, and amortisation) increased 12% in FY15 to $6.5 million (prior year: $5.8 million). This was primarily due to a continued focus on managing expenditure through a range of cost efficiency measures. This approach has allowed the Group to reset the cost base by focusing on achieving efficiencies, setting the business up for success in FY16.

Statutory profit was impacted by one-off costs, primarily comprising a $10.46 million non-cash impairment charge in December 2014 relating to the Group's intangible assets in its COD business. The impairment charge was driven by an updated assessment of division's value-in-use as a result of additional costs required to complete the Next Generation Consumer Online Portal and the financial impact of a revision of the delivery timetable.

Operating cash flow decreased 8% to $5.7 million as the Group scaled operations and continued to invest in its product offerings, data and technology, with an increase in software development across both divisions by 25% to $5.7 million during the period.

Realising opportunities across business divisions

The RES division delivered a steady performance, and I am pleased to report it continues to be a dominant supplier of software to the real estate agency sector.

The division is critical to our business. We have continued to focus on sales and service initiatives plus product innovation to support our strong market position. Specifically, some of the new features delivered include BPay integration, improved database performance, and an updated inspections APP. These features are part of our integrated software product solution that enables real estate agents to confidently grow and manage a real estate business more effectively and profitably.

In addition we have increased our investment in account management, user groups, and support to better deliver an improved customer experience and engagement.

The success of our COD business, which includes Onthehouse.com.au and our data business, is dependent on our ability to connect with Australian homeowners and tenants, and provide them with the information they need to make informed property decisions.

Australia's interest in the property market continues to remain high, and Onthehouse.com.au continues to be the industry's predominant website for free property data information. Traffic to the website continued to build during the 2015 financial year, with 43% year-on-year growth in unique browsers and a 45% year-on-year increase in page views. The real estate industry has increasingly embraced our consumer offering and during 2015 there was a 46% year-on-year increase in active real estate listings on Onthehouse.com.au.

In 2015 revenue was delivered through media advertisers and businesses buying data. With the delivery of our new Next Generation Consumer Online Portal we will be pursuing new revenue opportunities through new online real estate agent advertising products.

The new Onthehouse.com.au website, currently in advanced testing stages, will also deliver an improved property estimate feature, vastly improved speed, a new design, and will be compatible with mobile, web and tablet devices. We plan to continue to develop the portal with new features and data to empower consumers to make informed property decisions.

Setting a new strategic direction

A strategic review of the Group was completed during the 2015 financial year. The key priority of the review was to accelerate both the RES and COD businesses through a restructuring into two distinct divisions, to better reflect operations. As a result, financial reporting now reflects the new structure, with all relevant costs associated. The divisions are now managed independently, an individual strategy has been developed for each business..

> "Australia's interest in the property market continues to remain high, and Onthehouse.com.au continues to be the industry's predominant website for free property data information. Traffic to the website continued to build during the 2015 financial year, with 43% year-on-year growth in unique visitors and a 45% year-on-year increase in page views."

Looking to the future

Onthehouse is uniquely positioned with a stable RES business and the earlier-stage COD business that has substantial upside, and we believe the business is well-positioned for growth and value creation.

Our RES business strategy will continue to focus on improving products and services, and increasing cross-selling opportunities to grow the business, while commencing to develop the next generation Software as a Service (SaaS) real estate solution.

The COD business remains focused on growing consumer engagement as a key priority through product and data. We will continue to invest in our Next Generation Consumer Online Portal and seek to enhance revenue opportunities from existing capabilities while driving greater monetisation of a growing consumer audience. Until we secure a partner for the COD business we will continue to invest appropriately in both businesses. We have the capacity to market and develop the next generation Onthehouse.com.au website and have increased investment in technology resources to commence the work on the new SaaS platform.

Once a partner is secured for the COD business we will then be in a position to accelerate investment in our RES business.

I would like to thank the Board, the leadership team and all of our employees for their energy, loyalty and collaboration during this year of change and achievement.

Chris Meehan
Chief Executive Officer

Directors' information

Tony Scotton

Chairman and Non-executive Director

Appointed: 18 February 2014, Chairman since 27 February 2015

Age: 68

Independent: Yes – Mr Scotton filled the role of Acting Chief Executive Officer (CEO) for the period of October 2014 to February 2015 due to a vacancy, but this has not impacted his ability to act independently.

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

Other current directorships and offices:

- Chairman of Precise Air Pty Ltd

Recent directorships and offices:

- CEO and Director of SAI Global Limited (ASX: SAI) (recently retired)

Board Committee membership: Chairman of the Audit & Risk Committee.

Interest in shares and options (as at 30 June 2015): 261,907 ordinary shares and 250,000 options.

Michael Dempsey

Non-executive Director

Appointed: 27 February 2015

Age: 51

Independent: No – Mr Dempsey has a material interest in the Company's securities.

Skills and experience: Michael founded and led Ezidebit Pty Ltd from a start-up venture in Brisbane to become Australia's leading payment processor. Ezidebit is a market leader in SaaS-based payment products and innovative payment solutions.

Michael held roles as CEO and Chairman and set the strategic direction for the company, achieving 30% compound annual growth.

Recent directorships and offices:

- CEO and Chairman of Ezidebit Pty Ltd

Board Committee membership: Chairman of the Product and Technology Committee and member of the Audit & Risk Committee.

Interest in shares and options (as at 30 June 2015): 15,837,745 ordinary shares.

Daniel Dempsey

Non-executive Director

Appointed: 27 February 2015

Age: 52

Independent: No – Mr Dempsey is a close family member of Michael Dempsey who has a material interest in the Company's securities.

Skills and experience: Daniel has held numerous directorships in a variety of industries including outdoor broadcasting, consulting (specialising in turnaround situations) and private equity. He was also a Director of Ezidebit from 2007 until its sale in 2014.

As a Director at L.E.K Consulting, Daniel was also the Regional Head of the firm's Media & Telecoms and Performance Improvement practices.

Other current directorships and offices:

- Director of Value Creation Associates

Recent directorships and offices:

- Director of Ezidebit Pty Ltd
- Director of Global Television
- Executive Director with Catalyst Investment Managements
- Director of L.E.K. Consulting

Board Committee membership: Chairman of the Remuneration and Nominations Committee and member of the Product and Technology Committee.

Interest in shares and options (as at 30 June 2015): nil.

Angus Johnson

Non-executive Director

Appointed: 27 February 2015

Age: 55

Independent: No – Mr Johnson has a material interest in the Company's securities.

Skills and experience: Angus has more than 35 years' experience in the property industry. For the past 22 years, Angus has been Managing Director and 50% owner of Citimark Properties, one of Australia's leading private property development groups.

Other current directorships and offices:

- Managing Director of Citimark Properties

Recent directorships and offices:

- Chairman and long serving Director of national AFL club, the Brisbane Lions

Board Committee membership: Member of the Remuneration and Nominations Committee and Audit & Risk Committee.

Interest in shares and options (as at 30 June 2015): 5,941,743 ordinary shares.

Lisa Hickson

Non-executive Director

Appointed: 28 April 2015

Age: 48

Independent: Yes

Skills and experience: Lisa has over 25 years' experience both working for leading consulting firms such as Bain & Company and also as GM-Marketing/Marketing Director for brands including Microsoft, Virgin and realestate.com.au. She holds an MBA from INSEAD and brings valuable skills and expertise across marketing, digital channels and customer experience design.

Lisa operates her own consulting practice and is also affiliated with several consulting organisations including ICG (Internal Consulting Group) where she holds the position of Practice Leader, Digital Marketing, and Komosion, where she holds the position of Strategy Director.

Board Committee membership: Member of the Remuneration and Nominations Committee and Product and Technology Committee.

Interest in shares and options (as at 30 June 2015): nil.

Onthehouse Holdings Limited

ABN 97 150 139 781

Audited Financial Report for the Year Ended 30 June 2015

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The Directors present their report on Onthehouse Holdings Limited ("Onthehouse" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2015.

1. Directors

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

- **Tony Scotton –** Non-executive Chairman
- **Michael Dempsey –** Non-executive Director (appointed 27 February 2015)
- **Daniel Dempsey** – Non-executive Director (appointed 27 February 2015)
- **Angus Johnson** – Non-executive Director (appointed 27 February 2015)
- **Lisa Hickson** – Non-executive Director (appointed 28 April 2015)
- **Anthony Eisen** – Non-executive Director (appointed 21 October 2014; resigned 28 April 2015)
- **Gail Pemberton** – Non-executive Chairman (resigned 27 February 2015)
- **Michael Fredericks** – Managing Director and CEO (resigned 1 October 2014)
- **Brian Mitchell** – Non-executive Director (appointed 25 September 2014, resigned 27 February 2015)
- **Gabriel Radzyminski** – Non-executive Director (appointed 21 October 2014, resigned 27 February 2015)
- **Glenn Poswell** – Non-executive Director (appointed 21 October 2014, resigned 27 February 2015)
- **David Liberman** – Alternate Director for Mr Glenn Poswell (appointed 21 October 2014, resigned 27 February 2015)

The current Directors' qualifications and experience are set out on pages 7 to 8. The number of meetings held (including meetings of Committees of the Board) and the number of meetings attended by the Directors of Onthehouse Holdings Limited during the financial year is set out on page 18.

Directors who resigned during the year

Anthony Eisen

Anthony has 20 years' experience in investing, maintaining public company directorships and providing corporate advice across a variety of sectors with a special focus in media, financial services and technology. Prior to 2014, Anthony was the Chief Investment Officer at Guinness Peat Group (GPG) and was actively involved in a number of software and technology companies. Prior to joining GPG, Anthony was an investment banker specialising in mergers and acquisitions and commenced his professional career as an accountant in Australia (PricewaterhouseCoopers).

Gail Pemberton

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

Brian Mitchell

Brian has over 30 years' experience in the Information Technology (IT) industry in a range of senior roles with global companies including IBM Corporation, BIS Banking Systems, Digital Equipment Corporation, and Oracle Corporation. Brian has most recently been engaged with developing and supporting IT companies and new technology start-ups, with activities in Australia and overseas.

Directors who resigned during the year continued

Gabriel Radzyminski

Gabriel has been involved in the financial services sector for more than 18 years. He is Managing Director of Sandon Capital Pty Ltd, a funds management and advisory firm specialising in activist investing. Sandon Capital is the investment manager of two wholesale managed investment schemes and a listed investment company.

Glenn Poswell

The founder of Gannet Capital, Glenn was previously a founder and Chief Executive Officer of Ellerston Capital Ltd (2004 – 2009) an alternative asset management business established to manage the Packer family's wealth and external investors' capital in public equity markets and managed fund investments. Prior to Ellerston Capital, Glenn was Head, Asia Pacific Deutsche Banks' Absolute Return Strategies Group, and was a member of the Investment Committee and Compliance Committees.

Michael Fredericks

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

David Liberman

David has over 20 years' IT experience in finance, banking, health, advertising, media and telecommunications. He has been the CTO/CIO of a number of professional services and product based companies, where his responsibilities included articulating a corporate technology strategic vision, mapping company technology strategy as well as project management of large software and infrastructure implementations.

