

**Rision Limited**  
**(formerly Reclaim Industries Limited)**

**ABN: 47090671819**

**Financial Report For The Year Ended**  
**30 June 2016**

# **RISION LIMITED**

**ABN: 47090671819**

## **Financial Report For The Year Ended 30 June 2016**

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**RISION LIMITED ABN: 47090671819**  
**CORPORATE GOVERNANCE STATEMENT**

The objective of the Board of Rision Limited is to create and deliver long-term shareholder value through the development of its business. The Board guides and monitors the business and the affairs of the Group on behalf of the shareholders by whom they are accountable.

The Board considers there to be an unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high-quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness amongst and between the Board members, management, employees, customers and suppliers.

Rision Limited operates as a single economic entity with a unified board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic group.

Rision Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the 2014 amendments) as well as current standards of best practice for the entire financial year ended 30 June 2016. The corporate governance statement is current as at 30 June 2016 and has been approved by the Board.

## **Board of Directors**

### **Role of the Board**

The Board's primary role is the protection and enhancement of long term shareholder value.

To fulfil this role, the Board is responsible for the overall Corporate Governance of the entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior executives, establishing and monitoring the achievement of managements goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems. It is also responsible for approving and monitoring financial and other reporting.

### **Composition of Board**

The names of the Directors of the Company in office at the at the date of this report are set out in the Directors' Report.

Given the Groups present size and scope, it is not currently company policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, legal and other skills and experience to meet its objectives.

The Board comprises three directors, one of whom is non-executive and meet the Board's criteria to be considered independent. The name of the non-executive/independent director is:

Ron Howard

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. For a director to be considered independent, they must meet all of the following materiality thresholds:

- not hold, either directly or indirectly through a related person or entity, more than 10% of the company's outstanding shares;
- not benefit, either directly or indirectly through a related person or entity, from any sales to or purchases from the company or any of its related entities; and
- derive no income, either directly or indirectly through a related person or entity, from a contract with the company or any of its related entities.

A complete listing of the Board of Directors for the year ended 30 June 2016, along with their biographical details, is provided in the directors' report.

On 24 August 2016, Paul Lappin, Kate Cornick and Colin McLeod retired from the Board. Paul Lappin and Colin McLeod were non-executive/independent directors and were replaced by Adam Sierakowski.

The Board also considers that the current Board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value.

Although the Board considers its current composition to be appropriate, it has in place an active program for assessing whether individual directors and the Board as a whole have the skills and knowledge necessary to discharge their responsibilities in accordance with the Board's governance arrangements. Any deficiencies identified by this program can be addressed in a number of ways, including training and the employment of specialist staff. Details of the skills, expertise and experience of each director are provided in the directors' report.

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**Independent Professional advice and access to Company Information**

Each Director has the right of access to all relevant Company information and subject to prior consultation with the Chairman, may seek independent advice from a suitably qualified advisor at the Company's expense. The Director must obtain the Chairman's approval of the fee payable for the advice before proceeding.

**Ethical Standards**

The Board is committed to its core governance values of integrity, respect, and honesty amongst and between the Board members, management, employees, customers and suppliers. These values are enshrined in the Board's Code of Conduct policy, which is available at [rision.com](http://rision.com).

The Code of Conduct policy requires all directors, management and employees to at all times:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with both the letter and spirit of the law;
- encourage the reporting and investigation of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgement and take all reasonable steps to ensure that the Board's core governance values are not compromised in any decision the Board makes.

**Diversity Policy**

The Group has not adopted an expressed policy specifically addressing achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy but will consider a policy in the future. Furthermore, the Group has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate by the Group in the future due to increases in the size of the organisation, the policy will specifically deal with the objectives for achieving diversity. The Groups corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate Code of Conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

**Share Ownership and Share Trading Policy**

Details of director's individual shareholdings in Rision Limited are provided in the remuneration report.

The Board's policy regarding directors and employees trading in Rision Limited shares is set by the Board. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the company's share price. A detailed description of the Board's policy regarding directors and employees trading in Rision Limited shares is available at [rision.com](http://rision.com).

Directors and Key Management Personnel (KMP) are prohibited from limiting risk attached to incentives paid in the form of options or rights by use of derivatives or other means.

**Remuneration Committees**

The Board assumes the role of the remuneration committee and the Chairman reviews remuneration packages and policies applicable to the Directors and employees.

The Chairman is also responsible for share option schemes, incentive performance packages, superannuation entitlements and retirement and termination entitlements, fringe benefits policies and professional indemnity and insurance policies.

The total remuneration for all non executive Directors, last voted upon by shareholders, is not to exceed \$250,000 per annum. The current remuneration for each non executive Director is \$40,000 per annum (including superannuation). Non Executive Directors do not receive bonuses. The Chairman currently receives remuneration of \$80,000 per annum (including superannuation).

**Audit Committee**

The Board has not established an Audit Committee because of the limited size, nature and scope of operations of the Group, and the Board itself undertakes these responsibilities. The Board has established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The Chief Financial Officer and Company Secretary has declared in writing to the Board that the financial records of the Company for the financial year have been properly maintained, the Company's financial reports for the Financial year ended 30 June 2016 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.

The Board is responsible for the selection and appointment of the external auditor.

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The responsibilities of the Audit Committee as assumed by the Board are given below:

- Reviewing the annual, half year and other financial accounts distributed externally;
- assessing the corporate risk assessment processes
- reviewing the Company's policies and procedures for compliance with accounting standards
- assessing whether non audit services provided by the external auditor are consistent with maintaining auditors independence;
- assessing the adequacy of the internal control framework
- reviewing the nomination and performance of the auditor
- monitoring the procedures to ensure compliance with Corporations Act 2001 and ASX Listing Rules and other regulatory requirements

The Board reviews the performance of the external auditor on an annual basis and normally meets with them during the year.

**Nomination Committee**

The Board assumes the role of the nomination committee because of the limited size and nature of the operations of the Company. The Company has a documented Nomination Committee charter, approved by the Board.

The Board's function as a Nomination Committee is to examine the selection and appointment practices of the Company.

The responsibilities of the Nomination Committee as assumed by the Board are given below:

- regularly review the size and composition of the Board and consider appropriate changes;
- reviewing the skills and expertise of directors and identifying potential deficiencies;
- identifying suitable candidates for the Board, with the assistance of independent recruiting agencies (if required);
- overseeing Board and director reviews; and
- establishing succession planning arrangements;
- make recommendations on whether any Directors whose term is due to expire should be nominated for re-election;
- consider issues related to diversity, including considering the relative proportion of women and men at all levels of the Company.

A copy of the Board's policies and procedures for the selection, nomination and appointment of new directors, and the re-election of incumbent directors, is available from the company's website [rision.com](http://rision.com).

Each Director and Senior Executive is required to enter into a written agreement with the Company which sets out the terms of their appointment.

The Board undertakes an evaluation of the Board performance on a yearly basis and also reviews the induction program of new Directors and ensures that relevant ongoing training is available to Directors.

There are no schemes for retirement benefits for directors other than statutory superannuation arrangements for non-executive/independent directors.

**Continuous Disclosure**

The Board has resolved that the company and its employees will comply in all respects with the requirements of the *Corporations Act 2001* and the continuous disclosure requirements under the ASX Listing Rules. It is the duty of every director/employee to notify the Board of any information they may be aware of that is market sensitive. The Board must notify the market of such sensitive information via an ASX announcement. Complete details of the Board's policies for ensuring compliance with the continuous disclosure obligations under the ASX Listing Rules are available from the company's website [rision.com](http://rision.com).

**Performance Evaluation**

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a combination of internal peer review and externally facilitated evaluation processes. Directors' individual performances are also evaluated each year against their performance plans, which are reviewed annually. The Board also formally reviews its governance arrangements annually on a similar basis.

Performance evaluations for individual directors, the Board and all its committees are generally conducted during the reporting period, however due to the recent change in the Board the evaluations have not occurred in the current year.

The performance of KMP (senior executives) is reviewed on an annual basis by the Chairman, with the assistance of the Board.

It is intended that the performance of each member of KMP is assessed against their individual performance plans, which comprise target performance indicators. Performance indicators for each member are set annually in consultation with KMP. Consideration is also given to the contribution each member of KMP makes to board meetings. Further details regarding the Board's remuneration policy for KMP are provided in the remuneration report.

Performance evaluations for each member of the KMP were not conducted during the reporting period ending 30 June 2016 in accordance with the process described above as a result of the resignation of the Managing Director.

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**Shareholder Rights, Communication with Shareholders and Investor relations**

The Board provides shareholders with information using a comprehensive Continuous Disclosure policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company website and issuing media releases. A copy of the Continuous Disclosure Policy can be found at [rision.com](http://rision.com).

Shareholders are entitled to vote on significant matters impacting the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. The Board actively encourages shareholders to attend and participate in the AGM of Rision Limited, to lodge questions to be responded to by the Board and/or the CEO, and to appoint proxies.

The company ensures that its statutory auditor attends the AGM and is available to answer questions from shareholders that are relevant to the audit.

The Company maintains a separate Investor section within its website and provides a mechanism for shareholders to correspond.

**Risk Management**

The Board has implemented a Risk Management System for assessing, monitoring and managing operational, financial reporting and compliance risk for the Company because of the limited size and scope of the Company's operations. The Board has assessed the financial reporting risk management and associated compliance and controls and found them to be operating efficiently and effectively. All risk assessments covered the whole of the year and the period up to signing of the annual financial report. Given the current size of the Company, these assessments are performed by the Board as a whole and not through a separate internal audit function. The company does not have a risk committee; however, the Board is entrusted with the identification and management of key risks associated with the business that are vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the company's business activities include:

- commercialisation risk, including not attracting sufficient customers and competition
- reliance on key personnel
- financial risk
- disruption to service
- marketing and reputational risk
- technology risk.

An assessment of the business's risk management framework is undertaken and reviewed by the Board each month, covering all aspects of the business from the operational level through to strategic level risks. These monthly reviews have been conducted in the current reporting period. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

The Board's policy on internal controls is comprehensive and includes:

- financial reporting - there is a budget system with an annual budget approved by Directors. Monthly actual results are reported against budget and where necessary revised forecasts are prepared
- continuous disclosure - the entity has a policy that all price sensitive information is disclosed to the ASX in accordance with the relevant continuous disclosure requirements
- A comprehensive process is in place to identify matters that may have a material effect on the price of the Company's securities and notify them to the Board
- The Company Secretary is responsible for all communications with ASX
- A comprehensive practice to ensure that financial reporting accuracy and compliance with the financial reporting framework is in place
- A comprehensive practice to ensure business transactions are properly authorised and executed is in place

The Board is not aware of any material exposure to economic, environmental or social sustainability risks to which the company may be subject.

