

Xped Limited

ABN 89 122 203 196



ASX:XPE

Appendix 4E Preliminary final report

REPORTING PERIOD

The financial information contained in this report is for the year ended 30 June 2016. Comparative amounts, unless otherwise indicated, are for the year ended 30 June 2015.

RESULTS FOR ANNOUNCEMENT TO THE MARKET (UNAUDITED)

	Change	% Change		\$
Revenues from ordinary activities and other income	down	88%	to	43,698
Loss from ordinary activities after tax attributable to members	up	511%	to	(3,086,822)
Net Loss attributable to members	up	511%	to	(3,086,822)
Dividends (distributions) (The Company does not propose to pay dividends)	N/A	N/A	to	Nil

COMMENTARY ON THE RESULTS FOR THE YEAR

The revenues from ordinary activities decreased due to an R&D tax concession being received in the previous year. The loss from ordinary activities increased due to increased activities of the company post the reverse acquisition completed in March 2016.

AUDIT

This report is based on accounts which are in the process of being audited.

NET TANGIBLE ASSET BACKING PER SHARE

	2016 (Cents)	2015 (Cents)
Net tangible asset (liability) backing per ordinary share	0.54	(5.92)

Xped Limited
Unaudited Consolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue and other income from continuing operations	3	43,698	377,804
Employee and contracting expenses		(704,793)	(505,652)
Finance costs		(5,845)	-
Directors fees		(107,000)	-
Consulting and advisory fees		(522,765)	(3,600)
Occupancy costs		(44,363)	(14,597)
Travel		(272,052)	(15,511)
Marketing and Promotion		(72,747)	(23,952)
Professional and Legal fees		(359,576)	(58,795)
Materials		(82,867)	(65,926)
Patents and Trademarks		(155,248)	(162,564)
Depreciation	8	(12,265)	(9,512)
Impairment expense	19	(1,606,448)	-
Impairment of development costs	9	(4,392,985)	-
Other expenses		(115,643)	(22,783)
Due diligence costs		(403,069)	-
Related party loans forgiven		5,727,146	-
		<hr/>	<hr/>
Loss before income tax		(3,086,822)	(505,088)
Income tax expense		-	-
		<hr/>	<hr/>
Loss for the year		(3,086,822)	(505,088)
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income		-	-
Total comprehensive income		(3,086,822)	(505,088)
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share for loss attributable to ordinary equity holders of the company		Cents	Cents
Basic and diluted loss per share	18	(0.29)	(0.51)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Xped Limited
Unaudited Consolidated Statement of Financial Position
As at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4	9,496,362	1,574
Other financial assets	5	100,000	69
Trade and other receivables	6	102,745	397,859
Other current assets	7	180,409	-
Total current assets		9,879,516	399,502
Non-current assets			
Plant and Equipment	8	607,482	11,926
Intangible assets	9	59,226	4,394,385
Investments accounted for using the equity method	10	1,300,000	-
Total non-current assets		1,966,708	4,406,311
TOTAL ASSETS		11,846,224	4,805,813
Current liabilities			
Trade and other payables	11	626,046	360,788
Borrowings	12	421,495	26,565
Income in advance		-	28,686
Provisions	13	327,884	-
Total current liabilities		1,375,425	416,039
Non-current liabilities			
Borrowings	12	295,465	-
Provisions	13	14,996	-
Financial liabilities		-	5,986,630
Total non-current liabilities		310,461	5,986,630
TOTAL LIABILITIES		1,685,886	6,402,669
NET ASSETS		10,160,338	(1,596,856)
EQUITY			
Contributed equity	14	13,395,086	145,920
Reserves	15	2,094,730	499,880
Accumulated losses	15	(5,329,478)	(2,242,656)
TOTAL EQUITY		10,160,338	(1,596,856)