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

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

Director	Number of ordinary shares	Options
T. Scotton	261,907	250,000
M. Dempsey	15,837,745	-
D. Dempsey	-	-
A. Johnson	5,941,743	-
L. Hickson	-	-

2. Company secretary

Kim Clark (appointed 23 January 2015)

Kim is an experienced business professional with 21 years' experience in the banking and finance industries and six years experience as a Company Secretary of an ASX300 company. Her experience includes debt and capital raising, risk management, mergers and acquisitions, compliance and governance. Kim currently acts as Company Secretary to various ASX listed companies in Australia and is the Head of Corporate Services for Boardroom Pty Ltd Queensland office.

2. Company secretary continued

Sue Whidborne (resigned 23 January 2015)

Sue joined Onthehouse in March 2012, bringing over 20 years of experience in the areas of finance and accounting, both in commerce and public practice. As a Chartered Accountant, Sue worked with PwC for 12 years, both in Brisbane and in the UK, advising across a wide range of industries including the software industry, construction and infrastructure, government and financial services. For the last decade, Sue has worked in the software industry, predominantly with Mincom.

3. Dividends

No dividends have been declared or paid during the financial year (2014: nil).

4. Principal activity

The Group's principal activities during the year were:

- The provision of real estate software and website solutions to real estate agents and real estate groups in Australia and New Zealand
- The provision of online display advertising and sponsorships to financial institutions and other key advertisers targeting the property consumers on Onthehouse.com.au
- The selling of online display advertising and sponsorships to financial institutions and other key advertisers targeting the property consumers on behalf of major real estate groups and property related portals
- Providing the general public in Australia with comprehensive and freely accessible real estate information that empowers consumers to make informed property decisions to maximise the value of their property
- Provision of data and data services to businesses.

The Group's strategy is to build software and consumer products that deliver value to customers (real estate agents, display advertisers, financial institutions and other businesses) when they want to reach or manage their relationship with property consumers (renovators, investors, buyers, sellers, landlords and tenants).

The real estate software division – Real Estate Solutions (RES) – supplies integrated real estate marketing, backend software solutions and mobile applications enabling real estate agents to grow and manage their businesses. The Group's real estate software and mobile products include Console Gateway property management and trust solution, Console Webchoice website solution, and Console ClientManager – a customer relationship management software.

The Consumer Online Division (COD) produces and supplies online and data products for consumers and customers (real estate agents, display advertisers, financial institutions, and other businesses looking to increase the depth and quality of their data set). The Division's online products consist of the website Onthehouse.com.au and its mobile applications, as well as Residex property insights and reports.

The Group's strategy is to attract a consumer audience by providing free property information (sold and rental data, for sale and rental listings, plus other property information and tools) to consumers in a single location and to monetise this engagement by connecting these consumers to real estate professionals and advertisers. The data products provide businesses with the ability to enhance their property valuation processes (Banking AVM), provide insights on the property market, and use the Group's consolidated data sets to improve their own marketing and business activities.

Through the development and building of software and consumer products that drive value to customers (real estate agents, display advertisers, financial institutions and other businesses), the Group is able to assist stakeholders reach or manage their relationships with property consumers including renovators, investors, buyers, sellers, landlords and tenants.

5. Group overview

Real Estate Solutions (RES)

RES is among Australasia's largest real estate software businesses and offers Australia's most complete software solutions including property management applications, sales management, as well as website design, development, and hosting. The point of difference is RES' ability to be a single source supplier of bundled real estate products and services that provide complete software and content management solutions required to operate, market and optimise a real estate business.

In the Strategic Review announced in June 2015, the Group stated it intends to move this solution into a single real estate SaaS (Software as a Service) platform. To achieve this, the Group will build, partner or buy a solution to provide an integrated set of real estate marketing and backend software solutions, to enable real estate agents to confidently grow and manage a real estate business. The project has commenced and will be progressively built and rolled out over the next five years as customers are migrated to the new platform.

This strategy will provide stronger opportunities to grow total spend per agent through the cross-selling of additional products developed in-house or via partners.

During this process RES will continue to enhance its existing products with updated features and integrations. In the last twelve months RES has completed significant software integrations with BPay and the Real Estate Institute's leading forms platform, improved its databases and backup management, and rebuilt its unique property inspections application (LiveAgent APP). In June 2015, the business also launched an updated website product for real estate agents.

The appointment of account managers to improve cross-selling and retention strategies, as well as investment in support and training, has increased the business' sales ability and contributed to further product development.

Consumer Online Division (COD)

COD consists of the flagship Onthehouse.com.au website, its mobile applications, and a network of real estate websites developed, hosted or monetised by the Group. It also includes a data analytics business that supplies data and insights to businesses and consumers, purchased through its Residex business.

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

The site differentiates itself by providing end users with a rich and freely accessible source of property information, including property descriptions, sales listings and sold history, rental listings and rental history, estimated property values, comparative property details, mapping information, property images, local analytical and value trending information, across a database of more than 13 million properties.

Throughout the year, the Group has been rebuilding its Onthehouse.com.au platform from the ground up. The first phase saw the completion of the data platform which amalgamates data from multiple sources and feeds it to the new website and property estimating function.

A new mobile application was launched in June and an updated beta version of Onthehouse.com.au launched in July 2015. The new site will launch in the second quarter of FY16, with a new design and greater scalability; it will also be the launch pad for new Agent Products to be sold to real estate agents.

During the year, the Group also announced its intention to seek a Joint Venture (JV) partner or partners to take COD forward.

5. Group overview continued

Operating results for the year

Revenue was largely flat (down <1%) over the year ended 30 June 2015. Earnings were up, reflecting the continued focus on cost efficiencies within the business and focus on increasing margins.

An impairment charge of $10,455,000 was recorded in December 2014 as the value in use of the Consumer Online Division was reassessed to reflect the additional costs required to complete the Next Generation Consumer Online Portal and the revision of the associated delivery timetable. This has directly impacted net profit and has resulted in a decrease on the prior year.

	Actual 2015 $'000	Actual 2014 $'000	Growth from prior year
Sales revenue^	25,999	26,117	not material
EBITDA (unaudited)**	6,190	5,485	13%
Transaction Costs (unaudited)*	93	328	(72%)
Costs associated with former CEO's departure (unaudited)	240	-	n/a
EBITDA excluding Transaction Costs and Other expenses (unaudited)	6,523	5,813	12%
Impairment expense	10,455	-	n/a
Statutory Net Profit/(loss) after Tax	(8,698)	423	(2156%)
Underlying Net Profit/(loss) after Tax (unaudited)**	665	653	2%
Cash Balance as at 30 June	1,838	3,416	46%

^ Excludes interest revenue of $15,000 (2014: $54,000).

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

** Information in addition to IFRS measures included in this report has been used for consistency with prior periods and user readability. The measures have been derived from information contained in the financial statements.

EBITDA equals net loss before tax $10,498,000 (2014: loss of $472,000) plus depreciation and amortisation of $6,099,000 (2014: $5,506,000), loss on sale of assets of $12,000 (2014: $38,000), present value interest on contingent consideration of $nil (2014: $203,000), and financing costs of $137,000 (2014: $264,000) less interest income of $15,000 (2014: $54,000).

Underlying Net Profit/(loss) after tax of $665,000 (2014: $653,000) equals EBITDA excluding Transaction Costs and Other income (as defined above), plus impairment of $10,455,000 (2014: $nil) and less the taxation impact of the impairment charge, transaction costs and other expenses of $1,425,000 (2014: $98,000).

5. Group overview continued

Segment Performance	Sales Revenue $'000	EBITDA before impair-ment	Margin	Impair-ment	Deprec-iation & Amortisation (includes net of gain/loss on disposal) $'000	Net Finance Costs $'000	Income Tax Benefit $'000	Net Profit after tax $'000
30 June 2015								
Real Estate Solutions	21,505	11,313	53%	-				
Consumer Online	4,494	(2,872)	(64%)	(10,455)				
Unallocated Expenses	-	(2,251)		-				
Total	25,999	6,190	24%	(10,455)	(6,111)	(122)	1,800	(8,698)
30 June 2014								
Real Estate Solutions	21,239	10,275	48%	-				
Consumer Online	4,878	(2,440)	(50%)	-				
Unallocated Expenses	-	(2,350)		-				
Total	26,117	5,485	21%	-	(5,544)	(413)	895	423

RES' revenue increased by 1%, though market share across real estate agencies remained relatively flat. Consumer Online revenue decreased by 8% as a result of advertisers delaying spend following the delay of the delivery of the Next Generation Consumer Online Portal. There was an increased investment in marketing and other expenditure in the division.

Review of financial position

Financial Position	FY15 ($'000)	FY14 ($'000)	Change	Cash Flow	FY15 ($'000)	FY14 ($'000)	Change
Cash	1,838	3,416	(46%)	Operating Cash flow	5,661	6,148	(8%)
Investments	-	-	n/a	Investing cash flows	(6,596)	(4,839)	36%
Goodwill and Intangibles	54,767	65,232	(16%)	Financing cash flows	(537)	(2,170)	(75%)
Total assets	**60,564**	**73,089**	**(17%)**	**Net change in cash**	**(1,472)**	**(861)**	**(71%)**
Total borrowings	(1,135)	(1,672)	(32%)	Net foreign exchange differences	106	90	18%
Total Equity	**54,312**	**62,886**	**(14%)**	**Cash at end of period**	**1,838**	**3,416**	**(46%)**

5. Group overview continued

Operating cash flows decreased 8% to $5,661,000 as the Group scaled operations and continued to invest in its product offerings, data and technology. Software development costs increased by 25% to $5,297,000 (FY2014: $4,146,000). Expenditure on enhancing the Real Estate Solutions product offerings was $1,784,000 (FY2014: $1,335,000) and Consumer Online product offerings was $3,513,000 (FY2014: $2,811,000).

In addition to the continued investment into the Group's products, the Company repaid debt of $1,142,000 during the reporting period and settled the cash component of the contingent consideration payment for the acquisition of The Ad Network Pty Ltd for $750,000 (FY2014: $nil). The year ended 30 June 2015 closed with a cash balance of $1,838,000 (30 June 2014: $3,416,000) with the Group holding net cash of $703,000 (30 June 2014: $1,744,000).

6. Significant changes in state of affairs

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

7. Significant events after the balance date

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

8. Likely developments

The Group announced the outcomes of its Strategic Review in June 2015.

The review found that COD (which includes Onthehouse.com.au and data assets) and RES are distinct businesses and there would be greater benefits if they were managed independently with a focused strategy for each business. As a result:

- COD will be developed in a non-listed JV vehicle in which OTH Holdings would maintain an interest, of between 30% and 49%
- the RES business will be retained 100% by OTH Holdings and will continue to be developed in the current listed entity.

The Group is in early discussions with a number of potential JV partners who can provide funding, experience or other industry assets. Completion of the transaction is targeted for the second half of FY16.

The RES business generates strong free cash and this will be used to fund our plans to build the next generation real estate SaaS software platform that enables real estate agents to confidently grow and manage their business. This project has already commenced and it is a key priority of the Board.

The Group believes significant shareholder value will be created in this new structure and it will remove the full responsibility of funding the COD from the RES division.

The Group remains committed to the high risk, high reward opportunity of capturing a significant share of the property consumer advertising spend by creating a disruptive online real estate offering.

In the US and Europe, the growth of Zillow and Zoopla are capturing greater market share as they offer a significantly enhanced consumer experience and industry engagement value proposition similar to Onthehouse.com.au.