**Remuneration Policy**

The remuneration policy, which sets the terms and conditions for executive and non-executive directors, and KMP, was developed by the remuneration committee after seeking professional advice from independent remuneration consultants and was approved by the Board. All executives receive a base salary, superannuation, fringe benefits and performance incentives.

The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed quarterly, which are based on the forecast growth of the company's profits and shareholders' value. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives may also be entitled to participate in an employee share and option arrangements.

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The amount of remuneration for all KMP for the company, including all monetary and non-monetary components, is detailed in the remuneration report under the heading "Table of Benefits and Payments". All remuneration paid to executives is valued at the cost to the company and expensed. The cost of shares given to executives is measured as the difference between the market price of those shares and the amount paid by the executive. Options are measured using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain high-calibre executives to manage the company and its business activities. It will also provide executives with the necessary incentives to work to achieve long-term shareholder value.

The payment of bonuses, options and other incentive payments is reviewed annually by the remuneration committee as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

### **ASX Principles of Good Corporate Governance**

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply:

<b>ASX Principle</b>	<b>Reference/comment</b>
<b>Principle 1: Lay solid foundations for management and oversight</b>	
1.5 The Board should establish a diversity policy	The Company has not adopted an express policy specifically addressing achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity. The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.
<b>Principle 2: Structure the Board to add value</b>	
2.1 The Board should establish a nomination committee	Given the size of the Board there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
<b>Principle 4: Safeguard integrity in financial reporting</b>	
4.1 The Board should establish an audit committee	The Company does not have an Audit Committee. The Board believes that, with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function.
<b>Principle 7: Recognise and manage risk</b>	
7.1-2 The Board should establish an risk committee	The Company does not have a Risk Committee. The Board believes that, with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function. The board continuously reviews and addresses risk facing the Company.
<b>Principle 8: Remunerate fairly and responsibly</b>	
8.1 The Board should establish a remuneration committee	Given the current size of the Board, the Company does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

### **Other Information**

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at [rision.com](http://rision.com).

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**DIRECTORS' REPORT**

Your directors present their report on the entity RISION LIMITED for the financial year ended 30 June 2016. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2016 and is to be read in conjunction with the following information:

## **General Information**

### **Directors**

The following persons were directors of Rision Limited during or since the end of the financial year up to the date of this report:

Adam Sierakowski - Appointed 24/8/2016  
Ron Howard - Appointed 2/2/2016  
Robert Day - Appointed 2/2/2016  
Paul Lappin - Appointed 2/2/2016; Resigned 24/8/2016  
Kate Cornick - Appointed 2/2/2016; Resigned 24/8/2016  
Colin McLeod - Appointed 2/2/2016; Resigned 24/8/2016  
Stephen Hewitt-Dutton - Appointed 13/3/2012; Resigned 2/2/2016  
K C Ong - Appointed 13/3/2012; Resigned 2/2/2016  
David Scoggin - Appointed 5/3/2014; Resigned 2/2/2016

Particulars of each Director's experience and qualifications are set out later in this report.

### **Principal Activities**

This annual report covers Rision Limited (formerly Reclaim Industries Limited), consisting of Rision Limited ("Rision" or the "Company") and its subsidiaries.

On 29 January 2016, Rision Limited acquired 100% of the share capital of Rision Holdings Pty Ltd. Under the Australian Accounting Standards Rision Holdings Pty Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Rision Holdings Pty Ltd acquires the net assets and listing status of Rision Limited.

Accordingly, the consolidated financial statements of Rision Limited have been prepared as a continuation of the business and operations of Rision Holdings Pty Ltd. As the deemed acquirer Rision Holdings Pty Ltd has accounted for the acquisition of Rision Limited from 29 January 2016. The comparative information for the 12 months ended 30 June 2015 presented in the consolidated financial statements is that of Rision Holdings Pty Limited as presented in its last set of year-end financial statements.

transaction. Subsequently Rision has focused on roll out of its team planning and analytics platform. This platform helps businesses manage and support their employees. Rision has applications across a broad range of industries including retail, fast food, hospitality, cleaning, security, transport and healthcare industries.

### **Significant Changes to Activities**

The following significant changes in the nature of the principal activities occurred during the financial year:

- The Company completed the acquisition of 100% of the issued capital of Rision Holdings Pty Ltd; and
- The Company commenced the implementation of its business model rolling out its team planning and analytics platform.

There were no other significant changes in the nature of the company's principal activities during the financial year.

### **Operating Results and financial Review**

The net loss attributable to members of the Group for the year ended 30 June 2016 amounted to \$4,292,192 ((2015: \$2,897,925). Of the net loss incurred at 30 June 2016, \$114,932 relates to non-cash expenses incurred in respect of the acquisition of Rision Holdings Pty Ltd by Rision Limited. The remainder of the loss relates to the operations of Rision Holdings Pty Ltd and the overhead expenses of Rision Limited.

The Company held in excess of \$3.3 million in cash at 30 June 2016, and expects that over the next few months the business will accelerate its ability to obtain revenue generating customers on its platform.

### **Review of Operations**

The first half of the reporting period, the Company (then Reclaim Industries Limited) was solely focused on taking steps to complete the corporate transaction that would see the concurrent purchase of Rision Pty Ltd, the recapitalisation and the relisting of the Company. Key activities undertaken during the six-month period from 1 July 2015 to 31 December 2015 included:

- Entered into a Share Sale Agreement on 7th October 2015 for the purchase of Rision Pty Ltd;
- Approving the change in nature and scale of activities at a General Meeting on 22 December 2015; and
- Release of a Prospectus disclosure document to raise capital and allow the purchase of Rision Pty Ltd on 4 December 2015.

On 29 January 2016, Reclaim Industries Limited successfully acquired 100% of the issued capital of Rision Pty Ltd, and changed its name to Rision Limited. On 2 February 2016 a new Board was appointed comprising Mr Paul Lappin (Chairman), Dr Kate Cornick (Managing Director), Dr Colin McLeod (Non-Executive Director), Mr Ron Howard (Non-Executive Director) and Mr Robert Day (Non-Executive Director). On 11 February 2016, the Company announced it had successfully raised \$6 million (being the maximum capital raising) and that shares were re-instated to trading on the ASX.

Since 11 February 2016, Rision Ltd has been focused on growing its business and its achievements over the period include:



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- Building a pipeline of opportunities across a diverse range of industries including hospitality, fast food, retail, transport and health. The pipeline includes key national and global enterprises in the fast food and healthcare sectors, with many thousands of employees.
- Achieving initial revenues from the National Retail Association, and other small to medium customer acquisition that do not require technology integrations.
- Acquisition of synergistic rostering platform, RosterCloud, dramatically increasing the Company's client base in the sector and positioning Rision as a premier rostering company in the catering sector;
- Development of a strategic channel partnership with the National Retail Association, which provides an opportunity to reach over 19,000 businesses in the Australian retail and fast food sectors that together employ over 1.5 million people;
- Development of a strategic channel partnership with DragonTail Systems, which provides a route to scale the business through the YUM! Group which employs over 1.5 million people worldwide;
- The creation of pathways to attract significant numbers of potential employees for Rision customers including through working with unions in Australia;
- Development of a global team, including building sales capabilities in Australia, USA and Israel and the appointment of key staff including the Chief Financial Officer/Company Secretary;
- Launched product in Israel, with mobile applications now available through the Apple and Android applications stores in Hebrew; and
- Continued customer-focused technology development to drive sales, including the introduction the Australian Fast Food and General Retail Awards into the platform, and the rollout of mobile applications for businesses amongst other improvements that drive sales.

**Matters Subsequent to Reporting Period**

Subsequent to the end of the financial year the following events have occurred:

- On 24 August 2016 Mr Paul Lappin (Chairman), Managing Director Dr Kate Cornick and Non-Executive Director Dr Colin McLeod all resigned as Directors. Dr Cornick gave the Company notice on the same date of her resignation as an executive of Rision.
- On 24 August 2016 Mr Adam Sierakowski was appointed a Director of the Company;  
Rision completed the transaction to acquire synergistic rostering technology company, RosterCloud. As part of the consideration, Rision Limited issued 4,000,000 ordinary shares to the vendor (escrowed for twelve months). The remaining consideration due at settlement of \$90,000 was paid to the vendors on 15 July 2016. The Company has treated this transaction as an asset acquisition as the purchase did not meet the specifications of a Business combination under AASB3.
- Lenders with principal debts of \$565,000 requested repayment of loans and the principal of \$565,000 have been repaid from cash reserves held by the Company.

No other matters or circumstances has arisen since 30 June 2016 that has significantly affected the groups operations, results or state of affairs, or may do so in future periods.

**Future Developments, Prospects and Business Strategies**

As communicated to the market, Rision has put in place a comprehensive plan for global growth across a range of sectors including hospitality, major events, fast food, retail, facilities management, transport and healthcare. The company continues to execute against this plan including increasing sales to small and medium businesses in an effort to drive early sales and a pipeline of enterprise opportunities.

The majority of the current board of Rision has instigated strategic review of the company focusing on technological readiness, operational capacity and global and domestic pipeline of opportunities integrity. The majority board anticipates being in a position to assess the outcome of this review and communicate an update to the market before the middle of October, 2016.

The Company will continue to focus on the development of strategic channel partnerships, including technology partners, business associations, to provide a way for Rision to scale at speed.

**Business Risks**

The business risks as set out in the Prospectus remain current.

**Environmental Regulation and Performance**

The Directors believe that the Group has, in all material respects, complied with all particular and significant regulations relevant to its operations, including any obligations under the National Greenhouse and Energy Reporting Guidelines.