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

Xped Limited
Unaudited Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Contributed Equity \$	Other Reserve \$	Accumulated Losses \$	Total \$
2016				
Balance at 1 July 2015	645,800	-	(2,242,656)	(1,596,856)
Loss for the year	-	-	(3,086,822)	(3,086,822)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	645,800	-	(5,329,478)	(4,683,678)
Transactions with owners in their capacity as owners				
Issue of shares	927,933	-	-	927,933
Fair value of ordinary shares issued as consideration	8,941,003	-	-	8,941,003
Fair value of Class A Performance shares issued	-	700,000	-	700,000
Fair value of Class B Performance shares issued	-	650,000	-	650,000
Fair value of Class C Performance shares issued	-	650,000	-	650,000
Fair value of employee share based payments	-	4,730	-	4,730
Ordinary shares issued during the year through exercise of listed options	2,856,959	-	-	2,856,959
Shares to be issued	113,391	-	-	113,391
Cost of share issue	(90,000)	90,000	-	-
Balance at 30 June 2016	13,395,086	2,094,730	(5,329,478)	10,160,338
2015				
Balance at 1 July 2014	501,200	-	(1,737,568)	(1,236,368)
Loss for the year	-	-	(505,088)	(505,088)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	501,200	-	(2,242,656)	(1,741,456)
Transactions with owners in their capacity as owners				
Shares issued during the year	144,600	-	-	144,600
Balance at 30 June 2015	645,800	-	(2,242,656)	(1,596,856)

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

Xped Limited
Unaudited Consolidated Statement of Cash Flows
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Customer receipts		1,345	-
Interest received		10,178	-
Interest paid		(5,845)	(4,201)
R&D tax concession received		377,804	301,156
Payments to suppliers and employees		(2,767,129)	(682,368)
Net cash outflow from operating activities	16	(2,383,647)	(385,413)
Cash flows from investing activities			
Payments for plant and equipment		(607,821)	(10,357)
Proceeds from term deposits		300,000	-
Payment for intangibles		(57,826)	-
Net cash arising from purchase of business		7,955,767	-
Net cash outflow from investing activities		7,590,120	(10,357)
Cash flows from financing activities			
Repayment of related party borrowings		(260,000)	-
Proceeds from borrowings		756,070	220,061
Repayment of borrowings		(79,473)	-
Proceeds from share issues		3,898,283	144,600
Net cash inflow / (outflow) from financing activities		4,314,880	364,661
Net increase / (decrease) in cash and cash equivalents		9,521,353	(31,109)
Cash and cash equivalents at the beginning of the year		(24,991)	6,119
Cash and cash equivalents at the end of the year*	4	9,496,362	(24,991)

* The Group classifies term deposits with maturity dates greater than three months and term deposits which are held as securities for bank guarantees as other financial assets. As at 30 June 2016 the Group held, in addition to cash and cash equivalents above, \$100,000 (2015: nil) in term deposits. \$400,000 was held in term deposits by Xped Limited (formerly Raya Limited) at the acquisition date.

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

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements relate to the consolidated entity consisting of Xped Limited and its subsidiaries.

(a) Basis of preparation

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

Compliance with IFRS

This financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention

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

Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

New and amended standards adopted by the group

There are a number of new and amended accounting standards issued by the AASB which are applicable for reporting periods beginning on 1 July 2015. All the mandatory new and amended accounting standards issued that are relevant to our operations and effective for the current reporting period have been adopted. There was no material impact on the financial report as a result of the mandatory new and amended accounting standards adopted.

(b) Reverse acquisition

On 24 March 2016 Xped Limited completed the legal acquisition of Xped Holdings Limited and its controlled subsidiaries. Under the Australian Accounting Standards, Xped Holdings Limited was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a reverse acquisition by which Xped Holdings Limited acquires the business including the net assets of Xped Limited.