The Group believes that bringing forward the funding or assets to accelerate the growth in the COD business via a JV will help reach this opportunity faster. The proposed JV structure will enable those parties attracted by the COD opportunity to invest and provide the funding necessary to optimally develop the COD business.

8. Likely developments continued

Opportunities

Real Estate Solutions:

- Increase yield per customer through the cross sell of additional existing products
- Increase market share through an increased number of the agents entering the industry
- Increase yield through referral fees from integration partners
- Identify additional new software or digital/mobile product/integration opportunities.

Consumer Online Division:

- Increase consumer traffic leading to greater media advertising revenue and increased number of advertisers
- Additional revenue opportunities through new Agent Products
- Deliver increased value to property consumers and customers with the new Onthehouse.com.au website
- Delivers greater revenue opportunities and new customers through growth in data.

Risks

The Group operates in a highly competitive industry and has a number of significant competitors in different segments of its business operations. The Group regularly monitors competitive behaviour, as well as local and international trends and innovation relevant to its business operations to identify potential opportunities and risks for its business.

More broadly, risks to the Group include the following:

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

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

9. Environmental disclosure

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

10. Shares options

Unissued shares

As at the date of this report, there were 4,197,180 unissued ordinary shares under options. Refer to Note 5-3 for further details of the options outstanding. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

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

11. Indemnification and insurance of Directors and Officers

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

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

12. Indemnification of auditors

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

13. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each Director during the year ended 30 June 2015 were as follows:

			Meetings of committees					
	Directors' Meetings		Audit & Risk		Remuneration & Nominations		Product & Technology	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
T. Scotton	14	14	6	6	4	4	n/a	n/a
M. Dempsey	4	4	2	2	n/a	n/a	1	1
D. Dempsey	4	3	n/a	n/a	1	1	1	1
A. Johnson	4	3	2	1	1	1	n/a	n/a
L. Hickson	2	2	n/a	n/a	1	1	1	1
A. Eisen	8	7	4	4	n/a	n/a	n/a	n/a
M Fredericks*	3	3	n/a	n/a	n/a	n/a	n/a	n/a
G. Pemberton	10	10	4	4	3	3	1	1
B. Mitchell	7	7	3	3	1	1	1	1
G. Radzyminski	6	6	3	3	n/a	n/a	n/a	n/a
G. Poswell	6	5	n/a	n/a	1	1	n/a	n/a
D. Liberman*	6	4	n/a	n/a	n/a	n/a	1	1

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

13. Directors' meetings continued

Committee membership

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

Members acting on the committees of the Board during the year ended 30 June 2015:

Audit & Risk	Remuneration & Nominations	Product & Technology
T. Scotton (c)	D. Dempsey (c)	M. Dempsey (c)
A. Johnson	A. Johnson	D. Dempsey
M. Dempsey	L. Hickson	L. Hickson
A. Eisen~	G. Pemberton~	T. Scotton^
B. Mitchell~	T. Scotton^	B. Mitchell~
G. Radzyminski~	B. Mitchell~	G. Pemberton~
G. Pemberton~	G. Poswell~	

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

~ No longer a Director at reporting date

^ No longer a Committee member at reporting date

14. Rounding

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

15. Auditor Independence and non-audit services

The directors received the declaration set out on page 35 from the auditor of Onthehouse Holdings Limited.

There were no non-audit services provided by Ernst & Young during the financial years ended 30 June 2015 and 30 June 2014 other than lodgement services (taxation and financial report) for the subsidiaries incorporated in New Zealand.

This Remuneration Report for the year ended 30 June 2015 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

The Remuneration Report is presented under the following sections:

a. Individual key management personnel disclosures
b. Board oversight of remuneration
c. Non-executive Director remuneration arrangements
d. Use of remuneration consultants
e. Voting and comments made at the Company's 2014 Annual General Meeting
f. Executive remuneration arrangements
g. Executive contractual arrangements
h. Equity instruments
i. Option holdings of key management personnel
j. Shareholdings of key management personnel

a. Individual key management personnel disclosures

Key management personnel

i. Directors

T. Scotton	Chairman (Non-executive)
M. Dempsey	Non-executive Director – appointed 27 February 2015
D. Dempsey	Non-executive Director – appointed 27 February 2015
A. Johnson	Non-executive Director – appointed 27 February 2015
L. Hickson	Non-executive Director – appointed 28 April 2015
A. Eisen	Non-executive Director – appointed 21 October 2014, resigned 28 April 2015)
M. Fredericks	Managing Director and CEO – resigned 1 October 2014
G. Pemberton	Chairman (Non-executive) – resigned 27 February 2015
B. Mitchell	Non-executive Director – appointed 25 September 2014, resigned 27 February 2015
G. Radzyminski	Non-executive Director – appointed 21 October 2014, resigned 27 February 2015
G. Poswell	Non-executive Director – appointed 21 October 2014, resigned 27 February 2015
D. Liberman	Alternate Non-executive Director – appointed 21 October 2014, resigned 27 February 2015

a. Individual key management personnel disclosures continued

Key management personnel continued

ii. Executives

C. Meehan	Chief Executive Officer (previously Chief Operating Officer)
A. Thenabadu	Chief Technology Officer
A. Antonini	Chief Operating Officer – Consumer Online Division (previously Chief Marketing Officer)
E. Santucci	Chief Financial Officer – appointed acting Chief Financial Officer 23 January 2015 and permanent Chief Financial Officer effective 1 April 2015
S. Whidborne	Chief Financial Officer & Company Secretary – resigned 23 January 2015
B. O'Brien	Chief Revenue Officer – resigned 3 March 2015

b. Board oversight of remuneration

Remuneration and Nominations Committee

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

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

The Remuneration and Nominations Committee usually comprises three independent Non-executive Directors. As at the reporting date, the Committee comprised three non-executive directors: one independent and two who are not considered independent. The Directors with the best skills suited to the committee have been appointed and the board believes the appointments are appropriate at this time.

Remuneration approval process

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

Remuneration strategy

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

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

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

c. Non-executive director remuneration arrangements

Remuneration structure

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

Structure

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

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

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

The total fees paid to Directors during the year ended 30 June 2015 did not exceed the approved limit.

The current approved fee structure is set out below and, if in place for a full financial year, the annualised value of the fees based on the current Board composition would exceed the current approved limit.

The fee structure will be reviewed during the financial year ended 30 June 2016 to ensure that the total fees paid do not exceed the approved limit.

Fees applicable (inclusive of any applicable superannuation)	2015		2014	
	Chair $	Member $	Chair $	Member $
Board	110,000	70,000	110,000	70,000
Audit & Risk Committee	10,000	-	10,000	-
Remuneration & Nomination Committee	10,000	-	10,000	-
Product & Technology Committee	10,000	-	10,000	-

d. Use of remuneration consultants

It was not deemed necessary by the Board to engage remuneration consultants in the 2015 financial year.

e. Voting and comments made at the Company's 2014 Annual General Meeting

The Company received 96% 'yes' votes on its Remuneration Report for the 2014 financial year.

f. Executive remuneration arrangements

Remuneration levels and mix

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

Structure

In the 2015 financial year, the executive remuneration framework consisted of the following components:

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

f. **Executive remuneration arrangements continued**

Fixed remuneration

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

Variable remuneration — short-term incentive (STI)

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

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

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

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

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

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

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

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

- Group revenue;
- Group EBITDA; and
- Operational performance.

The KPIs are weighted dependent on the category of the role:

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

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

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

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

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

f. Executive remuneration arrangements continued

Variable remuneration — short-term incentive (STI) continued

The following table outlines the proportion of the maximum STI that was earned and forfeited in relation to the 2015 financial year:

Name	Maximum STI available for FY15 ($)	Portion of maximum STI earned for FY15 (%)	Portion of maximum STI forfeited for FY15 (%)
C. Meehan	99,385	65.5%	34.5%
A. Thenabadu	68,377	57.2%	42.8%
A. Antonini	34,083	51.6%	48.4%
E. Santucci	17,250	61.9%	38.1%
M. Fredericks~	209,592	0%	100%
S. Whidborne~	68,194	0%	100%
B. O'Brien~	64,444	0%	100%

~ Forfeited on termination of employment

Variable remuneration – long-term incentive (LTI)

The Group uses equity as part of its remuneration approach and this has taken the form of an issue of options under employee share option plans. Each option entitles the holder to one fully paid ordinary share in the Company. Executives have typically received a single grant of options on appointment as a mechanism to attract and retain high calibre experienced executives. The current policy provides for an annual grant to executives in the same proportion of their base salary as their STIs.

The Board reviews the use of options from time to time, and amended the terms of the long-term incentive scheme in July 2015. Previous to the amendment in July 2015, option grants had no vesting performance conditions attached (other than options being issued "out of the money"). The amended terms now include an additional vesting hurdle based on an EBITDA growth target.

Employee share option plans (ESOP)

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

- the number of shares in the same class which would be issued if each outstanding offer or option to acquire unissued shares were to be accepted or exercised, being offers made or options acquired pursuant to an employee share or option plan extended only to employees or Directors of the Company and its related bodies corporate; and
- the number of shares in the same class issued during the previous five years pursuant to any employee share or option scheme extended only to employees or Directors of the Company and its associated bodies corporate,

  but disregarding any offer made, or option acquired or share issued by way of or as a result of:
- an offer to a person situated at the time of receipt of the offer outside of Australia; or
- an offer that did not need disclosure because of section 708 of the *Corporations Act 2001*, the total number of issued shares in the Company as at the date of the offer made to the participant.

f. Executive remuneration arrangements continued

Employee share option plans (ESOP) continued

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

The Company has issued a total of 500,000 options during the year (2014: 1,350,000 options) to executives, key staff members and Directors of the Company. The key terms of these options are:

- the options vest 36 months after issue;
- no amount was payable by the recipient to the Company upon receipt of the option;
- no vesting performance conditions attached (other than options being issued "out of the money");
- the exercise price is Volume Weighted Average Price for the 90 days preceding the date of the grant plus a 25% premium; and
- upon cessation of employment – accelerated vesting of $5 plus the exercise price to be exercised in 10 days from ceasing employment.

Options issued subsequent to the end of the financial year

Subsequent to the end of the financial year, the Company has issued options to executives in accordance with the employee share option plan as set out below.

Key management personnel	Number of options	Exercise price	Issue date	Vesting date	Expiry date
C. Meehan	390,340	$0.775	6-Aug-15	1-Sep-18	1-Sep-19
A. Thenabadu	88,228	$0.775	6-Aug-15	1-Sep-18	1-Sep-19
A. Antonini	83,478	$0.775	6-Aug-15	1-Sep-18	1-Sep-19
E. Santucci	89,032	$0.775	6-Aug-15	1-Sep-18	1-Sep-19

All options granted were issued on the same terms as listed above with the inclusion of an additional vesting hurdle based on achieving an EBITDA growth target of 15% p.a. average over a three year period.

Hedge Policy

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

Group performance and its link to remuneration

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

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

	Actual 2015 $'000	Actual 2014 $'000	Actual 2013 $'000	Actual 2012 $'000	Actual 2011* $'000
Total revenue	26,014	26,171	24,162	20,327	1,485*
EBITDA	6,190	5,485	7,049	7,953	(1,518)*
Dividends paid	-	-	493	-	-
Closing share price at 30 June	$0.63	$0.50	$0.38	$0.46	$0.67
Performance-based remuneration	225	178	364	32	-

** Represents part-year operations*

g. Executive contractual arrangements

Remuneration arrangements for Key Management Personnel are formalised in employment agreements.