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**DIRECTORS' REPORT**

**Information relating to Directors and Company Secretary**

<b>Adam Sierakowski</b>	Chairman - Appointed 24 August 2016
Qualifications	— Bachelor of Law
Experience	— Adam Sierakowski is a lawyer and director of the legal firm Price Sierakowski and is the co-founder and director of Perth based corporate advisory business, Trident Capital. Mr Sierakowski has held a number of board positions with ASX listed companies. He is a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.
Interest in Shares and Options	— 34,425,005 ordinary shares
Directorships held in other listed entities during the three years prior to the current year	— Kinetiko Energy Limited (Appointed 8/12/2010); Flexiroam Limited (Appointed 18/3/2015) (Resigned 23/8/2016); ResApp Health Limited (Appointed 20/12/2013) (Resigned 22/3/2016); iWebgate Limited (Appointed 23/7/2012) (Resigned 12/2/2016); Coziron Resources Ltd (Appointed 21/10/2010)
<b>Ron Howard</b>	Non Executive Director - Appointed 2 February 2016
Qualifications	— Master of Science Degree in Business Administration, George Washington University and Bachelor of Science degrees in Engineering and AstroPhysics (Electrical Engineering and Mechanical Engineering) from John Hopkins University.
Experience	— Ron Howard serves as Principal of Equity Partners International, Inc, a private equity firm with offices in Washington DC, Annapolis, Maryland and Los Angeles, California. Ron served as Gate Gourmet International, Inc's Vice Chairman, Division Americas, and held senior roles at Continental Airlines, Marriott International Corporation, and McCormick & Company, Inc.
Interest in Shares and Options	— 5,000,000 Options and 1,458,643 Shares
Directorships held in other listed entities during the three years prior to the current year	— Nil
<b>Robert Day</b>	Non Executive Director - Appointed 2 February 2016
Qualifications	— HDA ( Hawkesbury Diploma in Agriculture)
Experience	— Robert Day founded Rision Holdings Pty Ltd in 2000 and developed and refined its business model throughout its initial years. He is an experienced recruitment executive across a range of industries. In addition he worked in a divisional role for many years in a major oil and gas distribution business.
Interest in Shares and Options	— 128,308,962 Shares and 32,077,241 Performance Shares
Directorships held in other listed entities during the three years prior to the current year	— Nil
<b>Paul Lappin</b>	Chairman - Appointed 2 February 2016; Resigned 24 August 2016
Qualifications	— University of the West of Scotland, Chartered Accountant
Experience	— Mr Lappin is an experienced company Director and Chairman, leading across a diverse range of sectors including hospitality, commercial and biotechnology.
Interest in Shares and Options	— 10,000,000 Options and 3,725,000 Shares
Directorships held in other listed entities during the three years prior to the current year	— Nil
<b>Kate Cornick</b>	Executive Director - Appointed 2 February 2016; Resigned 24 August 2016
Qualifications	— PhD (Electrical Engineering, University of Melbourne); BE/BSc (Electrical/Physics), University of Melbourne
Experience	— Kate Cornick has considerable experience in technology innovation, across university, government and private sectors. Prior to joining Rision she was the Director of Industry Engagement and Innovation at the University of Melbourne, General Manager, Health and Education at NBN Co, Executive Director of the Institute for a Broadband-Enabled Society (IBES) and Senior Telecommunications Adviser and Deputy Chief of Staff to the Australian Minister for Broadband, Communications and the Digital Economy.
Interest in Shares and Options	— 24,000,000 Options and 2,710,000 Shares
Special Responsibilities	— Managing Director
Directorships held in other listed entities during the three years prior to the current year	— Nil
<b>Colin McLeod</b>	Non Executive Director - Appointed 2 February 2016; Resigned 24 August 2016
Qualifications	— Masters of Business Administration and PhD (Commercialising New Technology), University of Melbourne
Experience	— Colin McLeod is a Director of companies in financial services, retail technology and education and an advisor to early stage businesses in transport, wearable technology, aged care and education technology. He has also been the owner and co-founder of several businesses that received awards for business management and innovation.

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**DIRECTORS' REPORT**

Interest in Shares and Options — 5,000,000 Options and 2,500,000 Shares  
Directorships held in other listed entities during the three years prior to the current year — Nil

**Stephen Hewitt -Dutton**

Chairman - Appointed 13 March 2012: Resigned 2 February 2016

Qualifications — Bachelor of Business, Affiliate of the Institute of Chartered Accountants  
Experience — Mr Hewitt- Dutton has over 20 years experience in corporate finance, accounting and company secretarial. He is an Associate Director of Trident Capital and has worked assisting clients by providing equity market, IPO, M&A advice and has also held Financial Controller and Company Secretary positions.  
Directorships held in other listed entities during the three years prior to the current year — Nil

**KC Dennis Ong**

Non Executive Director - Appointed 13 March 2012: Resigned 2 February 2016

Qualifications — Bachelor of Commerce, CPA  
Experience — Mr Ong has over 20 years diverse experience in corporate finance and business advisory in both Australia and South East Asia.  
Directorships held in other listed entities during the three years prior to the current year — Nil

**David Scoggin**

Non Executive Director- Appointed 5 March 2014: Resigned 2 February 2016

Qualifications — BA from Princeton University, majoring in International Relations and Finance  
Experience — David is a 19 year veteran of the International finance industry. He has spent the past 8 years specialising in the Australian natural resource sector, managing a portfolio of small/ mid cap resource companies and involved in early stage financings in exploration and development projects.  
Directorships held in other listed entities during the three years prior to the current year — Nil

**Company Secretary**

The following person held the position of company secretary during and at the end of the financial year:

David Williamson — Bachelor of Business (Accounting), Chartered Accountant. Early in his career David worked for KPMG in Australia, Asia and USA. In the past 15 years David has held a number of CFO and Company Secretarial roles both for listed and non listed entities in the service, healthcare, biotechnology and mining services sectors.

**Dividends Paid or Recommended**

There were no dividends paid or declared during the financial year.

**Indemnifying Officers or Auditor**

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the company, other than conduct involving a wilful breach of duty in relation to the company. The premiums for each director amounted to \$2,400: Robert Day, Ron Howard, Adam Sierakowski, Paul Lappin, Kate Cornick, Colin McLeod, Steven Hewitt- Dutton, KC Dennis Ong and David Scoggin.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**RISION LIMITED ABN: 47090671819**  
**DIRECTORS' REPORT**

**Non-audit Services**

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

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to BDO for non-audit services provided during the year ended 30 June 2016:

	\$
Taxation services	5,610
Due diligence investigations	16,493
	<u>22,103</u>

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 16 of the Financial Report.

**Options**

At the date of this report, the unissued ordinary shares of Rision Limited under option are as follows:

Grant Date	Date of expiry	Exercise price	Number under option
2/02/2016	29/01/2019	\$ 0.02	60,000,000
2/02/2016	29/01/2018	\$ 0.03	130,000,000
22/08/2016	22/08/2019	\$ 0.02	1,000,000
			<u>191,000,000</u>

Options holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2016, no ordinary shares of Rision Limited were issued on the exercise of options granted. No further shares have been issued since year end. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

**Meetings of Directors**

During the financial year, 13 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Adam Sierakowski	-	-
Ron Howard	9	9
Robert Day	9	9
Paul Lappin	9	9
Kate Cornick	9	9
Colin McLeod	9	9
Stephen Hewitt -Dutton	4	4
KC Dennis Ong	4	4
David Scoggin	4	4

**RISSION LIMITED ABN: 47090671819**  
**REMUNERATION REPORT (AUDITED)**

## Overview

This report outlines the remuneration arrangements in place for the Directors and key management personnel of the Company for the year ended 30 June 2016. The information contained in this report has been audited as required by section 308 (3C) of the Corporations Act 2001.

This remuneration report provides details of 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 Company, directly or indirectly, including Directors (whether executive or otherwise) of the Company.

In this report the Key Management Personnel of Rision Limited only is included.

## Remuneration Policies

Remuneration levels for Directors, secretaries and, if required, senior executives of the Company ("the Directors and senior executives") will be competitively set to attract and retain qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy. No such advice was obtained during the current year.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of value creation for shareholders. The remuneration structures take into account:

- the capability and experience of the Directors and senior executives
- the Directors and senior executives ability to control the relevant performance
- the entity's performance; and
- the amount of incentives within each Directors and senior executives remuneration.

Remuneration packages include a mix of fixed remuneration and variable remuneration through the granting of options.

## Fixed Remuneration

Fixed remuneration consists of base remuneration, as well as employer contributions to superannuation funds.

## Performance Linked Remuneration

The remuneration policy may be tailored to increase goal congruence between shareholders and Directors and KMP. This may be facilitated through the issue of options and performance shares to key management personnel to encourage alignment of personal and shareholder interests. The Group believes that this policy will be effective in increasing shareholder value. Currently, remuneration is not incentive based however efforts will be made to progressively move towards a performance linked remuneration approach.

## Principles used to determine the nature and amount of variable remuneration / relationship between remuneration and performance

As the Group is currently in start up phase, the Directors assess the performance of the Group with regard to the price of the Company's ordinary shares listed on the ASX and the market capitalisation of the Company rather than the Group financial performance.

Directors and executives are issued options to encourage the alignment of personal and shareholder interests.

On resignation of KMP, any options issued as remuneration are retained by the relevant party.

The Board may exercise discretion in relation to approving incentives such as options. The policy is designed to reward KMP for performance that results in long term growth in shareholder value.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2014	2015	2016
	\$	\$	\$
Revenue	15,032	4,941	147,058
Net Profit	125,928	(2,897,925)	(4,292,192)
Share Price at Year-end	n/a	n/a	\$0.01
Dividends Paid	Nil	Nil	Nil

As the Group is currently in start up phase, the Directors assess the performance of the Group with regard to the price of the Company's ordinary shares listed on the ASX and the market capitalisation of the Company rather than the Group financial performance.

## Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the company. The following table also illustrates the proportion of remuneration that was performance and non-performance based.

### Position Held as at 30 June 2016 and any change during the year

#### **Key Management Personnel of Rision Limited**

Paul Lappin	Chairman - Appointed 2 February 2016; Resigned 24 August 2016
Ron Howard	Non Executive Director - appointed 2/2/2016
Robert Day	Non Executive Director - appointed 2/2/2016
Kate Cornick	Managing Director - Appointed 2 February 2016; Resigned 24 August 2016
Colin McLeod	Non Executive Director - Appointed 2 February 2016; Resigned 24 August 2016
Stephen Hewitt -Dutton	Chairman - Resigned 2 February 2016
KC Dennis Ong	Non Executive Director - Resigned 2 February 2016
David Scoggin	Non Executive Director - Resigned 2 February 2016

**RISION LIMITED ABN: 47090671819**  
**REMUNERATION REPORT (AUDITED)**

	Proportions of elements of remuneration related to performance	Proportions of elements of remuneration not related to performance
	Share based incentives %	Fixed Salary/Fees %
<b>Key Management Personnel</b>		
Ron Howard	60	40
Robert Day	-	100
Paul Lappin	60	40
Kate Cornick	57	43
Colin McLeod	60	40
Stephen Hewitt -Dutton	-	100
KC Dennis Ong	-	100
Stephen Hewitt -Dutton	-	100

**Service Agreements**

The employment terms and conditions of all KMP are formalised in contracts of employment.

A service contract with a KMP member would provide for the payment of benefits where the contract is terminated by the entity or the individual. The KMP would also be entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with superannuation benefits.

A Director or senior executive would have no entitlement to termination in the event of removal for misconduct.