Accordingly, the consolidated financial statements of Xped Limited have been prepared as a continuation of the business and operation of Xped Holdings Limited. As the deemed acquirer, Xped Holdings Limited has accounted for the acquisition of Xped Limited from 24 March 2016. The comparative information for the 12 months ended 30 June 2015 presented in the consolidated financial statements is that of Xped Holding Limited as presented in its last set of year-end financial statements. Refer to note 19 for further details of the transaction.

(i) Statement of Comprehensive Income

- The 2016 Statement of Comprehensive Income comprises the total comprehensive income for the financial year, being the 12 months from Xped Holdings Limited for the year ended 30 June 2016 and the period from 24 March 2016 until 30 June 2016 for Xped Limited.
- The 2014 Statement of Comprehensive Income comprises the full comparative financial year for Xped Holdings Limited.

(i) Statement of Financial Position

- The 2016 Statement of Financial Position as at 30 June 2016 represents the combination of Xped Holdings Limited and Xped Limited.
- The 2015 Statement of Financial Position represents Xped Holdings Limited only as at 30 June 2015.

1. Summary of significant accounting policies (continued)

(ii) Statement of Changes in Equity

- The 2016 Statement of Changes in Equity comprises:
 - The equity balance of Xped Holdings Limited as at the beginning of the financial year (1 July 2015).
 - The total comprehensive income for the financial year and transactions with equity holders, being the 12 months from Xped Holdings Limited for the year ended 30 June 2016 and the period from 24 March 2016 until 30 June 2016 for Xped Limited.
 - The equity balance of the combined Xped Holdings Limited and Xped Limited at the end of the financial year (30 June 2016).
- The 2015 Statement of Changes in Equity comprise the full financial year for Xped Holdings Limited for the 12 months ended 30 June 2015.

(iii) Statement of Cash Flows

- The 2016 Statement of Cash Flows comprises:
 - The cash balance of Xped Holdings Limited at the beginning of the financial year (1 July 2015).
 - The transactions for the financial year for the 12 months of Xped Holdings Limited ended 30 June 2016 and from 24 March until 30 June 2016 for Xped Limited.
 - The cash balance of the combined Xped Holdings Limited and Xped Limited at the end of the period (30 June 2016).
- The 2015 Statement of Cash Flows comprises the full financial year of Xped Holdings Limited for the year ended 30 June 2015.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The critical estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill Impairment

Goodwill arising on business combinations is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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 that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Rehabilitation

The Group assesses rehabilitation requirements at each reporting date by evaluating costs both for close down and restoration and for environmental cleanup costs. Provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

Classification of joint arrangements

Sokoria Indonesia

The entity's joint venture, P.T Sokoria Geothermal Indonesia, makes up the investments accounted for using the equity method (refer note 10). The reporting entity holds 45% of the interest in the arrangement and 50% voting power. Under the joint arrangement agreement unanimous consent is required from all parties to the agreement for all relevant activities. The reporting entity and the parties to the agreement only have rights to the net assets of the company thought the terms of the contractual arrangements. Other facts and circumstances however have also been considered to determine the classification of this arrangement.

The level of output taken by the parties to the joint arrangement is not considered substantial to indicate that the arrangement has been set up primarily for the provision of output to the parties and that they have direct rights to substantially all of the economic benefits of the arrangement. Similarly, the parties are not considered to be substantially the only source of cash flows contributing to the continuity of the arrangement, indicating that the parties do not have a direct obligation for the liabilities relating to the arrangement.

This arrangement is therefore classified as a joint venture of the reporting entity.

Dairi Prima and Ngebel

The reporting entity currently recognises the joint arrangements referred to as Dairi Prima and Ngebel as joint operations. All parties that have joint control within the arrangements have rights to their share of the assets, and obligation for the liabilities incurred in relation to the joint arrangements.

These arrangements are therefore classified as joint operations of the reporting entity.