Chief Executive Officer

Chris Meehan, the Chief Executive Officer, is employed under a contract with the following key terms:

Term	Rolling contract
Total fixed salary per annum	$350,000 plus applicable statutory superannuation, subject to annual review.
Sign-on bonus	200,000 share options issued in accordance with the Company's share option plan as approved by the Board.
Bonus / short-term incentive	Up to 40% of fixed salary subject to achievement of certain key performance indicators.
Long-term incentive	Up to 40% of fixed salary to be issued as share options
Termination by executive	Mr Meehan may terminate his employment on three months' notice.
Termination by the Group	The Group may terminate Mr Meehan's employment without cause with three months' notice or payment of three months' compensation in lieu of notice. In the event of a Change of Control event, Mr Meehan's notice period will be six months or payment of six months' compensation in lieu of notice. Otherwise, the Group may terminate his employment for cause in which case he is entitled to unpaid salary and statutory amounts.
Restrictions	The agreement includes certain restrictions on being associated with competitive businesses or soliciting clients or employees of the Group for a period up to twelve months after termination.

Other Key Management Personnel

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

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

g. Executive contractual arrangements continued

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

Year ended 30 June 2015

	Short-term benefits				Post-employment	Long-term benefits		Share based payments	Termination payments**	Total	Performance related
	Fixed -Salary & fees $	STI – Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Cash incentives $	Long service leave $	Options issued $	$	$	%
Non-executive Directors											
A. Scotton*	220,401	-	-	-	14,649	-	-	9,919	-	244,969	4%
M. Dempsey~	26,666	-	-	-	-	-	-	-	-	26,666	0%
D. Dempsey~	26,666	-	-	-	-	-	-	-	-	26,666	0%
A. Johnson~	21,449	-	-	-	2,042	-	-	-	-	23,491	0%
L. Hickson~	13,028	-	-	-	-	-	-	-	-	13,028	0%
A. Eisen~	42,150	-	-	-	-	-	-	-	-	42,150	0%
G. Pemberton~	82,500	-	-	-	-	-	-	(4,028)	-	78,472	(5%)
B. Mitchell~	34,495	-	-	-	-	-	-	-	-	34,495	0%
G. Radzyminski~	25,433	-	-	-	-	-	-	-	-	25,433	0%
G. Poswell~	25,403	-	-	-	-	-	-	-	-	25,403	0%
Total Non-executive Directors	**518,191**	-	-	**-**	**16,691**	**-**	**-**	**5,891**	**-**	**540,773**	**1%**
Executive Director											
M. Fredericks	106,595	-	-	-	9,392	-	-	(17,139)	120,746	219,594	(8%)
Other key management personnel											
C. Meehan	297,301	65,151	-	-	40,083	-	-	26,044	-	428,579	21%
A. Thenabadu	254,725	39,110	-	-	18,783	-	-	26,044	-	338,662	19%
A. Antonini~	215,450	17,584	-	-	30,000	-	-	8,681	-	271,715	9%
E. Santucci~	93,148	10,694	-	-	8,309	-	-	-	-	112,151	9%
S. Whidborne~	148,549	-	-	-	10,889	-	-	(75,880)	-	83,558	(91%)
B. O'Brien~	150,996	-	-	-	12,627	-	-	(21,406)	-	142,217	(15%)
Total executive KMP	**1,266,764**	**132,539**	**-**	**-**	**130,083**	**-**	**-**	**(53,656)**	**120,746**	**1,596,476**	**(48%)**
Totals	**1,784,919**	**132,539**	**-**	**-**	**146,774**	**-**	**-**	**(47,765)**	**120,746**	**1,917,655**	**(47%)**

** Includes remuneration of $137,000 whilst acting as Interim CEO ~ Represents part-year appointment as key management personnel ** Consists of contracted notice period and annual leave*

g. Executive contractual arrangements continued

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

Year ended 30 June 2014

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

~ Represents part-year appointment as key management personnel

h. Equity instruments

Options awarded and vested during the year

Year ended 30 June 2015

	Terms & conditions for each grant during the year							Total options held that vested during the year	
	Options awarded during the year No.	Award date	Fair value per option at award date ($)	Exercise price ($)	Expiry date	First exercise date	Last exercise date	No.	%
Non-executive Directors									
T. Scotton	250,000	25-Nov-14	0.2029	0.6663	25-May-18	25-Nov-17	25-May-18	-	0%
M. Dempsey	-	-	-	-	-	-	-	-	-
D. Dempsey	-	-	-	-	-	-	-	-	-
A. Johnson	-	-	-	-	-	-	-	-	-
L. Hickson	-	-	-	-	-	-	-	-	-
A. Eisen	-	-	-	-	-	-	-	-	-
G. Pemberton	-	-	-	-	-	-	-	-	-
B. Mitchell	250,000	25-Nov-14	0.2029	0.6663	25-May-18	25-Nov-17	25-May-18	-	0%
G. Radzyminski	-	-	-	-	-	-	-	-	-
G. Poswell	-	-	-	-	-	-	-	-	-
D. Liberman	-	-	-	-	-	-	-	-	-
Executive Directors									
M. Fredericks	-	-	-	-	-	-	-	150,000	20%
Other key management personnel									
C. Meehan	-	-	-	-	-	-	-	-	-
A. Thenabadu	-	-	-	-	-	-	-	-	-
A. Antonini	-	-	-	-	-	-	-	-	-
E. Santucci	-	-	-	-	-	-	-	-	-
S. Whidborne	-	-	-	-	-	-	-	250,000	50%
B. O'Brien	-	-	-	-	-	-	-	-	-
Total	**500,000**							**350,000**	

h. Equity instruments continued

Options awarded and vested during the year

Year ended 30 June 2014

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

h. Equity instruments continued

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

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Non-executive Directors				
T. Scotton	50,725	-	-	21%
M. Dempsey	-	-	-	n/a
D. Dempsey	-	-	-	n/a
A. Johnson	-	-	-	n/a
L. Hickson	-	-	-	n/a
A. Eisen	-	-	-	n/a
G. Pemberton**	-	-	(18,835)	(24%)
B. Mitchell	50,725	-	(50,725)	-
G. Radzyminski	-	-	-	n/a
G. Poswell	-	-	-	n/a
D. Liberman	-	-	-	n/a
Executive Directors				
M. Fredericks**	-	-	(94,175)	(43%)
Other key management personnel				
C. Meehan	-	-	-	n/a
A. Thenabadu	-	-	-	n/a
A. Antonini	-	-	-	n/a
E. Santucci	-	-	-	n/a
S. Whidborne**	-	-	(105,520)	(126%)
B. O'Brien	-	-	-	n/a

^ For details on the valuation of the options, including models and assumptions used, please refer to note 5-3 of the financial statements.

** Represents forfeiture on resignation.

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

Shares issued on exercise of options

There were no shares issued on exercise of executive options.

i. Option holdings of key management personnel

30 June 2015	Balance at beginning of period 1 Jul 14	Granted as remuner-ation	Options exercised	Forfeitures	Balance at end of period 30 Jun 15	Exercisable	Not exercisable
Directors							
T. Scotton	-	250,000	-	-	250,000	-	250,000
M. Dempsey	-	-	-	-	-	n/a	n/a
D. Dempsey	-	-	-	-	-	n/a	n/a
A. Johnson	-	-	-	-	-	n/a	n/a
L. Hickson	-	-	-	-	-	n/a	n/a
A. Eisen	-	-	-	-	-	n/a	n/a
G. Pemberton*	300,000	-	-	(50,000)	250,000	250,000	-
B. Mitchell*	-	250,000	-	(250,000)	-	n/a	n/a
G. Radzyminski	-	-	-	-	-	n/a	n/a
G. Poswell	-	-	-	-	-	n/a	n/a
D. Liberman	-	-	-	-	-	n/a	n/a
M. Fredericks*	1,000,000	-	-	(250,000)	750,000	600,000	150,000
Executives							
C. Meehan	300,000	-	-	-	300,000	-	300,000
A. Thenabadu	300,000	-	-	-	300,000	-	300,000
A. Antonini	100,000	-	-	-	100,000	-	100,000
E. Santucci	-	-	-	-	-	n/a	n/a
S. Whidborne*	600,000	-	-	(600,000)	-	n/a	n/a
B. O'Brien*	300,000	-	-	(300,000)	-	n/a	n/a
	2,900,000	**500,000**	**-**	**(1,450,000)**	**1,950,000**	**850,000**	**1,100,000**

* Represents forfeiture on resignation.

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

* Represents forfeiture on resignation.

j. Shareholdings of key management personnel

30 Jun 2015	Balance at beginning of period 1 Jul 14	Shares acquired	Shares disposed through cessation of association	Balance at end of period 30 Jun 15
Directors				
T. Scotton	-	261,907	-	261,907
M. Dempsey**	-	15,837,745	-	15,837,745
D. Dempsey**	-	-	-	-
A. Johnson**	5,941,743	-	-	5,941,743
L. Hickson**	-	-	-	-
A. Eisen**	20,000	-	-	20,000
G. Pemberton*	261,651	202,965	-	464,616
B. Mitchell*	-	327,614	-	327,614
G. Radzyminski*	10,715,566	-	(7,369,697)	3,345,869
G. Poswell*	10,715,566	-	(8,245,869)	2,469,697
D. Liberman	10,715,566	-	(8,245,869)	2,469,697
M. Fredericks*	7,077,606	-	-	7,077,606
Executives				
C. Meehan	-	20,000	-	20,000
A. Thenabadu	-	-	-	-
A. Antonini	-	-	-	-
E. Santucci	-	-	-	-
S. Whidborne*	-	-	-	-
B. O'Brien*	136,628	273,934	-	410,562
	45,584,326	**16,924,165**	**(23,861,435)**	**38,647,056**

* Disclosures based on holdings as at the date of appointment or resignation where a key management person has not held office for the full financial year.

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

* Disclosures based on holdings as at the date of appointment or resignation where a key management person has not held office for the full financial year.

Signed in accordance with a resolution of the Directors.