The major terms of the employment agreement of Dr Kate Cornick are summarised below:

- Dr Cornick role is Managing Director and Chief Executive Officer.
- The remuneration under the employment agreement is \$250,000 (including superannuation);
- in addition to the above, the Managing Director receives \$40,000 including superannuation as a Director of the Company.
- The Employment Agreement can be terminated under certain conditions, including by providing three months notice by either party
- The agreement can be terminated by either party at any time without cause by giving not less than 3 months notice.

Non Executive Directors are subject to similar contractual arrangements whereby up to 3 months notice is required to be given on termination. The company has not as yet entered into a contractual agreement with Mr Sierakowski given his recent appointment but will look to do so in the short term

**Changes in Directors and Executives Subsequent to Year End**

On 24 August 2016, Paul Lappin, Kate Cornick and Colin McLeod retired as a Director.

On 24 August 2016, Adam Sierakowski commenced as a Director.

**Remuneration Expense Details for the Year Ended 30 June 2016**

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards:

**Table of Benefits and Payments for the year ended 30 June 2016**

	Short Term Benefits		Equity-settled share-based payments		Post-employment Benefits		
	Salary, Fees and Leave	Profit share and Bonus	Shares/Units \$	Options/Rights \$	Pension and superannuation \$	Other \$	Total \$
<b>2016</b>							
<b>Key Management Personnel</b>							
Ron Howard	16,667	-	-	25,159	-	-	41,826
Robert Day	15,221	-	-	-	1,446	-	16,667
Paul Lappin	33,333	-	-	50,320	-	-	83,653
Kate Cornick	110,350	-	-	156,200	10,483	-	277,033
Colin McLeod	15,221	-	-	25,159	1,446	-	41,826
Stephen Hewitt - Dutton	28,000	-	-	-	-	-	28,000
KC Dennis Ong	21,000	-	-	-	-	-	21,000
David Scoggin	21,000	-	-	-	-	-	21,000
<b>Total Key Management Personnel</b>	<b>260,792</b>	<b>-</b>	<b>-</b>	<b>256,838</b>	<b>13,375</b>	<b>-</b>	<b>531,005</b>

The remuneration figures in the above table represent the total amounts earned for the Key Management Personnel whilst employed or serving as a Director of Rision Limited. In the case of Messrs Howard, Lappin, Day and McLeod, along with Ms Cornick, the period that the salary and benefits relate is from 1 February 2016 to 30 June 2016. In the case of Messrs Hewitt Dutton, Ong and Scoggin the period of service was 1 July 2015 to 31 January 2016.

As the above table reflects the remuneration of KMP whilst employed by Rision Limited only, the totals do not correspond to certain tables within the financial statements as the definition of KMP under Australian Accounting Standards differs from the Corporation Law.

**RISION LIMITED ABN: 47090671819**  
**REMUNERATION REPORT (AUDITED)**

	Short Term Benefits		Equity-settled share-based payments		Post-employment Benefits		Total \$
	Salary, Fees and Leave	Profit share and Bonus	Shares/Units \$	Options/Rights \$	Pension and superannuation \$	Other \$	
<b>2015</b>							
<b>Key Management Personnel</b>							
Stephen Hewitt -	48,000	-	-	-	-	-	48,000
KC Dennis Ong	36,000	-	-	-	-	-	36,000
David Scoggin	36,000	-	-	-	-	-	36,000
<b>Total Key Management Personnel</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>

The remuneration figures in the above table represent the total amounts earned for the Key Management Personnel whilst employed or serving as a Director of Rision Limited. In the 2014 / 2015 year each Director was engaged for the full financial year.

As the above table reflects the remuneration of KMP whilst employed by Rision Limited only, may not correspond to certain tables within the financial statements as the definition of KMP under Australian Accounting Standards differs from the Corporation Law.

**Cash Bonuses, Performance-related Bonuses and Share-based Payments**

The terms and conditions relating to options and bonuses granted as remuneration during the year to KMP are as follows:

2016	Remuneration Type	Grant Date	Grant Value \$	Reason for Grant (Note 1)	Percentage vested/paid during year % (Note 2)	Percentage forfeited during year %	Percentage remaining as unvested %	Expiry date for vesting or payment	Range of possible values relating to future payments
<b>Key Management Personnel</b>									
Ron Howard	Option	10/02/2016	25,159	a)	0.00%	0.00%	100.00%	10/02/2019	
Paul Lappin	Option	10/02/2016	50,320	a)	0.00%	0.00%	100.00%	10/02/2019	
Kate Cornick	Option	10/02/2016	156,200	b)	33.30%	0.00%	66.70%	10/02/2019	
Colin McLeod	Option	10/02/2016	25,159	a)	0.00%	0.00%	100.00%	10/02/2019	

Note 1(a) The options granted are not subject to any performance hurdles. The options vest one year after issue and expire 3 years after vesting. There is no impact on vesting or exercise if the Director resigns.

Note 1(b) The options granted are not subject to any performance hurdles. The remaining options vest evenly one year after vesting and two years after vesting. There is no impact on vesting or exercise if the executive / Director resigns.

Note 2 The dollar value of the percentage vested/paid during the period has been reflected in the Table of Benefits and Payments.

All options were issued by Rision Limited and entitle the holder to one ordinary shares in Rision Limited for each option exercised.

There have not been any alterations of terms or conditions of any grants since grant date.

**Options and Rights Granted as Remuneration**

	Balance at Beginning of Year		Grant Details		Exercised	
	No.	Issue Date	No.	Value \$ (Note 1)	No. (Note 2)	Value \$
Key Management Personnel						
Ron Howard	-	12/02/2016	5,000,000	53,215	-	-
Paul Lappin	-	12/02/2016	10,000,000	106,433	-	-
Kate Cornick	-	12/02/2016	24,000,000	255,434	-	-
Colin McLeod	-	12/02/2016	5,000,000	53,216	-	-
	-		44,000,000	468,298	-	-
Lapsed	Balance at End of Year		Vested		Unvested	
	No.	No.	Exercisable No.	Unexercisable No.	Total at End of Year No.	Total at End of Year No.
Key Management Personnel						
Ron Howard	-	5,000,000	-	0	0	5,000,000
Paul Lappin	-	10,000,000	-	0	0	10,000,000
Kate Cornick	-	24,000,000	8,000,000	0	8,000,000	16,000,000
Colin McLeod	-	5,000,000	-	0	0	5,000,000
	-	44,000,000	8,000,000	-	8,000,000	36,000,000

Note 1 The fair value of options granted as remuneration and as shown in the above table has been determined in accordance with Australian accounting standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

Note 2 All options exercised will result in the issue of ordinary shares in Rision Limited on a 1:1 basis. All persons exercising options paid the applicable exercise price.

**RISION LIMITED ABN: 47090671819**  
**REMUNERATION REPORT (AUDITED)**

**KMP Shareholdings**

The number of ordinary shares in Rision Limited held by each KMP of the Company during the financial year is as follows:

	Balance at Beginning of Year	Adjustment due to capital reconstruction	Purchased on market	Balance as at resignation / Appointment	Balance at End of Year
Adam Sierakowski	-	-	-	34,425,005	34,425,005
Ron Howard	-	-	958,643	500,000	1,458,643
Robert Day	-	-	-	128,308,962	128,308,962
Paul Lappin	-	-	1,225,000	2,500,000	3,725,000
Kate Cornick	-	-	-	2,710,000	2,710,000
Colin McLeod	-	-	-	2,500,000	2,500,000
Stephen Hewitt - Dutton	2,000,000	(1,000,000)	-	(1,000,000)	-
KC Dennis Ong	-	-	-	-	-
David Scoggin	10,450,000	(5,225,000)	-	(5,225,000)	-
	<u>12,450,000</u>	<u>(6,225,000)</u>	<u>2,183,643</u>	<u>164,718,967</u>	<u>173,127,610</u>

In addition to the shares listed above, Mr. Day has an interest in 32,077,241 Performance shares (which were held at the date of his appointment as a Director).

**Other Equity-related KMP Transactions**

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

**Loans to key management personnel**

There have been no loans advanced and repaid during the year, nor is there any loan receivable at 30 June 2016.

**KMP loans exceeding \$100,000**

There have been no loans advanced and repaid during the year, nor is there any loan receivable at 30 June 2016.

**Other transactions with KMP and/or their related parties**

Pebtilly Pty Ltd is considered a related party as a result of its shareholding of 13.26% and its relationship to Mr Robert Day, a Director of Rision Limited.

Trident Capital Pty Ltd ("Trident Capital") was a substantial shareholder of the Company during the year and its employees were members of the Board of Directors. Trident Management Services Pty Ltd is a company that a former Director, DC Ong is a Director, and through this association is a related party.

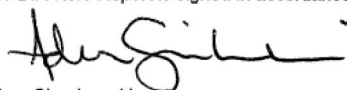
Price Sierakowski is a firm that provides legal services to its clients. It is related to Mr Adam Sierakowski who is a Director of Rision, and through this association is a related party.

**Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties and Key Management Personnel:

	2016 \$	2015 \$
<b>i. Recapitalisation, corporate advisory and office services - Trident Capital Pty Ltd</b>		
Trident Capital provided recapitalisation services, corporate advisory services and office accommodation during the financial year.	378,200	211,283
<b>ii. Company Secretarial and accounting Services</b>		
Trident Management Services provided the Company with accounting and company secretarial services during the year	51,321	75,072
<b>iii. Legal Services</b>		
Price Sierakowski is a legal firm that is related to Mr Adam Sierakowski. During the year they provided legal services to Rision related to the Prospectus Capital raising and also in regards to the acquisition of Rision Holdings Pty Ltd	115,553	111,231
<b>iv. Interest Expense</b>		
Interest paid / payable to related parties on loans and advances	7,670	2,659
<b>(a) Amounts payable to related parties</b>		
Trade and Other Payables	68,703	132,517
Borrowings	<u>135,329</u>	<u>127,659</u>
	204,032	260,176
Unsecured, at call loans are provided by the directors, key management personnel and other related parties on an arm's length basis. Interest is charged at 6.5% (2015: 6.5%).		

The Directors Report is signed in accordance with a resolution of the Directors



Adam Sierakowski

Director, 30 September 2016



#### DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF RISION LIMITED

As lead auditor of Rision Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rision Limited and the entities it controlled during the year.