	2016 \$	2015 \$
3. Revenue and other income		
Interest revenue	17,616	-
Sales receipts	26,082	-
R and D tax concession	-	377,804
	<u>43,698</u>	<u>377,804</u>
4. Cash and cash equivalents		
Cash at bank and on hand	<u>9,496,362</u>	<u>1,574</u>
5. Other financial assets		
Term deposits	100,000	-
Other	-	69
	<u>-</u>	<u>69</u>
Term deposits as at 30 June 2016 are held as security in favour of the South Australian Government (PIRSA) for the Limestone Coast tenements. The term deposits are recognised and measured as Held-to-maturity financial assets.		
6. Trade and other receivables		
Current		
Other receivables	<u>102,745</u>	<u>397,859</u>
Other receivables as at 30 June 2016 mainly represent GST amounts awaiting reimbursement from Australian Taxation Office (in the ordinary course of business) and accrued interest (2015: R&D Tax concession and GST). None of the balances within other receivables are past due or contain impaired assets.		
7. Other current assets		
Prepayments	<u>180,409</u>	<u>-</u>
Prepayments as at 30 June 2016 represent pre-paid insurance.		

8. Plant and Equipment

	2016 \$	2015 \$
<i>Plant and equipment - at cost</i>		
Balance at beginning of year	60,578	60,578
Balance at end of year	<u>60,578</u>	<u>60,578</u>
Accumulated depreciation		
Balance at beginning of year	59,593	51,767
Depreciation	440	7,826
Balance at end of year	<u>60,033</u>	<u>59,593</u>
Plant and equipment net book value	<u>545</u>	<u>985</u>
<i>Office Equipment – at cost</i>		
Balance at beginning of year	18,713	8,356
Additions	1,445	10,357
Transfer to computer equipment	(5,882)	-
Balance at end of year	<u>14,277</u>	<u>18,713</u>
Accumulated depreciation		
Balance at beginning of year	7,772	6,086
Depreciation	3,055	1,686
Transfer to computer equipment	(4,578)	-
Balance at end of year	<u>6,249</u>	<u>7,772</u>
Office Equipment net book value	<u>8,028</u>	<u>10,941</u>
<i>Computer Equipment – at cost</i>		
Balance at beginning of year	-	-
Additions	24,190	-
Transfer from office equipment	5,882	-
Balance at end of year	<u>30,072</u>	<u>-</u>
Accumulated depreciation		
Balance at beginning of year	-	-
Depreciation	1,600	-
Transfer from office equipment	4,578	-
Balance at end of year	<u>6178</u>	<u>-</u>
Computer Equipment net book value	<u>23,894</u>	<u>-</u>
<i>Software – at cost</i>		
Balance at beginning of year	-	-
Additions	582,185	-
Balance at end of year	<u>582,185</u>	<u>-</u>
Accumulated depreciation		
Balance at beginning of year	-	-
Depreciation	7,170	-
Balance at end of year	<u>7,170</u>	<u>-</u>
Software net book value	<u>575,015</u>	<u>-</u>
Carrying amounts		
At beginning of the year	11,926	11,081
At end of the year	<u>607,482</u>	<u>11,926</u>

9. Intangible Assets

	2016 \$	2015 \$
Development costs*	-	4,392,985
Patents and Trademarks	57,826	-
Formation costs	1,400	1,400
	<u>59,226</u>	<u>4,394,385</u>

*Development costs of \$4,392,985 were impaired during the financial year

10. Investment accounted for using the equity method

Interest in joint venture entity	<u>1,300,000</u>	-
Fair value on acquisition date	<u>1,300,000</u>	-
Carrying amount at end of year	<u>1,300,000</u>	-

The Group has a 45 per cent equity shareholding in P.T. Sokoria Geothermal Indonesia with 50% voting power, a joint venture established in Indonesia with P.T. Bakrie Power, the Group's joint venture partner, to pursue the development of the Sokoria geothermal Project on the island of Flores in Indonesia.