Tony Scotton
Chairman

19 August 2015

Daniel Dempsey
Director

19 August 2015

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Auditor's Independence Declaration to the Directors of Onthehouse Holdings Limited

In relation to our audit of the financial report of Onthehouse Holdings Limited for the financial year ended 30 June 2015, 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

Mike Reid
Partner
Brisbane
19 August 2015

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2015

Onthehouse Holdings Limited

	Note	2015 $'000	2014 $'000
Revenue	1-2	**26,014**	26,171
Expenses			
Direct cost of sales		**(1,391)**	(1,446)
Data costs		**(1,289)**	(1,540)
Communications and IT infrastructure		**(1,082)**	(1,000)
Employee benefits expense		**(11,897)**	(12,604)
Advertising and marketing		**(1,004)**	(491)
Occupancy		**(1,231)**	(1,233)
Professional fees and insurance		**(1,047)**	(1,242)
Motor vehicle and travel		**(319)**	(548)
Other expenses		**(549)**	(528)
Financing costs	1-3	**(137)**	(264)
Present value interest expense		**-**	(203)
Amortisation	4-1	**(5,662)**	(5,060)
Depreciation	4-4	**(437)**	(446)
Impairment	4-1	**(10,455)**	-
Loss on disposal of assets	1-3	**(12)**	(38)
		(36,512)	(26,643)
(Loss)/profit before income tax expense		**(10,498)**	(472)
Income tax benefit/(expense)	1-5	**1,800**	895
(Loss)/profit for the year		**(8,698)**	423
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(106)**	90
Other comprehensive income/(loss) for the year, net of tax		**(106)**	90
Total comprehensive income/(loss) for the year		**(8,804)**	513
(Loss)/profit is attributable to:			
Owners of Onthehouse Holdings Limited		**(8,698)**	423
Total comprehensive income/(loss) is attributable to:			
Owners of Onthehouse Holdings Limited		**(8,804)**	513
Earnings per share attributable to ordinary equity holders of the parent:		**2015 Per Share**	**2014 Per Share**
Basic (cents per share)	5-3	**(10.54)**	0.52
Diluted (cents per share)	5-3	**(10.54)**	0.52

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

Consolidated Statement of Financial Position

For the Year Ended 30 June 2015

Onthehouse Holdings Limited

	Note	2015 $'000	2014 $'000
Current Assets			
Cash and cash equivalents		**1,838**	3,416
Trade and other receivables	4-3	**2,797**	2,857
Income tax refundable	1-5	**-**	42
Other assets		**475**	498
Total current assets		**5,110**	6,813
Non-Current Assets			
Property, plant & equipment	4-4	**687**	1,044
Intangible assets	4-1	**54,767**	65,232
Total non-current assets		**55,454**	66,276
Total assets		**60,564**	73,089
Current Liabilities			
Trade and other payables	2-1	**2,169**	2,827
Borrowings	3-1	**968**	1,243
Provisions	4-2	**725**	710
Deferred revenue		**1,724**	1,698
Other current liabilities	4-5	**-**	1,000
Total current liabilities		**5,586**	7,478
Non-Current Liabilities			
Borrowings	3-1	**167**	429
Deferred tax liabilities	1-5	**-**	1,789
Provisions	4-2	**499**	507
Total non-current liabilities		**666**	2,725
Total liabilities		**6,252**	10,203
Net assets		**54,312**	62,886
Equity			
Contributed equity	3-2	**64,411**	64,161
Reserves	3-4	**3,686**	3,812
Accumulated losses	3-4	**(13,785)**	(5,087)
Total equity		**54,312**	62,886

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

Onthehouse Holdings Limited

	Contributed equity $'000	Share based payments reserve $'000	Foreign currency translation reserve $'000	Profits reserve $'000	Accumulated losses $'000	Total $'000
	Note 3-2	Note 3-4	Note 3-4	Note 3-4	Note 3-4	
Balance at 1 July 2013	**64,161**	**399**	**100**	**2,656**	**(5,087)**	**62,229**
Profit for the year	-	-	-	423	-	423
Other comprehensive income for the year	-	-	90	-	-	90
Total comprehensive income for the year	-	-	90	423	-	513
Share based payments	-	144	-	-	-	144
Balance at 30 June 2014	**64,161**	**543**	**190**	**3,079**	**(5,087)**	**62,886**
Balance at 1 July 2014	**64,161**	**543**	**190**	**3,079**	**(5,087)**	**62,886**
Profit/(loss) for the year					**(8,698)**	**(8,698)**
Other comprehensive income/(loss) for the year	**-**	**-**	**(106)**	**-**	**-**	**(106)**
Total comprehensive income for the year	**-**	**-**	**(106)**	**-**	**(8,698)**	**(8,804)**
Share based payments	**-**	**(20)**	**-**	**-**	**-**	**(20)**
Shares issued as acquisition consideration	**250**	**-**	**-**	**-**	**-**	**250**
Balance at 30 June 2015	**64,411**	**523**	**84**	**3,079**	**(13,785)**	**54,312**

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

Onthehouse Holdings Limited

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**28,531**	28,573
Payments to suppliers and employees		**(22,815)**	(22,175)
Interest received	1-2	**15**	54
Finance costs		**(123)**	(252)
Income taxes refunded/(paid)	1-5	**53**	(52)
Net cash flows from operating activities		**5,661**	6,148
Cash flows from investing activities			
Payments for software and data intangibles	4-1	**(5,670)**	(4,518)
Payments for acquisition of subsidiaries, net cash acquired	4-5	**(750)**	-
Payments for plant and equipment	4-4	**(176)**	(402)
Proceeds from disposal of plant and equipment	4-4	**-**	81
Net cash flows used in investing activities		**(6,596)**	(4,839)
Cash flows from financing activities			
Proceeds from borrowings	3-1	**605**	287
Repayment of borrowings	3-1	**(1,142)**	(2,457)
Net cash flows used in financing activities		**(537)**	(2,170)
Net increase/(decrease) in cash and cash equivalents		**(1,472)**	(861)
Net foreign exchange difference		**(106)**	90
Cash and cash equivalents at the beginning of the financial year		**3,416**	4,187
Cash and cash equivalents at the end of the financial year		**1,838**	3,416

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

SECTION 1 – RESULTS FOR THE YEAR

1-1 Operating segments

During the financial period, the Group restructured the internal reporting, and as such, the operating segments have changed. The costs associated with data assets together with most corporate overhead costs (e.g. occupancy, IT, finance etc.) were previously unallocated but have now been allocated to a division for internal reporting. Accordingly, the segment disclosures set out in this note are based on the updated segments and the comparative period disclosures have been restated in accordance with the updated segments.

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

(a) Description of segments

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

Real Estate Solutions

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

Consumer Online Division

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

1-1 Operating segments continued

(b) Segment analysis

Year ended 30 June 2015

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment revenue			
Sales to external customers	21,505	4,494	25,999
Total revenue	**21,505**	**4,494**	**25,999**
Segment EBITDA	**11,313**	**(2,872)**	**8,441**
Impairment of intangible assets	-	(10,455)	(10,455)
Segment EBITDA after impairment	**11,313**	**(13,327)**	**(2,014)**
Unallocated corporate costs			(2,157)
Other unallocated income/(expenses)			(94)
Loss on sale of assets			(12)
Depreciation and amortisation			(6,099)
EBIT			**(10,376)**
Interest revenue			15
Finance costs			(137)
(Loss)/profit before income tax			**(10,498)**
Income tax benefit			1,800
(Loss)/profit for the year			**(8,698)**
Segment assets	**54,683**	**2,841**	**57,524**
Unallocated cash assets			1,838
Unallocated property, plant and equipment			687
Other unallocated assets			515
Total assets			**60,564**

1-1 Operating segments continued

(b) Segment analysis continued

Year ended 30 June 2015

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment liabilities	**1,724**	**-**	**1,724**
Deferred tax liabilities			-
Unallocated trade and other payables			2,169
Unallocated borrowings			1,135
Unallocated provisions			1,224
Total liabilities			**6,252**

Year ended 30 June 2014 (restated)

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment revenue			
Sales to external customers	21,239	4,878	26,117
Total revenue	**21,239**	**4,878**	**26,117**
Segment EBITDA	**10,275**	**(2,440)**	**7,835**
Impairment of intangible assets	-	-	-
Segment EBITDA after impairment	**10,275**	**(2,440)**	**7,835**
Unallocated corporate costs			(2,022)
Other unallocated income/(expenses)			(328)
Loss on sale of assets			(38)
Depreciation and amortisation			(5,506)
EBIT			**(59)**
Interest revenue			54
Finance costs			(264)
Present value interest charge			(203)
(Loss)/profit before income tax			(472)
Income tax benefit/(expense)			**895**
Profit/(loss) for the year			423

1-1 Operating segments continued

(b) Segment analysis continued

Year ended 30 June 2014 (restated)

	Real Estate Solutions $'000	Consumer Online $'000	Total $'000
Segment assets	**56,312**	**11,656**	**67,968**
Unallocated cash assets			3,416
Unallocated property, plant and equipment			1,044
Other unallocated assets			661
Total assets			**73,089**
Segment liabilities	**1,698**	**-**	**1,698**
Deferred tax liabilities			1,789
Unallocated trade and other payables			2,827
Unallocated borrowings			1,672
Unallocated provisions and other liabilities			2,217
Total liabilities			**10,203**

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

i) Segment revenues

Segment revenues are derived from sales to external customers as set out in the table above. The nature of the segment revenues are disclosed in Note 1-1(a).

ii) Segment EBITDA

The Group's Chief Operating Decision Maker assesses the performance of the segments based on a measure of EBITDA. Corporate overheads (such as Board and Executive costs), interest revenue and expense, depreciation and amortisation are not reported to the Chief Operating Decision Maker by segment. These items are assessed at a Group level.

iii) Unallocated expenses

Unallocated expenses represent corporate overheads and Group-wide costs that are not reported to the Chief Operating Decision Maker on a segment basis. Examples of such expenditure include Board costs and those costs associated with being a listed entity. These costs are managed on a Group-wide basis.

iv) Segment assets

Segment assets consist of trade receivables and intangible assets. Unallocated assets include property, plant and equipment, cash and cash equivalents, and other assets. All unallocated assets are assessed by the Chief Operating Decision Maker at the Group level.

v) Segment liabilities

Segment liabilities consist of deferred revenue. Unallocated liabilities include borrowings, provisions for employee entitlements and other liabilities. All unallocated liabilities are assessed by the Chief Operating Decision Maker at a Group level.

1-1 Operating segments continued

(d) Geographic information

Revenue from external customers

	2015 $'000	2014 $'000
Australia	**25,093**	25,000
New Zealand	**906**	1,117
Total sales revenue (Note 1-2)	**25,999**	26,117

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

Non-current assets

	2015 $'000	2014 $'000
Australia	**55,454**	66,276
New Zealand	**-**	-
Total non-current assets per geographical region	**55,454**	66,276

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

1-2 Revenue

	2015 $'000	2014 $'000
Sales revenue		
Subscription and transaction revenue	**25,999**	26,117
Other revenue		
Interest	**15**	54
	26,014	26,171

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

a) Subscription and transaction revenue

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

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

b) Interest revenue

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

1-3 Expenses

	2015 $'000	2014 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**437**	446
Amortisation		
Software development	**3,644**	2,925
Data	**502**	506
Customer contracts and relationships	**1,491**	1,604
Other	**25**	25
Total Amortisation	**5,662**	5,060
Finance costs		
Interest expense	**137**	264
Lease payments		
Minimum lease payments - operating leases	**1,084**	1,103
Defined contribution superannuation expense	**1,189**	1,068
Loss on disposal of assets	**12**	38

1-4 Net cash provided by operating activities

	2015 $'000	2014 $'000
a. Reconciliation of net profit to net cash from operating activities		
(Loss)/profit for the year	**(8,698)**	423
Amortisation	**5,662**	5,060
Depreciation	**437**	446
Impairment expense	**10,455**	-
Losses on property, plant and equipment	**12**	38
Equity settled share based payments expense	**(20)**	144
Changes in operating assets and liabilities (net of amounts acquired):		
(Increase)/decrease in trade and other receivables	**(99)**	(175)
(Increase)/decrease in prepayments	**23**	(192)
Increase/(decrease) in trade and other creditors	**(397)**	732
Increase/(decrease) in deferred income	**26**	18
Increase/(decrease) in other liabilities	**-**	1,000
Increase/(decrease) in income tax receivable	**42**	(16)
Increase/(decrease) in deferred taxes	**(1,789)**	(934)
Increase/(decrease) in provisions	**7**	(396)
Net cash flows from operating activities	**5,661**	6,148