**Neil Smith**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 30 September 2016

**RISION LIMITED ABN: 47090671819**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

		2016	2015
	<b>Note</b>	\$	\$
<b>Continuing operations</b>			
Revenue	2	147,058	114,384
Employee benefits expense	3a	(1,206,404)	(739,826)
Software Research and Development		(1,526,263)	(899,974)
Consulting and professional fees		(678,410)	(779,172)
ASX Listing cost	15	(114,932)	-
Administration Expenses		(508,419)	(352,121)
Finance costs	3	(97,708)	(10,066)
Depreciation and amortisation expense		(307,114)	(231,150)
<b>Loss before income tax</b>		<u>(4,292,192)</u>	<u>(2,897,925)</u>
Tax expense	4	0	0
<b>Net Loss from continuing operations</b>		<u>(4,292,192)</u>	<u>(2,897,925)</u>
<b>Net Loss for the year</b>		<u>(4,292,192)</u>	<u>(2,897,925)</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>		<u>(4,292,192)</u>	<u>(2,897,925)</u>
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents per share)	8	0.0080	0.0097

The above consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**RISION LIMITED ABN: 47090671819**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	3,302,926	32,990
Trade and other receivables	10	103,015	258,960
<b>TOTAL CURRENT ASSETS</b>		<u>3,405,941</u>	<u>291,950</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	16,400	-
Intangible assets	12	1,018,134	1,323,558
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,034,534</u>	<u>1,323,558</u>
<b>TOTAL ASSETS</b>		<u>4,440,475</u>	<u>1,615,508</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	491,669	543,502
Borrowings	14	633,254	-
Provisions	17	53,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,177,923</u>	<u>543,502</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	-	2,679,618
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>2,679,618</u>
<b>TOTAL LIABILITIES</b>		<u>1,177,923</u>	<u>3,223,120</u>
<b>NET ASSETS / LIABILITIES</b>		<u>3,262,552</u>	<u>(1,607,612)</u>
<b>EQUITY</b>			
Issued capital	18	10,137,346	1,336,000
Reserves	18	361,010	-
Retained earnings		(7,235,804)	(2,943,612)
<b>TOTAL EQUITY</b>		<u>3,262,552</u>	<u>(1,607,612)</u>

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

**RISION LIMITED ABN: 47090671819**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Note</b>	<u>Share Capital</u>		<u>Reserves</u>	
		Ordinary	Retained Earnings	Other Reserves	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2014</b>		1,336,000	(45,687)	1,000,000	2,290,313
Accounting estimate adjustment	1q(ii)	-	-	(1,000,000)	(1,000,000)
<b>Balance at 1 July 2014 (restated)</b>		1,336,000	(45,687)	-	1,290,313
<b>Comprehensive income</b>					
Profit for the year		-	(2,897,925)	-	(2,897,925)
<b>Total comprehensive income for the year</b>		-	(2,897,925)	-	(2,897,925)
<b>Balance at 30 June 2015</b>		1,336,000	(2,943,612)	-	(1,607,612)
<b>Balance at 1 July 2015</b>		1,336,000	(2,943,612)	-	(1,607,612)
<b>Comprehensive income</b>					
Profit for the year		-	(4,292,192)	-	(4,292,192)
<b>Total comprehensive income for the year</b>		-	(4,292,192)	-	(4,292,192)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the year		6,000,000	-	-	6,000,000
Transaction costs		(896,101)	-	-	(896,101)
Issue of shares to "acquire" Rision		1,997,447	-	-	1,997,447
Issue of Facilitaion shares		400,000	-	-	400,000
Issue of shares under Prospectus Noteholder offer		1,300,000	-	-	1,300,000
Employee share based payment reserve					
Cost of employee options	18b			361,010	361,010
<b>Total transactions with owners and other transfers</b>		8,801,346	-	361,010	9,162,356
<b>Balance at 30 June 2016</b>		10,137,346	(7,235,804)	361,010	3,262,552

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

**RISION LIMITED ABN: 47090671819**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,000	4,941
Payments to suppliers and employees		(3,800,840)	(2,228,570)
Dividends received		-	-
Interest received		20,179	-
Government Grant Received		106,738	63,758
Finance costs		-	(10,066)
Net cash provided by/(used in) operating activities	22a	<u>(3,663,923)</u>	<u>(2,169,937)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Cash Held from Reclaim Industries at acquisition date	15 (d)	94,413	-
Purchase of property, plant and equipment		(18,091)	(4,255)
Software Development capitalised		-	(82,441)
Net cash provided by/(used in) investing activities		<u>76,322</u>	<u>(86,696)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		5,503,899	-
Proceeds from borrowings		1,353,638	2,179,616
Net cash provided by/(used in) financing activities		<u>6,857,537</u>	<u>2,179,616</u>
Net increase/(decrease) in cash held		3,269,936	(77,017)
Cash and cash equivalents at beginning of financial year		32,990	101,769
Effect of exchange rates on cash holdings in foreign currencies		-	8,238
Cash and cash equivalents at end of financial year	9	<u><u>3,302,926</u></u>	<u><u>32,990</u></u>

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

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

This financial report includes the financial statements and notes of Rision Limited.

**Note 1      Summary of Significant Accounting Policies**

**Reporting Entity**

Rision Limited (formerly Reclaim Industries Limited) is a public Company incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or "Group"). A description of the nature of the Company operations and its principal activities is included in the Directors' report which does not form part of this financial report. The consolidated financial statements were authorised by the Board of Directors on the date of signing the Directors' Declaration.

**(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and interpretations of the Australian Accounting Standards Board and International Financial Accounting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in preparation of these financial statements are presented below and have been applied consistently unless stated otherwise.

Rision Limited is a company limited by shares. This report is presented in Australian dollars.

**Reverse Acquisition**

On 31 January 2016 Rision Limited (Formerly Reclaim Industries Limited) acquired 100% of the share capital of Rision Holdings Pty Ltd. Under the Australian Accounting Standards Rision Holdings Pty Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Rision Holdings Pty Ltd acquires the net assets and the listing status of Rision Limited.

Accordingly the consolidated financial statements of Rision Limited have been prepared as a continuation of the business and operations of Rision Holdings Pty Ltd. As the deemed acquirer Rision Holdings Pty Ltd has accounted for the acquisition of Rision Limited from 31 January 2016. The comparative information for the 12 months ended 30 June 2015 presented in the consolidated financial statements is that of Rision Holdings Pty Ltd as presented in its last year end financial statements. Refer to Note 15 for further details of this transaction.

The implications of the acquisition by Rision Holdings Pty Ltd on the financial statements are as follows:

**Statement of Profit or Loss and Other Comprehensive Income**

The 2016 Consolidated Statement of Profit or Loss and Other Comprehensive Income comprises the total comprehensive result for the financial year, including the total comprehensive loss of Rision Holdings Pty Ltd for the 12 months from 1 July 2015 to 30 June 2016 and the total comprehensive loss of Rision Limited for the period 1 February 2016 to 30 June 2016.

**Statement of Financial Position**

The 2016 Consolidated Statement of Financial Position as at 30 June 2016 comprises the consolidated position of Rision Limited and Rision Holdings Pty Ltd (including its controlled entities).

The 2015 Consolidated Statement of Financial Position comprises Rision Holdings Pty Ltd and its controlled entities.

**Statement of Changes in Equity**

The 2016 Consolidated Statement of Changes in Equity comprises:

- The equity balance of Rision Holdings Pty Ltd as at the beginning of the financial year (1 July 2015)
- The total comprehensive result for the financial year and transactions with equity holders of Rision Holdings Pty Ltd for the 12 months from 1 July 2015 to 30 June 2016 and Rision Limited for the period 1 February 2016 to 30 June 2016.
- The consolidated equity position of Rision Holdings Pty Ltd and Rision Limited at the end of the financial year.

The 2014 Statement of Changes in Equity comprises the full financial year for Rision Holdings Pty Ltd for the 12 months ended 30 June 2015.

**Statement of Changes in Cash Flows**

The 2016 Consolidated Statement of Cash Flow comprises:

- The cash balance of Rision Holdings Pty Ltd as at the beginning of the financial year (1 July 2015)
- The transactions for the financial year of Rision Holdings Pty Ltd for the 12 months period from 1 July 2015 to 30 June 2016 and Rision Limited for the period 1 February 2016 to 30 June 2016.
- the consolidated cash balance of Rision Ltd and Rision Holdings Pty Ltd at the end of the financial year (30 June 2016)

The 2015 Statement of Cash Flows comprises the full financial year of Rision Holdings Pty Ltd for the 12 months ended 30 June 2015.

**Equity Structure**

The equity structure (the number and type of equity instruments issued) in the 30 June 2016 financial statements reflects the consolidated equity structure of Rision Ltd and Rision Holdings Pty Ltd, with Rision Limited equity instruments eliminated at acquisition date.

The 2015 comparative reflect the equity structure of Rision Holdings Pty Ltd.

**Earnings Per share**

The weighted average number of shares outstanding for the year ended 30 June 2016 is based on the weighted average number of shares of Rision Holdings Pty Ltd that are outstanding from the beginning of the period to the date of the acquisition that the number of shares is multiplied by the exchange ratio established in the acquisition and added to the actual number of shares of Rision Limited outstanding in the period following the acquisition.

The 2015 comparative weighted average number of shares is based on the legal subsidiary's historical weighted average number of shares multiplied by the exchange ratio.

**Historical Cost Convention**

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

**Basis of Consolidation**

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the group

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

**(b) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

**(d) Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(e) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(f) Intangibles Other than Goodwill**

**Patents and trademarks**

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives.

**Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life of and are amortised over 10 years on a systematic basis based on the future economic benefits over the useful life of the project.

**(g) Foreign Currency Transactions and Balances****Functional and presentation currency**

The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

**The Company**

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

**(h) Employee Benefits****Short-term employee benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Retirement benefit obligations**

All Australian employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

**Termination benefits**

When applicable, the company recognises a liability and expense for termination benefits at the earlier of: (a) the date when the company can no longer withdraw the offer for termination benefits; and (b) when the company recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

**Equity-settled compensation**

The Company has granted options to employees and Directors. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

**(i) Cash and Cash Equivalents**



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

**(j) Revenue recognition and Other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

**(k) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**(l) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(m) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(o) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

**(p) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(q) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key Estimates****(i) Impairment - General**

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**(ii) Asset Revaluation Reserve**

The previous owners of Rision Holdings Pty Ltd undertook a revaluation of the assets of the Company and increased the value of intangible assets by \$1,000,000 in previous accounting periods. The current directors have reversed this estimate effective 1 July 2014 by reducing the value of intangible assets by \$1,000,000 and reducing the asset revaluation reserve by the same amount (refer to Statement of Changes to Equity adjustment as at 1 July 2014). The Company believes that this adjustment to the asset revaluation reserve is consistent with current Australian Accounting Standards.

**Key Judgements****(i) Reverse Accounting Acquisition**

On 31 January 2016 Rision Limited (Formerly Reclaim Industries Limited) acquired 100% of the share capital of Rision Holdings Pty Ltd. Under the Australian Accounting Standards Rision Holdings Pty Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Rision Holdings Pty Ltd acquires the net assets and the listing status of Rision Limited.