11. Trade and other payables

Trade payables	345,455	342,382
Accruals	276,642	8,819
Loans to shareholders	-	1,858
Other payables	3,949	7,729
Total trade and other payables	<u>626,046</u>	<u>360,788</u>

Trade payables and accruals are generally unsecured, non-interest bearing and are generally due 30 to 60 days from the date of recognition.

12. Borrowings

	2016 \$	2015 \$
Current		
Cash overdraft	-	26,565
Insurance premium funding	138,770	-
Finance Lease	282,725	-
Total current borrowings	<u>421,495</u>	<u>26,565</u>
Non-current		
Finance Lease	<u>295,465</u>	-

13. Provisions

Current

Rehabilitation	280,000	-
Short-term employee benefits	47,884	-
Total current provisions	<u>327,884</u>	<u>-</u>

Non-current

Employee benefits	<u>14,996</u>	<u>-</u>
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The provision for rehabilitation relates to the Group's tenement interests that the group is required to rehabilitate land and surrounding environment to its original condition. The work is anticipated to be carried out in the 2017 financial year.

	2016 \$	2015 \$
14. Contributed equity		
Ordinary shares – fully paid	<u>13,395,086</u>	<u>645,800</u>
(a) Movements in equity	No. of Shares	\$
Balance at 30 June 2014	99,085,173	501,200
Issue of shares	2,182,500	144,600
Balance at 30 June 2015	101,267,673	645,800
Issue of shares	5,259,273	289,933
Recognition of shares in Xped Limited in accordance with reverse acquisition accounting	1,547,917,266	8,941,003
Issue of Advisor shares	15,000,000	-
Issue of shares	25,520,000	638,000
Issue of shares on exercise of options	190,523,946	2,856,959
Unissued shares on exercise of options	-	113,391
Share issue expenses	-	(90,000)
Balance at 30 June 2016	<u>1,885,488,158</u>	<u>13,395,086</u>

(b) Share options

At 30 June 2016, the following options for ordinary shares in Xped Limited were on issue:

	2016 Number	2015 Number
Employee unlisted options	1,100,000	-
Unlisted Options	30,000,000	-
Listed options (ASX: XPEOB)	189,228,510	-
Management performance shares Class A	50,000,000	-
Management performance shares Class B	50,000,000	-
Management performance shares Class C	50,000,000	-
	<u>370,328,510</u>	<u>-</u>

15. Reserves and accumulated losses

	2016 \$	2015 \$
(a) Reserves		
Other reserve	2,094,730	-
Movements:		
<i>Other reserve</i>		
Balance at beginning of year	-	-
Share-based payments expense	2,094,760	-
Balance at end of year	2,094,760	-
(b) Accumulated losses		
Movements:		
Balance at beginning of year	(2,242,656)	(1,737,568)
Loss for the year	(3,086,822)	(505,088)
Balance at end of year	(5,329,478)	(2,242,656)

Nature and purpose of reserves

Other reserve

The Other reserve is used to recognise the fair value of performance shares issued and options issued but not exercised.

	2016 \$	2015 \$
16. Cash flow information		
(a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss for the year	(3,086,822)	(505,088)
Impairment of development costs	4,392,985	-
Loans forgiven	(5,726,630)	-
Depreciation	12,265	9,512
Goodwill write off	1,606,448	-
<u><i>Change in operating assets and liabilities:</i></u>		
(Increase)/decrease in trade or other receivables	371,351	(92,008)
(Increase)/decrease in other financial assets	(4,914)	(69)
(Increase)/decrease in other current assets	(125,170)	-
Increase/(decrease) in trade and other payables	105,066	202,240
Increase/(decrease) in provisions	71,774	-
Net cash outflow from operating activities	(2,383,647)	(385,413)

17. Interests in joint arrangements

The Group has the following significant interests in joint arrangements.