1-4 Net cash provided by operating activities continued

	2015 $'000	2014 $'000
b. Non-cash financing and investing activities		
Settlement of subsidiary The Ad Network Pty Ltd purchase with shares	**250**	-

1-5 Income taxes

	2015 $'000	2014 $'000
Income tax expense		
Current tax	**-**	-
Deferred tax	**(1,861)**	(456)
Under/(over) provision prior years (recognition of R&D tax offset)	**72**	(474)
Under/(over) provision prior years (other)	**(11)**	35
Income tax (benefit)/expense	**(1,800)**	(895)
Numerical reconciliation of income tax expense to prima facie tax		
Loss before income tax	**(10,498)**	(472)
Tax at the Australian tax rate of 30% (2014: 30%)	**(3,149)**	(142)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Share-based payments expense	**(6)**	43
- Non-deductible professional fees	**28**	43
- Difference in overseas tax rates	**7**	11
- Impairment of intangibles	**1,104**	-
- Other non-deductible expenses	**21**	86
- Derecognition of deferred tax asset	**696**	-
- R&D offset	**(562)**	(497)
	(1,861)	(456)
- (Over) provision	**61**	(439)
Income tax expense/(benefit)	**(1,800)**	(895)
Unrecognised deferred tax assets (at 30% tax rate)		
- Temporary differences (unutilised R&D offset)	**696**	-
	696	-

1-5 Income taxes continued

In previous financial years, the unutilised R&D offset was recognised as a deferred tax asset and offset against the deferred tax liability in the tax balances in the Statement of Financial Position. As at 30 June 2015, a portion of the deferred tax asset has been derecognised and the unutilised R&D tax offset has been recognised only to the extent that it is able to offset a deferred tax liability.

Recognised deferred tax assets and liabilities	2015 $'000 Income tax payable/ (receivable)	2015 $'000 Deferred income tax (assets)/ liabilities	2014 $'000 Income tax payable/ (receivable)	2014 $'000 Deferred income tax (assets)/ liabilities
Opening balance	**(42)**	**1,789**	(26)	2,720
Charged/(credited to income)	**(11)**	**(1,789)**	35	(931)
Taxes refunded/(paid)	**53**	**-**	(51)	-
Closing balance	**-**	**-**	(42)	1,789

	2015 $'000	2014 $'000
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities:		
Intangibles – Customer relationships	**1,857**	2,359
Intangibles – Brand Names	**99**	128
Intangibles – Software	**1,613**	1,972
Intangibles – Data	**-**	325
Gross deferred tax liabilities	**3,569**	4,784
Set off of deferred tax assets	**(3,569)**	(2,995)
Net deferred tax liabilities	**-**	1,789
Deferred tax assets:		
Doubtful debts	**28**	31
Provision – employee benefits	**350**	337
Provision – make good	**1**	-
Provision – other	**-**	3
Accrued Expenditure	**76**	56
Property, plant and equipment	**27**	26
Intangibles – Data	**65**	-
Equity raising costs	**287**	574
R&D tax offsets	**2,735**	1,968
Gross deferred tax assets	**3,569**	2,995
Set off with deferred tax liabilities	**(3,569)**	(2,995)

1-5 Income taxes continued

a) Tax Consolidation

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

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

b) Franking account

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

	2015 $'000	2014 $'000
At 1 July	**654**	637
Tax payments/(refunds)	**(17)**	17
At 30 June	**637**	654

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

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

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

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

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

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

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

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

1-6 Earnings per Share

	2015	2014
The following reflects the income used in the basic and diluted earnings per share computations:		
Earnings used in calculating earnings per share ($'000)	**(8,698)**	423
Weighted average number of shares		
Weighted average number of ordinary shares for basic earnings per share	**82,515,156**	82,174,927
Effect of Dilution: Share options	**24,985**	170,118
Weighted average number of ordinary shares for diluted earnings per share	**82,540,141**	82,345,045

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

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

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

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

SECTION 2 – RISK MANAGEMENT

2-1 Financial Risk Management

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

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

2-1 Financial Risk Management continued

The Group has the following financial instruments:

	2015 $'000	2014 $'000
Financial Assets		
Cash and cash equivalents	**1,838**	3,416
Trade and other receivables	**2,797**	2,857
	4,635	6,273
Financial Liabilities		
Trade and other payables	**2,169**	2,827
Other current liabilities	**-**	1,000
Borrowings	**1,135**	1,672
	3,304	5,499

(a) Fair values

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

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

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

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

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

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

(b) Market risk

Foreign exchange risk

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

Cash flow and fair value interest rate risk

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

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

2-1 Financial Risk Management continued

(c) Credit risk

Credit risk arises from cash and cash equivalents and receivables. The credit risk on financial assets which have been recognised is generally the carrying amount, net of any provisions. At balance date, cash and deposits were held with Westpac Banking Corporation and ANZ Banking Group. There were no material concentrations of credit risk in relation to receivables at balance date. Most receivables are managed through a direct debit process. For receivables, collateral is not normally obtained.

(d) Liquidity risk

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

Maturities of financial liabilities

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

	Carrying amount $'000	Total contractual cash flows $'000	Less than 6 months $'000	6 – 12 months $'000	1 – 2 years $'000	2 -5 years $'000	Over 5 years $'000
2015							
Trade and other payables	**2,169**	**2,169**	**2,169**	**-**	**-**	**-**	**-**
Other current liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Borrowings	**1,135**	**1,182**	**325**	**558**	**240**	**59**	**-**
	3,304	**3,351**	**2,494**	**558**	**240**	**59**	**-**
2014							
Trade and other payables	2,827	2,827	2,827	-	-	-	-
Other current liabilities	1,000	1,000	500	500	-	-	-
Borrowings	1,672	1,764	672	654	438	-	-
	5,499	5,591	3,999	1,154	438	-	-

SECTION 3 – CAPITAL MANAGEMENT AND FINANCING

3-1 Borrowings

	2015 $'000	2014 $'000
Current		
Commercial bill	**400**	840
Equipment finance facility	**340**	403
Other loans*	**228**	-
	968	1,243
Non-current		
Commercial bill	**-**	190
Equipment finance facility	**167**	239
	167	429

* Includes amounts payable to parties other than Westpac Banking Corporation (Westpac)

Westpac has provided the Group with the following facilities:

	2015 $'000	2014 $'000
Commercial bill facility	**400**	1,030
Equipment finance facility	**128**	418
Equipment finance facility	**111**	224
Equipment finance facility	**268**	-
Credit standby facility	**581**	695
Total used	**1,488**	2,367
Facility limit	**2,014**	2,779
Total undrawn	**526**	412

There are three equipment finance facilities; the first has a principal outstanding of $128,000 and has a term expiring in November 2015 with repayments (principal and interest) of $26,000 on a monthly basis. The second has a principal outstanding of $111,000 and has a term expiring in May 2016 with repayments (principal and interest) of $10,000 on a monthly basis. The third has a principal outstanding of $268,000 and has a term expiring in December 2017 with repayments of $9,800 (principal and interest) on a monthly basis.

The commercial bill facility is subject to an interest rate of 3.68% and a line fee of 2.50%. At balance date, it has a principal outstanding of $400,000 and has a term expiring in March 2016. This loan is on interest only repayments until expiry.

The credit standby facility is currently utilised as banker's undertakings/guarantees. These guarantees are not included in the statement of financial position (off-balance sheet). For further details refer to Note 3-3.

The facilities are secured by a floating registered circulating charge over the Company, its subsidiaries and all assets and uncalled capital. The facilities are subject to an ongoing covenant relating to a debt service ratio, and are also subject to annual monitoring. Onthehouse Holdings Limited has complied with the financial covenants during the 2015 and 2014 reporting periods.

3-1 Borrowings continued

(a) Recognition and measurement of borrowings

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

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

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

3-2 Share Capital

Movements in ordinary share capital	Number of shares	$'000
Balance – 30 June 2013 and 30 June 2014	**82,174,927**	**64,161**
Issue of shares as deferred consideration	**456,557**	**250**
Balance at 30 June 2015	**82,631,484**	**64,411**

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

(a) Ordinary shares

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

(b) Capital management

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

The capital structure of the Group consists of commercial bills, finance leases and shareholder loans as disclosed in Note 3-1. Additionally, the Group also has cash and cash equivalents, and equity attributable to equity holders of the Company (comprising issued capital, reserves and accumulated losses) as disclosed above and in Notes 3-2 and 3-4 respectively.

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

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

3-3 Commitments and Contingencies

	2015 $'000	2014 $'000
Leasing commitments		
Operating lease commitments – Group as lessee		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	**1,032**	915
Later than one year but not later than five years	**2,493**	2,412
Later than five years	**363**	1,221
	3,888	4,548

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

Guarantees

As at 30 June 2015, the Group has provided guarantees totalling $517,000 (2014: $685,000) to the lessors of the premises it occupies. These guarantees have been provided as a banker's undertaking provided by Westpac. No liability is expected to arise in relation to any of these guarantees.

Contingent liabilities

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

3-4 Reserves

	2015 $'000	2014 $'000
Movements in accumulated losses		
Accumulated losses at 1 July	**(5,087)**	(5,087)
Loss for the year	**(8,698)**	-
Accumulated losses at 30 June	**(13,785)**	(5,087)

3-4 Reserves continued

	Profits reserve $'000	Share based payments reserve $'000	Foreign currency translation $'000
Balance at 1 July 2013	**2,656**	**399**	**100**
Share based payment expense for the year	-	144	-
Foreign currency translation	-	-	90
Profit for the year	423	-	-
Balance at 30 June 2014	**3,079**	**543**	**190**
Share based payment expense for the year	-	(20)	-
Foreign currency translation	-	-	(106)
Dividends paid during the year			
Profit for the year	-	-	-
Balance at 30 June 2015	**3,079**	**523**	**84**

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

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

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

SECTION 4 – OPERATING ASSETS AND LIABILITIES

4-1 Intangible Assets

	2015 $'000	2014 $'000
Software development – at cost	**22,463**	17,110
Accumulated amortisation	**(11,015)**	(7,366)
Accumulated impairment	**(4,673)**	-
	6,775	9,744
Data – at cost	**5,548**	5,244
Accumulated amortisation	**(1,815)**	(1,313)
Accumulated impairment	**(1,845)**	-
	1,888	3,931
Customer contracts and relationships– at cost	**14,270**	14,270
Accumulated amortisation	**(7,898)**	(6,407)
Accumulated impairment	**(186)**	-
	6,186	7,863
Other intangibles – at cost	**972**	972
Accumulated amortisation	**(570)**	(545)
Accumulated impairment	**(73)**	-
	329	427
Goodwill	**43,267**	43,267
Accumulated impairment	**(3,678)**	-
	39,589	43,267
Total intangibles	**54,767**	65,232

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

	Software $'000	Data $'000	Customer contracts & relationships $'000	Other intangibles $'000	Goodwill $'000	Total $'000
Balance at 30 June 2013	**8,953**	**4,148**	**9,467**	**452**	**43,267**	**66,287**
Additions	4,229	289	-	-	-	4,518
Disposals	(13)	-	-	-	-	(13)
Amortisation	(3,425)	(506)	(1,604)	(25)	-	(5,560)
Balance at 30 June 2014	**9,744**	**3,931**	**7,863**	**427**	**43,267**	**65,232**
Additions	5,348	304	-	-	-	5,652
Disposals	-	-	-	-	-	-
Impairment	(4,673)	(1,845)	(186)	(73)	(3,678)	(10,455)
Amortisation	(3,644)	(502)	(1,491)	(25)	-	(5,662)
Balance at 30 June 2015	**6,775**	**1,888**	**6,186**	**329**	**39,589**	**54,767**

4-1 Intangible Assets continued

(a) Significant estimates and assumptions

The carrying amounts of intangible assets are often determined based on estimates and assumptions of future events. The key estimates and assumptions that may have a significant risk of causing a material adjustment to the varying amounts of intangible assets are set out in the below accounting policies.