Accordingly the consolidated financial statements of Rision Limited have been prepared as a continuation of the business and operations of Rision Holdings Pty Ltd. As the deemed acquirer Rision Holdings Pty Ltd has accounted for the acquisition of Rision Limited from 31 January 2016. The comparative information for the 12 months ended 30 June 2015 presented in the consolidated financial statements is that of Rision Holdings Pty Ltd as presented in its last year end financial statements. Refer to Note 15 for further details of this transaction.

**(ii) Share based Payments**

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

The Company provides equity based remuneration to its employees. The fair value of the equity instrument granted is determined using the Black - Scholes option pricing model that takes account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility and other factors. The value of the equity instrument is expensed to the profit or loss account over the vesting period.

**(r) New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The Directors do not anticipate that the adoption of AASB 9 will have a material impact on the Company's financial instruments, including hedging activity, although it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors do not anticipate that the adoption of AASB 16 will materially impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-3: *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* (applicable to annual reporting periods beginning on or after 1 January 2016).

This Standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3.

- AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

**Note 2 Revenue and Other Income**

	2016 \$	2015 \$
<b>(a) Revenue from continuing operations</b>		
Sales revenue		
— provision of services	20,141	4,941
Total sales revenue	20,141	4,941
Other revenue		
— interest received	20,179	-
— government subsidies received	106,738	109,443
Total other revenue	126,917	109,443
Total sales revenue and other revenue	147,058	114,384
Interest revenue from:		
— other corporations	20,179	-
Total interest revenue on financial assets not at fair value through profit or loss	20,179	-
<b>(b) Total revenue and other income from continuing operations</b>	147,058	114,384
<b>(c) Income from continuing operations</b>	147,058	114,384

**Note 3 Profit for the Year**

	Note	2016 \$	2015 \$
<b>(a) Expenses</b>			
Employee benefits expense			
— Salary and wages		765,303	670,458
— Superannuation		80,101	69,368
— Share Based Payments		361,000	-
Total employee Benefits expense		1,206,404	739,826
Interest expense on financial liabilities not at fair value through profit or loss:			
— Director related entities		7,670	2,659
— Unrelated parties		90,038	7,407
Total interest expense		97,708	10,066

**Note 4 Tax Expense**

	2016 \$	2015 \$
<b>(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:</b>		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	(1,287,658)	(869,379)
	(1,287,658)	(869,379)
Add:		
Tax effect of:		
— non-deductible depreciation and amortisation	91,120	68,068
— non-allowable items	34,480	-
— write-downs to recoverable amounts	-	-
— share options expensed during year	108,300	-
— Temporary differences and losses not recognised	1,053,758	801,310
	(0)	(0)
Income tax attributable to entity	(0)	(0)

The applicable weighted average effective tax rates are as follows:

0.0%

0.0%

At 30 June 2016, the Group has an unrecognised tax asset of \$1,855,069 (2015: \$801,311) in relation to historical losses incurred by the Company. No deferred tax assets have been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The benefit for tax losses will only be obtained if:

- The Company derives future assessable income of a nature and amount sufficient to enable the benefit from the deductions for the losses.
- The Company derives future assessable income of a nature and amount sufficient to enable the benefit from the deductions for the losses to be realised.
- There are no changes in tax legislation in Australia which will adversely affect the Company in realising the losses.

**Note 5 Key Management Personnel Compensation**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2016.

The totals of remuneration paid to KMP of the company and the Company during the year are as follows:

	2016	2015
	\$	\$
Short-term employee benefits	456,056	626,424
Post-employment benefits	25,275	40,415
Share-based payments	256,838	-
Total KMP compensation	<u>738,169</u>	<u>666,839</u>

## Short-term employee benefits

- these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

## Post-employment benefits

- these amounts are the current year's estimated costs of providing for the company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

## Share-based payments

- these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

**Note 6 Auditor's Remuneration**

	2016	2015
	\$	\$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	41,314	12,675
— taxation services	5,610	-
— due diligence services	16,493	-
	<u>63,417</u>	<u>12,675</u>

**Note 7 Dividends**

There were no Dividends declared or paid in the financial year.

**Note 8 Earnings per Share**

	2016	2015
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Profit	(4,292,192)	(2,897,925)
Loss used to calculate basic EPS	<u>(4,292,192)</u>	<u>(2,897,925)</u>
Loss used in the calculation of dilutive EPS	<u>(4,292,192)</u>	<u>(2,897,925)</u>
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	534,444,153	300,000,000

**Note 9 Cash and Cash Equivalents**

	Note	2016	2015
		\$	\$
Cash at bank and on hand		107,528	32,990
Short-term bank deposits		3,195,398	-
	26	<u>3,302,926</u>	<u>32,990</u>

The effective interest rate on short-term bank deposits was 2% (2015: 2%); these deposits have an average maturity of 1 day.

## Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	3,302,926	32,990
	<u>3,302,926</u>	<u>32,990</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

**Note 10 Trade and Other Receivables**

	2016 \$	2015 \$
<b>CURRENT</b>		
Trade receivables	11,000	311
Provision for impairment	-	-
	<u>11,000</u>	<u>311</u>
Other receivables	92,015	-
Government subsidies receivable	-	258,649
Total current trade and other receivables	<u>103,015</u>	<u>258,960</u>

**Credit risk**

The entity has no significant concentration of credit risk with respect to any single counterparty other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk to the entity.

		2016 \$	2015 \$
(a) <b>Financial Assets Classified as Loans and Receivables</b>	<b>Note</b>		
Trade and other Receivables			
— Total Current		103,015	258,960
— Total Non-Current		-	-
		<u>103,015</u>	<u>258,960</u>
Total financial assets classified as loans and receivables	26	<u>103,015</u>	<u>258,960</u>

**Note 11 Property, Plant and Equipment**

	2016 \$	2015 \$
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	21,438	3,348
Accumulated depreciation	<u>(5,038)</u>	<u>(3,348)</u>
	<u>16,400</u>	<u>-</u>
Total property, plant and equipment	<u>16,400</u>	<u>-</u>

**(a) Movements in Carrying Amounts**

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	\$	Total \$
Balance at 1 July 2014	-	-
Balance at 30 June 2015	-	-
Additions	18,090	18,090
Depreciation expense	<u>(1,690)</u>	<u>(1,690)</u>
Balance at 30 June 2016	<u>16,400</u>	<u>16,400</u>

**Note 12 Intangible Assets**

	Software Development \$
<b>Year ended 30 June 2015</b>	
Balance at the beginning of year	1,476,249
Additions	74,203
Amortisation charge	<u>(226,894)</u>
Closing value at 30 June 2015	<u>1,323,558</u>
<b>Year ended 30 June 2016</b>	
Balance at the beginning of year	1,323,558
Amortisation charge	<u>(305,424)</u>
Closing value at 30 June 2016	<u>1,018,134</u>

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss.

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Note 13 Trade and Other Payables**

		2016 \$	2015 \$
<b>CURRENT</b>	<b>Note</b>		
Unsecured liabilities			
Trade payables		286,218	295,005
Sundry payables and accrued expenses		136,748	115,980
— key management personnel related entities		68,703	132,517
		<u>491,669</u>	<u>543,502</u>
	<b>Note</b>	2016 \$	2015 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total Current		491,669	543,502
— Total Non-Current		-	-
		<u>491,669</u>	<u>543,502</u>
Financial liabilities as trade and other payables	26	<u>491,669</u>	<u>543,502</u>

**Note 14 Borrowings**

		2016 \$	2015 \$
<b>CURRENT</b>	<b>Note</b>		
Unsecured Convertible Notes - other		497,922	-
Unsecured Convertible Notes - Key Management		135,332	-
Total current borrowings		<u>633,254</u>	<u>-</u>
<b>NON-CURRENT</b>			
Unsecured Convertible Notes - other		-	151,959
Personal		-	127,659
Unsecured Loans to Reclaim Industries Limited		-	2,400,000
Total non-current borrowings		<u>-</u>	<u>2,679,618</u>
Total borrowings	26	<u>633,254</u>	<u>2,679,618</u>

**(a) Convertible note terms**

Under the terms of the loan the lenders have the option to have the loans repaid in cash or by the issue of Rision Limited shares.

**(b) Events subsequent to year end**

Subsequent to the end of the financial year, the lender owed \$497,922 (principal and interest) elected to have their loan repaid in cash. On 1 September 2016 the principal of this loan was repaid.

Also subsequent to year end, two of the remaining lenders with a balance of \$81,957 at 30 June 2016 elected to have their loans repaid by cash. These loans were subsequently repaid subsequent to year end.

The remaining borrower has indicated that they will elect to convert shares into equity, which is expected to require shareholder approval. If converted the shares will be converted at one Rision share for each two cents of debt owing.

**Note 15 Reverse Acquisition Accounting**

On 31 January 2016, Rision Limited (formerly Reclaim Industries Limited) completed the legal acquisition of Rision Holdings Pty Ltd by issuing 200,000,000 ordinary shares and 50,000,000 Performance Shares to the vendor on 12 February 2016 (refer Note 15(a) and 15 (c)). Under the Australian Accounting Standards, Rision Holdings Pty Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Rision Holdings Pty Ltd acquires the net assets and listing status of Rision Limited.