(a) Joint Arrangements

The Group has a 45 per cent equity shareholding in P.T. Sokoria Geothermal Indonesia with 50% voting power, a joint venture established in Indonesia with P.T. Bakrie Power, the Group's joint venture partner, to pursue the development of the Sokoria geothermal Project on the island of Flores in Indonesia.

Share of joint venture entity's assets and liabilities

	2016 \$	2015 \$
Non-current assets		
Exploration and evaluation expenditure	1,300,000	-
Net assets	<u>1,300,000</u>	<u>-</u>
Share of joint venture entity's revenue, expenses and results		
Revenue	-	-
Expenses	-	-
Profit/(loss) before tax	<u>-</u>	<u>-</u>

Share of exploration expenditure commitments

- -

(a) Joint Operations

Dairi Prima Geothermal Project

The Group has a 51 per cent interest in the Dairi prima Geothermal Project, a joint operation with P.T. Bakrie power to jointly develop spare capacity of the Sibayak geothermal reserves in Northern Sumatra, Indonesia, to be supplied to the Dairi Prima mine. These projects were fully impaired prior to the reverse acquisition. The Company will look to divest its impaired projects moving forward.

18. Earnings per share

	2016 Cents	2015 Cents
(a) Basic and diluted earnings per share		
Loss attributable to the ordinary equity holders of the company	<u>(0.29)</u>	<u>(0.51)</u>

(b) Weighted average number of ordinary shares used as the denominator

	2016 Number	2015 Number
Number used in calculating basic and diluted earnings per share	<u>1,074,774,930</u>	<u>99,198,783</u>

(c) Information concerning earnings per share:

Options granted are considered to be potential ordinary shares. As the group has incurred losses the potential voting rights are deemed to be anti-dilutive.

19. Business Combinations

On 24 March 2016, Xped Limited acquired 100% of the share capital of Xped Holdings Limited in exchange for shares in Xped Limited. The acquisition of Xped Holdings Limited is considered a reverse acquisition, with Xped Holdings Limited being considered the accounting acquirer for reporting purposes and the business combination being accounted for under AASB 3 'Business Combination'.

Purchase consideration transferred:	Fair Value
	\$
Fair value of ordinary share issued in Xped Limited	8,941,003
Fair value of Class A Performance shares	700,000
Fair value of Class B Performance shares	650,000
Fair value of Class C Performance shares	650,000
Fair Value of employee share based payments previously vested, not yet expired	4,730
Total purchase consideration	<u>10,945,733</u>
Assets	
Cash and cash equivalents	7,955,767
Other financial assets	400,000
Trade and other receivables	71,255
Other current assets	55,238
Intercompany loans	720,699
Investments accounted for using the equity method	1,300,000
Total assets	<u>10,502,959</u>
Liabilities	
Trade and other payables	852,903
Borrowings	40,365
Provisions	271,106
Total liabilities	<u>1,163,674</u>
Total identifiable net assets at fair value	9,339,285
Goodwill arising on acquisition*	1,606,448
Purchase consideration transferred	<u>10,945,733</u>
Net cash inflow or outflow arising from reverse acquisition	
Cash paid	-
Cash acquired	7,955,767
Net cash inflow	<u>7,955,767</u>

*Goodwill of \$1,606,448 arising on the reverse acquisition was impaired during the year.

There were no acquisitions in the year ending 30 June 2015.

Revenue and profit contribution

The acquired business contributed revenues of \$17,463 and pre-tax loss of \$823,857 to the Group for the period 24 March 2016 to 30 June 2016. These amounts have been calculated using the Group's accounting policies.

If the reverse acquisition had occurred on 1 July 2015, consolidated revenue and net loss before tax for the year ended 30 June 2016 would have been \$57,929 and \$5,504,398 respectively.

Acquisition-related costs

Acquisition-related costs of \$355,794 are included in profit or loss and in operating cash flows in the statement of cash flows.

Provisional accounting

The assets acquired and liabilities assumed have been accounted for on a provisional basis at 30 June 2016.