(b) Goodwill

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

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

(c) Intangibles

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

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

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

(d) Software development

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

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

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

4-1 Intangible Assets continued

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

The assets are amortised on a straight-line basis over estimated useful lives of two to five years. We revised the estimated useful life of certain intangibles from five years to two years. The impact on current year figures is not deemed to be material, nor is it practical to determine the impact of this revision on future figures.

(e) Property Database

Costs in relation to acquiring data from third parties, as well as expenditure incurred in developing or enhancing the data, are capitalised. Where the data acquired from third parties does not confer the right of use beyond one year, the costs of such data are expensed in the year acquired. The asset is amortised on a straight-line basis over an estimated useful life of two years.

(f) Customer Contracts and Relationships

Customer contracts and relationships have been recognised as part of business combinations as the future value expected to accrue to the Group. The assets are amortised on a straight-line basis over estimated useful lives of seven to ten years.

(g) Other Intangibles

Other intangibles recognised as part of business combinations include brand names and non-competition agreements. The assets are amortised on a straight-line basis over estimated useful lives of 2-20 years.

(h) Impairment tests for goodwill

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

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

	2015 $'000	2014 $'000
Real Estate Solutions	**39,589**	39,589
Consumer Online	**-**	3,678
Total	**39,589**	43,267

In the prior financial report, goodwill amounting to $2,175,000 was incorrectly disclosed as unallocated and tested at the whole-of-business level. The goodwill has subsequently been allocated to the Consumer Online Division CGU and disclosed to reflect this treatment.

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

In assessing the value in use, the Group considers the relationship between its market capitalisation and its booked value, among other factors, when reviewing for indicators of impairment. As part of the interim financial reporting review, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating segment. In addition, updated revenue outlooks for the COD business together with a review of product release timings led to a reduction in the forecast future cash flows.

Accordingly, during the financial year, an impairment charge of $10,455,000 was recorded against the intangible assets in the Consumer Online Division CGU. The allocation of this charge is set out in the table on page 56.

4-1 Intangible Assets continued

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

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

Real Estate Solutions Cash Generating Unit

The forecast period of five years assumes an average annual revenue growth rate of 5% (2014: 8%), a long-term growth rate beyond five years of 2.5% (2014: 2.5%) and a pre-tax discount rate of 16.92% (2014: 16.62%).

The resultant calculated recoverable amount of the CGU exceeds its carrying value and no impairment has been identified.

Consumer Online Division Cash Generating Unit

During the interim financial reporting period, the recoverable amount of the CGU was assessed to be lower than the current carrying amount by $10,455,000, accordingly an impairment charge of $10,455,000 was recognised in the Statement of Comprehensive Income. The charge was allocated across goodwill and other intangible assets (as set out in the table on page 56).

The updated forecast period of five years assumes an average annual revenue growth rate of 45% (2014: 61%), a long-term growth rate beyond five years of 2.5% (2014: 2.5%) and a pre-tax discount rate of 21.74% (2014: 21.57%).

The resultant calculated recoverable amount of the CGU exceeds its carrying value at 30 June 2015 and no additional impairment has been identified.

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

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

(j) Impact of possible changes in key assumptions

Real Estate Solutions Cash Generating Unit

A rise in the pre-tax discount rate to 21.73% (i.e. +4.81%) would result in the recoverable amount of the CGU equally its carrying amount.

A reduction in the average annual revenue growth rate from 5% to 3% (-40%) would result in the recoverable amount of the CGU equalling its carrying amount.

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

Consumer Online Division Cash Generating Unit

A reduction in the average annual revenue growth rate from 46% to 43% (-6%) would result in the recoverable amount of the CGU equalling its carrying amount.

A rise in the pre-tax discount rate to 26.80% (i.e. +5.1%) would result in the recoverable amount of the CGU equalling its carrying amount.

A reduction in the forecast period from five years to four years would result in an impairment arising.

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

4-2 Provisions

	2015 $'000	2014 $'000
Current		
Employee benefits	**690**	681
Lease incentives, rent free liabilities and straight line leasing	**35**	29
	725	710
Non-current		
Employee benefits	**166**	141
Make good	**3**	1
Lease incentives, rent free liabilities and straight line leasing	**330**	365
	499	507

Movement in provisions

Movements in each class of provision other than employee benefits, during the financial year are set out below:	Make good provisions $'000	Lease incentives, rent free liabilities and straight line leasing $'000
Balance at 1 July 2013	**82**	**75**
- Acquired in a business combination	(81)	-
- Additional provision (credited)	-	319
- Provision utilised	-	-
Balance at 30 June 2014	**1**	**394**
- Additional provision (credited)	**2**	**6**
- Provision utilised	**-**	**(35)**
Balance at 30 June 2015	**3**	**365**

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

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

(a) Employee leave benefits

(i) Wages, salaries, and annual leave

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

4-2 Provisions continued

(a) Employee leave benefits continued

(ii) Long service leave

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

(b) Make-good

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

4-3 Trade and other receivables

	2015 $'000	2014 $'000
Trade receivables	**2,851**	2,838
Allowance for impairment loss	**(94)**	(102)
	2,757	2,736
Other receivables	**40**	121
	2,797	2,857

a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally 30–60 day terms. A provision for an impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $94,000 (2014: $102,000) has been recognised by the Group in the current year. These items have been included in the other expense item. No individual amount within the impairment allowance is material.

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

$'000	Total	0 – 30 days	31 – 60 days	61 – 90 days PDNI*	+ 91 days PDNI*	+ 91 days CI**
2015	**2,851**	**2,487**	**101**	**95**	**74**	**94**
2014	2,838	2,243	327	60	106	102

* Past due not impaired (PDNI)

** Considered impaired (CI)

4-3 Trade and other receivables continued

a) Allowance for impairment loss continued

Receivables past due but not considered impaired are $169,000 (2014: $166,000). Payment terms on these amounts have not been renegotiated, however credit has been stopped until further payment is received. Amounts in other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities. Further details regarding fair value and credit risk is disclosed in Note 2-1.

4-4 Property, plant and equipment

	2015 $'000	2014 $'000
Plant & equipment – at cost	**2,786**	2,751
Accumulated depreciation	**(2,099)**	(1,707)
	687	1,044
Reconciliations of movements in the carrying amounts of property, plant and equipment are set out below.		
Balance at 1 July	**1,044**	1,096
Additions	**94**	500
Disposals	**(14)**	(106)
Depreciation	**(437)**	(446)
Balance at 30 June	**687**	1,044

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of between 5 to 15 years. The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

Derecognition

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

4-5 Other current liabilities

	2015 $'000	2014 $'000
Deferred consideration in relation to purchase of The Ad Network Pty Ltd	**-**	1,000

The deferred consideration was paid in two tranches, on 1 October 2014 and 31 January 2015. The payments were settled through a combination of cash ($750,000) and issue of share capital in the Group ($250,000).

SECTION 5 – OTHER DISCLOSURES

5-1 Parent entity disclosures

	2015 $'000	2014 $'000
Current assets	**725**	1,987
Total assets	**53,620**	66,402
Current liabilities	**647**	2,382
Total liabilities	**647**	2,810
Contributed equity	**64,411**	64,161
Share based payment reserve	**523**	543
Accumulated losses	**(11,961)**	(1,112)
	52,973	63,592
Loss/(profit) of the parent	**(11,961)**	(1,611)
Total comprehensive income/(loss) of the parent	**(11,961)**	(1,611)

Onthehouse Holdings Limited entered into a deed of cross guarantee on 27 May 2011. The effect of the deed is that Onthehouse Holdings Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. Console Australia Pty Ltd, Portplus Pty Ltd and Onthehouse.com.au Pty Ltd have also given a similar guarantee in the event that Onthehouse Holdings Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

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5-2 Group subsidiaries

(a) Subsidiaries

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

Name	Country of Incorporation	% Equity interest		Investment $'000	
		2015	2014	2015	2014
Onthehouse.com.au Pty Limited (i)	Australia	100%	100%	4,619	4,619
Console Australia Pty Limited (ii)	Australia	100%	100%	42,623	42,623
Console New Zealand Limited (ii), (vi)	New Zealand	100%	100%	9	9
PortPlus Pty Limited (ii)	Australia	100%	100%	15,197	15,197
PortPlus (NZ) Limited (ii), (vii)	New Zealand	100%	100%	66	66
Agent Apps Pty Ltd (iii)	Australia	100%	100%	-	-
Residex Pty Ltd (iv)	Australia	100%	100%	7,440	7,440
Residex Technology Pty Ltd (iv),(viii)	Australia	-	100%	-	-
The Ad Network Pty Ltd (v)	Australia	100%	100%	1,797	1,797
				71,751	71,751

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

(b) Ultimate parent

The ultimate parent company is Onthehouse Holdings Limited.

(c) Principles of consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2015 and the results of all subsidiaries for the year then ended. Onthehouse Holdings Limited and its subsidiaries together are referred to in this financial report as “the Group”.

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

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

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

5-3 Share-based payments

(a) Recognised share-based payment expenses

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

	2015 $'000	2014 $'000
(Credit)/expense arising from options issued	**(20)**	144
	(20)	144

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2015. Changes to the plans for future issues were approved by the Board subsequent to the end of the financial year. The amendments relate to inserting an additional vesting hurdle based on an EBITDA growth target of 15% p.a. average over a three year period.

(b) Accounting for share-based payments

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

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

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

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

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

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

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

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

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition or non-vesting condition is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

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

5-3 Share-based payments continued

(c) Employee share option plans (ESOP)

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

- the number of shares in the same class which would be issued if each outstanding offer or option to acquire unissued shares were to be accepted or exercised, being offers made or options acquired pursuant to an employee share or option plan extended only to employees or Directors of the Company and its related bodies corporate; and
- the number of shares in the same class issued during the previous five years pursuant to any employee share or option scheme extended only to employees or Directors of the Company and its associated bodies corporate,

  but disregarding any offer made, or option acquired or share issued by way of or as a result of:
- an offer to a person situated at the time of receipt of the offer outside of Australia; or
- an offer that did not need disclosure because of section 708 of the *Corporations Act 2001*, the total number of issued shares in the Company as at the date of the offer made to the participant.