**(a) Deemed Consideration**

Deemed share price (Net Tangible asset value of each share)	\$0.00581
Shares on issue at acquisition date - Rision Limited	343,349,734
Deemed consideration	\$1,997,447

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**(b) Deemed Rision Limited Share Capital**

	\$
Historical Issued capital at 30 June 2015 - Rision Limited	626,699,469
Reduction due to share consolidation	<u>-313,349,734</u>
Rision Limited share capital at acquisition date	313,349,735
Elimination of Rision Limited issued capital	<u>-313,349,734</u>
Historical Issued capital at 30 June 2015 - Rision Holdings Pty Ltd	1,336,000
Deemed consideration of Rision Holdings Pty Ltd	1,997,447
Issue of shares under Prospectus capital raising	6,000,000
Costs associated with capital raising	-896,101
Facilitation shares under Prospectus	400,000
Note Holder shares under Prospectus	<u>1,300,000</u>
Total Rision Limited share capital	10,137,347

**(c) Rision Limited Asset Accumulated Losses Pre Completion**

Historical accumulated losses at 30 June 2015	3,338,980
Rision Limited loss incurred from 1 July 2015 to 31 January 2016 date	<u>379,815</u>
	3,718,795
Elimination of Rision Limited accumulated losses	<u>(3,718,795)</u>
Carried forward accumulated losses - Rision Limited	-

**d) Net Assets and Liabilities acquired**

Cash	94,413
Other receivables	131,157
other assets	2,400,000
Trade and other creditors	(432,960)
Loans	<u>(310,095)</u>
<b>Net assets</b>	<u>1,882,515</u>
Deemed Consideration	1,997,447
Less: Net Assets acquired	<u>1,882,515</u>
Listing Expense	114,932

**Note 16 Group Entities**

Whilst the accounting parent of the Group is Rision Holdings Pty Ltd, the legal and ultimate parent of the Group is Rision Limited. The consolidated financial statements include the financial statements of Rision Holdings Pty Ltd as accounting parent and the subsidiaries listed below

Name	Country of Incorporation	% Equity Interest 2016	% Equity Interest 2016
Rision Limited	Australia	100.00%	0.00%
Rision Inc.	USA	100.00%	100.00%
Rision Australia Pty Ltd	Australia	100.00%	100.00%

**Note 17 Provisions**

CURRENT	2016	2015
Employee Benefits		
Opening balance at beginning of year	-	-
Additional provisions raised during year	57,000	-
Amounts used	<u>(4,000)</u>	-
Balance at end of the year	<u>53,000</u>	-

**Analysis of Total Provisions**

Current	53,000	-
Non-current	<u>-</u>	-
	<u>53,000</u>	-

**Provision for Employee Benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(h).

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Note 18 Issued Capital**

(a) Ordinary Shares	2016 \$	2015 \$
At the beginning of the reporting period:	1,336,000	1,336,000
Shares issued during year		
28/05/2014 - Issue of shares pursuant to the Public Offer	6,000,000	-
Issue of Shares as consideration for the acquisition of Rision Holdings Pty Ltd	1,997,447	-
30/01/2016 - Issue of Facilitation Shares	400,000	-
30/1/2016 - Issue to Noteholders pursuant to the Public Offer	1,300,000	-
30/1/2016 - Cost of share issue	(896,101)	-
At the end of the reporting period	<u>10,137,346</u>	<u>1,336,000</u>

	No.	No.
At the beginning of the reporting period:	2,667	2,667
Rision Holdings Pty Ltd shares eliminated on reverse acquisition	(2,667)	-
Rision Limited shares on issue at acquisition date	313,349,735	-
12/2/2016 - Issue of shares for cash pursuant to the Public Offer	300,000,000	-
12/2/2016 - Issue of Shares as consideration for the acquisition of Rision Holdings Pty Ltd	200,000,000	-
12/2/2016 - Issue to Noteholders pursuant to the Public Offer	100,000,000	-
12/2/2016 - Issue to Noteholders pursuant to the Public Offer	30,000,000	-
12/2/2016 - Issue of shares as Facilitation fees pursuant to the Public Offer	20,000,000	-
At the end of the reporting period	<u>963,349,735</u>	<u>2,667</u>

(b) Other reserves	2016 \$	2015 \$
At the beginning of the reporting period:	-	(1,000,000)
Movements during year		
— 1/7/2015 - Change in accounting estimate	1(q)	1,000,000
— Share Based Payments	1(h)	-
At the end of the reporting period	<u>361,010</u>	<u>-</u>
Movements during year		

(c) Performance Shares	2016	2015
At the beginning of the reporting period	-	-
Issue of 50,000,000 Performance shares	<u>50,000,000</u>	-
At the end of the reporting period	<u>50,000,000</u>	-

On 12 February 2016 the company issued Performance shares to the vendors of Rision Holdings Pty Ltd as part of the consideration for the purchase of that entity.

The Performance shares, issued for nil consideration will automatically convert to ordinary shares on a one for one basis if on or before 30/6/2019:

- 1 Rision achieves \$5,000,000 EBITDA during any consecutive 12 month period; or
- 2 Rision, or the Rision business, being sold for a minimum of \$150,000,000 on arms length terms.

All Performance shares are held by related parties (refer Note 25).

**(d) Options**

- (i) For information details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end refer to Note 23: Share-based Payments.
- (ii) For information relating to share options issued to key management personnel during the financial year refer to Note 23: Share-based Payments.

**(e) Capital Management**

The Board controls the capital of the company in order to ensure the Group continues as a going concern as well as to maximise the return to shareholders and benefits to other stakeholders.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets.

The Company is not subject to any externally imposed capital requirements.

The Board effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Note	2016 \$	2015 \$
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**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Total borrowings	13, 14	1,124,923	3,223,120
Less cash and cash equivalents	9	<u>(3,302,926)</u>	<u>(32,990)</u>
Net debt		(2,178,003)	3,190,130
Total equity		<u>3,262,552</u>	<u>(1,607,612)</u>
Total capital		<u>1,084,549</u>	<u>1,582,518</u>
Gearing ratio		N/A	202%

**Note 19 Capital and Leasing Commitments**

	2016 \$	2015 \$
(a) <b>Finance and Operating Lease Commitments</b>		
The Company has no finance lease commitments. Its only operating lease (related to premises) can be cancelled with 30 days notice.		
(b) <b>Capital Expenditure Commitments</b>		
Capital expenditure commitments contracted for:		
Software Development	<u>622,000</u>	<u>185,000</u>
	<u>622,000</u>	<u>185,000</u>

The Company has a rolling contract with its technology developer. The contract amount can be varied from month to month dependant on work requirements, however 30 days notice is required to adjust commitments or cancel the future obligations.

**Note 20 Parent Entity Information**

	\$	\$
<b>ASSETS</b>		
Current Assets	3,253,864	2,498,617
Non Current Assets	-	-
<b>TOTAL ASSETS</b>	<u>3,253,864</u>	<u>2,498,617</u>
<b>LIABILITIES</b>		
Current Liabilities	1,376	236,287
Non Current Liabilities	-	-
<b>TOTAL LIABILITIES</b>	<u>1,376</u>	<u>236,287</u>
<b>NET ASSETS</b>	3,252,488	2,262,330
<b>EQUITY</b>		
Issued capital	8,549,158	5,601,310
Reserves	361,010	
Accumulated Losses	<u>(5,657,680)</u>	<u>(3,338,980)</u>
<b>TOTAL EQUITY</b>	<u>3,252,488</u>	<u>2,262,330</u>

- The 2016 loss includes impairment of intercompany loan of \$5,383,857.
- The contingent liabilities of the Company are the same as the contingent liabilities of the Group as disclosed at note 27.

**Note 21 Operating Segments**

**Segment Information**

**Identification of reportable segments**

The company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The Groups primary business segment is the provision of HR online tools including staff scheduling and rostering, and operates in this one segment.

## (i) Segment performance

	Online HR Services \$	Total \$
<b>30 June 2016</b>		
<b>SEGMENT REVENUE</b>		
External sales	20,141	20,141
Government Grants	106,738	106,738
Interest revenue	20,179	20,179
<b>Total segment revenue</b>	<b>147,058</b>	<b>147,058</b>
<b>SEGMENT EXPENSES</b>		
Employee benefits Expense	845,404	845,404
Software Development	1,526,263	1,526,263
Consulting and professional fees	678,410	678,410
ASX listing cost	114,932	114,932
Share based payments	361,000	361,000
Administrative expenses	518,359	518,359
Finance costs	89,458	89,458
Depreciation and amortisation	305,424	305,424
<b>Total segment expenses</b>	<b>4,439,250</b>	<b>4,439,250</b>
<b>Loss before income tax</b>	<b>4,292,192</b>	<b>(4,292,192)</b>
<b>SEGMENT ASSETS AND LIABILITIES</b>		
Cash	3,302,926	3,302,926
Other receivables	103,015	103,015
Plant and Equipment	16,400	16,400
Intangible assets	1,018,134	1,018,134
Trade and other creditors	(544,669)	(544,669)
Loans	(633,254)	(633,254)
<b>Net assets</b>	<b>3,262,552</b>	<b>3,262,552</b>
Reconciliation of segment revenue to total revenue		-
<b>30-Jun-15</b>		
<b>SEGMENT REVENUE</b>		
External sales	4,941	4,941
Government Grants	109,443	109,443
<b>Total segment revenue</b>	<b>114,384</b>	<b>114,384</b>
Total revenue		114,384
<b>SEGMENT EXPENSES</b>		
Employee benefits Expense	739,826	739,826
Software Development	899,974	899,974
Consulting and professional fees	779,172	779,172
ASX listing cost	-	-
Share based payments	-	-
Administrative expenses	352,121	352,121
Finance costs	10,066	10,066
Depreciation and amortisation	231,150	231,150
<b>Total segment expenses</b>	<b>3,012,309</b>	<b>3,012,309</b>
<b>Loss before income tax</b>	<b>3,012,309</b>	<b>(2,897,925)</b>
<b>SEGMENT ASSETS AND LIABILITIES</b>		
Cash	32,990	32,990
Other receivables	258,960	258,960
Plant and Equipment	-	-
Intangible assets	1,323,558	1,323,558
Trade and other creditors	(543,502)	(543,502)
Loans	(2,679,618)	(2,679,618)
<b>Net assets</b>	<b>(1,607,612)</b>	<b>(1,607,612)</b>

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Note 22 Cash Flow Information**

	2016 \$	2015 \$
<b>(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax</b>		
Profit after income tax	(4,292,192)	(2,897,925)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Amortisation	305,424	231,150
Depreciation	1,690	-
Share options expensed	361,000	-
ASX Listing cost	114,932	-
Rision Limited losses to 31 January 2016	(379,815)	-
(Increase)/decrease in trade and term	155,945	1,661
Increase/(decrease) in trade payables / accruals	69,093	540,862
Increase/(decrease) in income taxes payable	-	(45,685)
Cash flows used in operating activities	<u>(3,663,923)</u>	<u>(2,169,937)</u>
	2016 \$	2015 \$
<b>(b) Loan Facilities</b>		
Amount utilised	<u>633,254</u>	<u>2,679,616</u>
	<u>633,254</u>	<u>2,679,616</u>

The major facilities are summarised as follows:

The facility is at call. As noted in Note 14, subsequent to year end debts with a principal balance of \$515,000 have been repaid and it is expected that a further debt of \$50,000 will be paid in the short term. The debts were repaid from cash on hand. There are no unused loan facilities. Refer to Note 14 for further information.

**Note 23 Share-based Payments**

	2016 \$	2015 \$
Share Based Payment Expense	361,000	-
<b>(i)</b> On 12 February 2016, 60,000,000 share options were granted to Directors and Employees to take up ordinary shares at an exercise price of \$0.02		
<b>(ii)</b> Options granted to key management personnel are as follows:		
<b>Grant Date</b>	<b>Number</b>	
12/02/2016	20,000,000	Director
12/02/2016	24,000,000	Employee

These options vest over a two year period with a percentage of Employee options vesting on 1 June 2016. Vesting subsequent to grant date is not subject to any conditions or performance criteria. Further details of these options are provided in the director's report. The options hold no voting or dividend rights but have been listed.