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

(d) Summary of options granted

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

	2015	2015	2014	2014
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	**4,410,000**	**0.77**	3,570,000	0.80
Granted during the year	**500,000**	**0.67**	1,700,000	0.55
Forfeited during the year	**(1,450,000)**	**0.56**	(860,000)	0.64
Exercised during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**3,460,000**	**0.88**	4,410,000	0.71
Exercisable at the end of the year	**2,012,500**	**1.00**	2,075,000	0.94

2,200,000 options expire between 3 June 2016 and 30 June 2016. The key terms of these options are:

- the first vesting condition was listing;
- no amount was payable by the recipient to the Company upon receipt of the option;
- exercise price of $1.00; and
- the options granted to Michael Fredericks were subject to completion of two years employment with the Group (completed).

5-3 Share-based payments continued

(d) Summary of options granted continued

60,000 options expire on 2 January 2016, 950,000 options expire on 1 March 2017, and 250,000 options expire on 25 May 2018. The key terms of these options are:

- the options vest 36 months after grant date;
- no amount was payable by the recipient to the Company upon receipt of the option;
- no vesting performance conditions attached (other than options being issued "out of the money");
- exercise price is Volume Weighted Average Price for the 5-90 days preceding the date of the grant plus a 25% premium; and
- upon cessation of employment - accelerated vesting of $1-$5 plus the exercise price to be exercised in 10 days from ceasing employment.

Weighted average remaining contractual life: The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 1.3 years (2014: 2.3 years).

Range of exercise price: The exercise price of the options range from $0.55 to $1.00.

Weighted average fair value: The weighted average fair value of options granted during the year was $0.20 (2014: $0.28).

(e) Option pricing model

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

The following table lists the inputs to the models used for the years ended 30 June 2015.

	2015 Employee options	2015 Director options*	2014 Employee options	2014 Director options *
Dividend yield (%)	**n/a**	**0%**	0.0%	0%
Expected volatility (%)	**n/a**	**60%**	60.0%	60.06%
Risk-free interest rate (%)	**n/a**	**2.52%**	2.85%	3.01%
Expected life of options (years)	**n/a**	**3.50**	3.49	3.26
Option exercise price ($)	**n/a**	**$0.67**	$0.55	$0.55
Weighted average share price at grant date ($)	**n/a**	**$0.53**	$0.57	$0.73
Model used	**n/a**	**Trinomial Lattice**	Trinomial Lattice	Trinomial Lattice
Fair value at grant date ($)	**n/a**	**$0.20**	$0.26	$0.37
Options granted during year	**n/a**	**500,000**	1,350,000	350,000

*Includes options granted to the then Managing Director, Michael Fredericks.

5-3 Share-based payments continued

(e) Option pricing model continued

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

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

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

5-4 Remuneration of auditors

The auditor of Onthehouse Holdings Limited is Ernst & Young Australia.

	2015 $	2014 $
During the year the auditor of the Group earned the following remuneration:		
Audit services:		
Audit and review of the financial reports	**171,700**	144,525
Other services:	**19,578**	-
Total	**191,278**	144,525

5-5 Key management personnel disclosures

Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	**1,917,458**	1,780,451
Post-employment benefits	**146,774**	92,572
Other long-term benefits	**-**	-
Termination benefits	**120,726**	-
Share-based payment	**(47,765)**	103,438
Total	**2,137,193**	1,976,461

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

SECTION 6 – BASIS OF PREPARATION

6-1 Reporting entity

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

6-2 Basis of preparation

Basis of preparation

This general purpose financial report for the financial year ended 30 June 2015 has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. The reporting was authorised for issue in accordance with a resolution of the Directors on 19 August 2015.

Onthehouse Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

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

Compliance with IFRS

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

Historical Cost Convention

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

Going concern

As at 30 June 2015, the Group has an excess of current liabilities over current assets of $476,000 which includes deferred revenue of $1,724,000. Deferred revenue represents billings which have occurred in advance of the services being provided. In the context of considering the liquidity of the Group, it is appropriate to exclude the deferred revenue position as this balance was recognised as revenue on 1 July 2015 and the current asset deficiency is remedied.

The financial report has been prepared on a going concern basis as the Directors believe that the Group will continue to generate operating cash flows to pay liabilities as and when they fall due.

6-3 Other significant accounting policies

(a) Leases

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

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

6-3 Other significant accounting policies continued

(a) Leases continued

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

(b) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash at bank and in hand and short-term deposits with a maturity of three months or less.

(c) Trade and other payables

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

(d) Deferred revenue

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

(e) Other taxes

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

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

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

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

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

6-4 New standards and interpretations not yet adopted

The Group adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities*
- AASB 2013-3 Amendments to AASB 136 – *Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 1031 *Materiality*
- AASB 2013-9 Amendments to Australian Accounting Standards – *Conceptual Framework, Materiality and Financial Instruments*
- AASB 2014-1 Part A – *Annual Improvements 2010-2012 Cycle*
- AASB 2014-1 Part A – *Annual Improvements 2011-2013 Cycle*

a) New and amended standards and interpretations

The adoption of the standards or interpretations is described below:

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

AASB 1031 (revised) is an interim Standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. These amendments are effective from 1 July 2014.

AASB 2013-9 contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.

AASB 2014-1 Part A sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. Annual Improvements to 2010-2012 Cycle addresses the following items:

- AASB 2 – Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
- AASB 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
- AASB 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.
- AASB 116 & AASB 138 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.

6-4 New standards and interpretations not yet adopted continued

a) New and amended standards and interpretations continued

- AASB 124 – Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
- AASB 2014-1 Part A Annual Improvements for the 2011-2013 cycle. AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.
- Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: AASB13 clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
- AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.

b) Accounting Standards and Interpretations issued but not yet effective

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

Standard / Interpretation	Application date of standard	Application date for the Group
AASB 9 *Financial Instruments* – revised and consequential amendments to other accounting standards resulting from its issue	1 Jan 2018	1 Jul 2018
AASB 2014-4 Clarifications of Acceptable Methods of Depreciation & Amortisation (Amendments to AASB 116 and AASB 138)	1 Jan 2016	1 Jul 2016
AASB15 *Revenue from Contracts with Customers***	1 Jan 2017	1 Jul 2017
AASB 2015-1 Amendments to Australian Accounting Standards Annual Improvements to Australian Accounting Standards 2012 – 2014 Cycle	1 Jan 2016	1 Jul 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 Jan 2016	1 Jul 2016
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	1 Jul 2016

** The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.

6-4 New standards and interpretations not yet adopted continued

b) Accounting Standards and Interpretations issued but not yet effective continued

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

AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timelier basis.

Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below:

a. Financial assets that are debt instruments will be classified based on: (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
    - The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
    - The remaining change is presented in profit or loss.

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. The Group has not yet assessed the impact of the amendments, if any.

6-4 New standards and interpretations not yet adopted continued

b) Accounting Standards and Interpretations issued but not yet effective continued

AASB 15 – The Standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Group is still assessing the impact of this new standard and a full assessment will be carried out.

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

6-5 Subsequent events

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

Directors' Declaration

Onthehouse Holdings Limited

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

1. In the opinion of the Directors:

(a) the financial statements and notes of Onthehouse Holdings Limited for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:

i. Giving a true and fair view of the Company's financial position as at 30 June 2015 and performance for the year ended on that date; and

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

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 6-1; and

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

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board

Tony Scotton

Chairman

19 August 2015

Daniel Dempsey

Director

19 August 2015

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

Report on the financial report

We have audited the accompanying financial report of Onthehouse Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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. In Note 6-2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Onthehouse Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 6-2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 20 to 33 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

Ernst & Young

Ernst & Young

Mike Reid
Partner
Brisbane
19 August 2015

ASX Additional Information

Onthehouse Holdings Limited

Additional information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not shown elsewhere in this report is as follows. The information is current as at 17 August 2015.

(a) Distribution of equity securities

i. Ordinary share capital

- 82,631,484 fully paid ordinary shares are held by 1,336 individual shareholders.

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

ii. Options

- 4,197,180 options are held by 15 individual option holders.

Options do not carry a right to vote.

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

	Fully paid ordinary shares	Options
1 – 1,000	83	-
1,001 – 5,000	454	-
5,001 – 10,000	269	-
10,001 – 100,000	455	4
100,000 and over	75	11
	1,336	15

(b) Substantial shareholders

Ordinary shareholders	Number	Fully paid Percentage
77 VICTORIA STREET VENTURE PTY LTD <77 VICTORIA STREET A/C>	15,837,745	19.167
BLUE LAKE PARTNERS PTY LTD and Related Entities	9,364,037	11.332
UBS NOMINEES PTY LTD	5,000,000	6.051
AWJ FAMILY PTY LTD . atf ANGUS W JOHNSON FAMILY A/C and Related Entities	5,741,743	6.949
	35,943,525	**43.499%**

(c) Twenty largest shareholders of quoted equity securities

Ordinary Shareholders		Fully paid number	Percentage
1	77 VICTORIA STREET VENTURE PTY LTD <77 VICTORIA STREET A/C>	15,837,745	19.167%
2	UBS NOMINEES PTY LTD	5,000,000	6.051%
3	AWJ FAMILY PTY LTD atf ANGUS W JOHNSON FAMILY A/C and Related Entities	5,741,743	6.949%
4	DCM BLUELAKE PARTNERS PTY LTD	2,913,793	3.526%
5	ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	2,684,566	3.249%
6	CITICORP NOMINEES PTY LIMITED	2,095,800	2.536%
7	CANDYBLOSSOM PTY LTD <MIRIMIN INVESTMENTS A/C>	2,035,945	2.464%
8	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,968,541	2.382%
9	MR MICHAEL KENNETH FREDERICKS <FREDERICKS OTH NO 1 A/C>	1,962,491	2.375%
10	JUMAN PTY LTD & JULIBER PTY LTD <JUSL LIMITED PARTNERSHIP A/C>	1,900,000	2.299%
11	MR DANIEL BARON DROGA & MRS LYNDELL DROGA <DROGA FAMILY SUPER FUND A/C>	1,500,000	1.815%
12	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,210,510	1.465%
13	NATIONAL NOMINEES LIMITED	1,069,446	1.294%
14	MRS LAUREN KATHLEEN DOHERTY <DOHERTY ONTHEHOUSE A/C>	1,000,488	1.211%
15	RBC INVESTOR SERVICES AUSTRALIA NOMINEES P/L <WAM ACCOUNT>	1,000,000	1.210%
16	TALBROSS PTY LTD <HERAGHTY SUPERANNUATION A/C>	1,000,000	1.210%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	789,846	0.956%
18	MICHAEL KENNETH FREDERICKS <FREDERICKS ONTHEHOUSE NO2 AC>	703,395	0.851%
19	MR JEREMY SIMON NEWMAN	701,304	0.849%
20	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <PICREDIT>	650,000	0.787%
		51,765,613	43.670%

Corporate directory

Principal registered office

Level 2
200 Adelaide St
Brisbane QLD 4000

Auditor

Ernst & Young
Level 51
111 Eagle Street
Brisbane QLD 4000

Website

shareholders.onthehouse.com.au
ASX code: OTH

Solicitor to the Company

McCullough Robertson
Level 11
66 Eagle Street
Brisbane QLD 4000

Share Registry

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Grosvenor Place
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225 George Street
Sydney NSW 2000
www.boardroomlimited.com.au

onthehouse
HOLDINGS

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