Since 30 June 2016, Paul Lappin, Colin Mcleod and Kate Cornick retired from the entity. During the financial year, 8,000,000 options vested with KMP (2015: Nil).

A summary of the movements of all options issued is as follows:

	Number	Weighted average exercise price
<b>Options outstanding as at 1 July 2014</b>	-	-
<b>Options outstanding as at 30 June 2015</b>	-	-
Granted	60,000,000	\$0.02
<b>Options Outstanding as at 30 June 2016</b>	60,000,000	\$0.02
Options exercisable as at 30 June 2016:	8,000,000	\$0.02
Options exercisable as at 30 June 2015:	-	-

The weighted average remaining contractual life of options outstanding at year end was 2.5 years. The exercise price of outstanding shares at reporting date was \$0.02.

The fair value of the options granted to employees is considered to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was \$638,586 (2015: \$-). These values were calculated using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price:	\$0.02
Weighted average life of the option:	3
Expected share price volatility:	80%
Risk free interest rate:	2.79%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

**(iv)** There were no shares granted to key management personnel as share based payments.

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Note 24 Events After the Reporting Period**

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

- On 24 August 2016 Mr Paul Lappin (Chairman), Managing Director Dr Kate Cornick and Non-Executive Director Dr Colin McLeod all resigned as Directors. Dr Cornick gave the Company notice on the same date of her resignation as an executive of Rision.
- On 24 August 2016 Mr Adam Sierakowski was appointed a Director of the Company;
- Rision completed the transaction to acquire synergistic rostering technology company, Roster Cloud. As part of the consideration, Rision Limited issued 4,000,000 ordinary shares to the vendor (escrowed for twelve months). The remaining consideration due at settlement of \$90,000 was paid to the vendors on 15 July 2016. The Company has treated this transaction as an asset acquisition as the purchase did not meet the specifications of a Business combination under AASB3.
- Lenders with principal debts of \$565,000 requested repayment of loans and the principal of \$565,000 have been repaid from cash reserves held by the Company.

No other matters or circumstances has arisen since 30 June 2016 that has significantly affected the groups operations, results or state of affairs, or may do so in future periods.

**Note 25 Related Party Transactions**

**(a) The Company's main related parties are as follows:**

**i. Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. Information on remuneration of all Directors and Key Management Personnel is contained in the Remuneration Report within the Directors' Report.

For details of disclosures relating to key management personnel, refer to Note 5.

**ii. Related parties**

Pebtilly Pty Ltd is considered a related party as a result of its shareholding of 13.26% and its relationship to Mr Robert Day, a Director of Rision Limited. Trident Capital Pty Ltd ("Trident Capital") was a substantial shareholder of the Company during the year and its employees were members of the Board of Directors. Trident Management Services Pty Ltd is a company that a former Director, DC Ong is a Director, and through this association is a related party. Price Sierakowski is a firm that provides legal services to its clients. It is related to Mr Adam Sierakowski who is a Director of Rision, and through this association is a related party.

Mr Anthony Dixon and Mr Graham Steer acted as Directors of Rision Holdings Pty Ltd during the year, and through this association are considered related parties.

**(b) Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties and Key Management Personnel:

	2016 \$	2015 \$
<b>i. Recapitalisation, corporate advisory and office services - Trident Capital Pty Ltd</b>		
Trident Capital provided recapitalisation services, corporate advisory services and office accommodation during the financial year.	378,200	211,283
<b>ii. Company Secretarial and accounting Services</b>		
Trident Management Services provided the Company with accounting and company secretarial services during the year	51,321	75,072
<b>iii. Legal Services</b>		
Price Sierakowski is a legal firm that is related to Mr Adam Sierakowski. During the year they provided legal services to Rision related to the Prospectus Capital raising and also in regards to the acquisition of Rision Holdings Pty Ltd	115,553	111,231
<b>iv. Interest Expense</b>		
Interest paid / payable to related parties on loans and advances	7,670	2,659
<b>(c) Amounts payable to related parties</b>		
<b>Trade creditors and Borrowings</b>		
	2016 \$	2015 \$
<b>(d) Loans from Other Key Management Personnel Related Entities</b>		
Trade and Other payables	68,703	132,517
Borrowings	135,329	127,659
End of year	<u>204,032</u>	<u>260,176</u>

Borrowings are provided by directors, key management personnel and other related parties on an arm's length basis. Interest is charged at 6.5% (2015: 6.5%) and is payable on repayment of the loan (if certain conditions are met).

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Note 26 Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to external parties.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	<b>2016 \$</b>	<b>2015 \$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	9	3,302,926	32,990
Loans and receivables	10a	103,015	258,960
<b>Total Financial Assets</b>		<b>3,405,941</b>	<b>291,950</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	13	491,669	543,502
— Borrowings	14	633,254	2,679,618
<b>Total Financial Liabilities</b>		<b>1,124,923</b>	<b>3,223,120</b>

**Financial Risk Management Policies**

The Board of Directors manages financial risk exposures of the Company. The Board monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk and foreign currency risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

**a. Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. The company holds cash deposits with recognised financial institutions. Cash can be matured within 30 days.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 10.

**b. Liquidity risk**

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions

**c. Market Risk**

**i. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the company to interest rate risk are borrowings and cash and cash equivalents. The interest rates on loans outstanding at balance rate are fixed, so any interest rate risk relates to future borrowing. The sensitivity relating to this risk is set out in the following section.

**ii. Foreign exchange risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the entity holds financial instruments which are other than the AUD functional currency of the entity. The company has operations in USA and also has other costs relating to software development that are payable in USD. The sensitivity relating to this risk is set out in the following section.

**iii. Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

**RISION LIMITED ABN: 47090671819**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Sensitivity Analysis**

The following table illustrates sensitivities to the company's exposures to changes in interest rates and exchange rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

<b>Year ended 30 June 2016</b>	<b>Profit \$</b>	<b>Equity \$</b>
+/- % in interest rates	10,000	10,000
+/- 10% in \$A/\$US	320,000	320,000
<b>Year ended 30 June 2015</b>	<b>Profit \$</b>	<b>Equity \$</b>
+/- 1% in interest rates	500	500
+/- 10% in \$A/\$US	190,000	190,000

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

**Note 27      Contingent Liabilities and Contingent Assets**

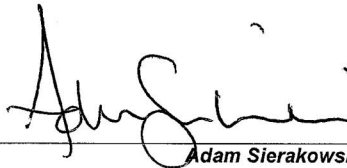
The Directors are not aware of any contingent liabilities that arise from the Groups operations as at 30 June 2016.

**RISION LIMITED ABN: 47090671819**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Rision Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 17 to 37, are in accordance with the Corporations Act 2001, and other mandatory professional reporting requirements and:
  - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Financial Officer.

Director



*Adam Sierakowski*

Dated this 30th day of September 2016

## INDEPENDENT AUDITOR'S REPORT

To the members of Rision Limited

### Report on the Financial Report

We have audited the accompanying financial report of Rision Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, 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 judgement, 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 control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Rision Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Opinion

In our opinion:

- (a) the financial report of Rision 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 2016 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 1.

#### Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2016. 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 Rision Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd



**Neil Smith**  
**Director**

Perth, 30 September 2016

**RISION LIMITED ABN: 47090671819**  
**ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

The following information is current as at 7 September 2016:

**1. Shareholding**

**a. Distribution of Shareholders**

Category (size of holding)	Number	
	Ordinary	Shareholders
1 – 1,000	212,452	1,228
1,001 – 5,000	482,374	226
5,001 – 10,000	304,920	37
10,001 – 100,000	9,104,760	174
100,001 – and over	957,244,891	618
	<u>967,349,397</u>	<u>2,283</u>

b. The number of shareholdings held in less than marketable parcels is 1637.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary
Pebtilly Pty Ltd	128,308,962
Trident Capital Pty Ltd	29,425,000

**d. Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Performance shares

- These shares have no voting rights.

**e. 20 Largest Shareholders — Ordinary Shares**

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Pebtilly Pty Ltd	128,308,962	13.26
2. Trident Capital Pty Ltd	29,425,000	3.04
3. T&H Corby Pty Ltd	26,996,625	2.79
4. Apex Private Wealth Pty Ltd	18,972,628	1.96
5. Harech Pty Ltd	14,500,000	1.50
6. Ashlaw Pty Ltd	10,949,519	1.13
7. E W & KL Tucker	10,000,000	1.03
8. Amabowl Pty Ltd	9,973,753	1.03
9. Aegean Capital Pty Ltd	8,900,000	0.92
10. JR & AJ Parkman	8,583,891	0.89
11. Anthony Dixon	8,548,931	0.88
12. Arlington Capital Pty Ltd	8,333,333	0.86
13. TLC Investments Pty Ltd	8,000,000	0.83
14. Kebin Nominees Pty Ltd	7,200,000	0.74
15. Hem Asset Group Pty Ltd	7,199,101	0.74
16. Nick Tsagaris	6,500,000	0.67
17. Merrill Lynch Aust Nom Pty Ltd	6,458,643	0.67
18. JeremyJohn Baldock	6,346,889	0.66
19. Reef Investments Pty Ltd	6,166,667	0.64
20. Ross David & Albarran R	6,140,254	0.63
	<u>337,504,196</u>	<u>34.87</u>

**f. Performance Shares**

**RISION LIMITED ABN: 47090671819**  
**ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

- On 12 February 2016 the company issued Performance shares to the vendors of Rision Pty Ltd as part of the consideration for the purchase of that entity.
  - The Performance shares, issued for nil consideration will automatically convert to ordinary shares on a one for one basis if on or before 30/6/2019 certain hurdles are met
  - Refer to Note 18c of the Financial Statements of Rision Limited for further details.
2. The name of the company secretary is David Williamson
3. The address of the principal registered office in Australia is 49 Agnes Street, East Melbourne, 3002. Telephone +613 9671 3406.
4. Registers of securities are held at the following addresses  
Victoria Security Transfer Registrars, Level 9, 530 Little Collins Street, Melbourne, 3004
5. **Stock Exchange Listing**  
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.
6. **Unquoted Securities**  
Performance \ Shares  
50,000,000 Performance shares are on issue. All Performance shares are held by the vendors of Rision Pty Ltd (3 parties)..
- Options over Unissued Shares  
A total of 191,000,000 options are on issue. 130,000,000 options are on issue to holders of ordinary securities. 61,000,000 options are on issue to four directors and two employees.