XREF

ANNUAL REPORT 2017

CONTENTS

With Xref, clients make more confident, smarter decisions.

2017 Highlights

Total Sales

$4.1 million

137% TOTAL ANNUAL GROWTH

Revenue

$3.0 million

127% TOTAL ANNUAL GROWTH

Client Sales Split

LARGEST CLIENT	TOP 10 CLIENTS	TOP 20 CLIENTS
$250K	$1.1M	$1.7M
6% of FY17 sales	28% of FY17 sales	42% of FY17 sales

Industry Sector Growth

PRIVATE SECTOR

FY16	FY17	Growth
$1.4M	$3.4M	144% SALES GROWTH
FY16 / 82% of sales	FY17 / 83% of sales	

NOT FOR PROFIT

FY16	FY17	Growth
$163K	$332K	104% SALES GROWTH
FY16 / 9% of sales	FY17 / 8% of sales	

PUBLIC SECTOR

FY16	FY17	Growth
$171K	$458K	168% SALES GROWTH
FY16 / 10% of sales	FY17 / 11% of sales	

TOP GROWTH SECTORS	% of total FY17 sales	Sales YoY Growth
Manufacturing	2%	709%
Finance, Accounting & Banking	11%	376%
Transport & Logistics	5%	217%
Government - State	10%	152%
Construction & Civil Engineering	4%	145%
Healthcare & Medical	9%	132%
Retail & Consumer Products	8%	117%

Chairman's Report

It is a pleasure to welcome shareholders to Xref's annual report for the 2017 financial year.

Having joined Xref's board in August 2016, it has been fantastic to see the outstanding progress the company has made over the course of just one year. The new single domain platform, xref.com, and the fresh new brand, reflect our recent phase of maturity and our ambitions for global growth.

First mover advantage driving client growth

At launch, Xref's platform introduced an entirely new, cloud-based human resources technology solution. Today, its value has been recognised globally and it now helps more than 600 organisations make significant time and expense savings. Our software simplifies the way employers seek references, automating one of the most difficult, time-consuming processes and providing intuitive, data-driven insights for human resources practitioners. This is a quantum leap forward, enabling the industry to transition away from telephone-based referencing, to offer a service in line with the expectations of a digital age.

We are capitalising on our first mover advantage through a global growth strategy. We achieved more than 50% client growth during FY2017. While the majority of our clients are currently in Australia and New Zealand, including 36% of the Australian Securities Exchange's top 50 companies, we also seeing strong growth in the UK, Europe, Middle East and North America.

These are regions with large populations and labour markets, presenting a significant opportunity for us to continue to grow.

Ease of use

Our platform is built on powerful, scalable technology with an open architecture that offers the flexibility required to continue to develop and evolve our service. We are anticipating the changing needs of the human resources market, and constantly creating exciting new features for clients.

One recent example of product improvement was the introduction of the Sentiment analysis engine, which provides greater insight into a referee's feedback at a glance. Based on machine learning, the algorithm provides an assessment of a referee's 'tone of voice', offering a percentage breakdown of the feedback that was positive, neutral and negative, helping employers to interpret the data quickly and with ease. This reduces opportunities for misinterpretation when assessing a candidate's professional performance and fit for a position.

Strong revenue growth

It is a pleasure to report continued strong renewals and new client growth. Xref set a $0.85 million monthly sales record in June 2017, which exceeded the previous monthly record by 70%. Our consistent focus on global expansion helped drive a 127% increase in net revenue to $3.0 million in FY2017 compared to $1.3 million in the previous year.

We are investing to expedite global expansion and the reported loss from continuing operations was in line with management expectations.

Our growth has been accelerated by strong support for the company's capital raising efforts, including an $8 million share placement in FY2016. A further $7.5 million before costs was raised in August 2017, through a placement which closed oversubscribed. These funds are supporting our growth through international expansion and channel partnerships.

Following shareholder endorsement of a move for the company's domicile from New Zealand to Australia, forms were lodged with ASIC to complete the process on 28 August 2017, which successfully re-domiciled on 21 September 2017. Xref completed the divestment of the mining assets owned as part of the activities of King Solomon Mines Limited in early 2017.

A great and passionate team

The year's success is ultimately the product of a talented and dedicated team. Our staff grew significantly in 2017 and I would like to thank all of them for their ongoing hard work and dedication. They are part of a highly driven culture and the skills and commitment they offer our clients is what helps make Xref great.

Strengthened Board

I would also like to thank my board colleagues for their commitment and support over the year, and acknowledge Nigel Heap who also joined the board in August 2016 as a non-executive director. He is the UK and Ireland Managing Director of Hays plc, the leading global professional group, and brings significant human resources expertise to our Board.

Looking ahead

I am excited by the growth opportunities both in Australia and overseas, and optimistic about the future. The new financial year has started with strong sales growth and client renewals. Xref has secured some of the world's leading international brands as clients and some HR market leaders as partners, having established a sustainable growth path, the service looks set to continue to expand and evolve in all the markets we currently operate in and more.

Brad Rosser,
Chairman

Chief Executive Officer's & Chief Technology Officer's Report

Xref exceeds 100% year-on-year growth

Xref passed many milestones in its first full year as an ASX-listed business. By the end of the 2017 financial year, more than 140,000 candidates had experienced the benefits of the Xref platform; more than 280,000 referees had provided references; and more than 700 companies in seven countries had used our services.

Our business model is simple: we sell Xref credits to our clients. Each credit allows a client to take as many references as are required on one candidate. The credits are consumed as candidates are referenced through the Xref platform. Our process also places the candidate at the centre of the referencing process for the first time, enabling them to encourage timely responses from referees. Fast and efficient reference checking simplifies the hiring process and reduces employers' exposure to security breaches, discrimination and potential fraud.

Our business is highly cash generative, and, during FY17 Xref continued to exceed 100% year-on-year growth. Sales were a record $4.1 million, an increase of 137% from $1.7 million in FY2016. We completed the year with a new monthly record, achieving sales of $0.85 million in June 2017, up 250% compared to June 2016. Clients' consumption of credits also grew. Revenue, which excludes sold but unused credits, was $3.0 million, more than double $1.3 million for the previous year.

We completed the year with a strong cash position and in August 2017, raised a further $7.5 million before costs through a placement to institutional and sophisticated investors. These funds will expedite our channel integrations and partnerships, accelerating global growth.

Single global domain simplifies access

During the year we purchased xref.com, a memorable, top-level and global internet domain name. This strengthens the value of our global platform and, particularly for those organisations which use Xref in many countries, simplifies access to our services as individual country domains are no longer required. We completed the transition to the xref.com domain effective July 1, 2017. This move aligned with our new brand launch, which emphasises the simplicity and efficiency of our platform, and the maturity of the business today.

Accelerating global growth

We are investing in our business to build global growth, and during FY17 we grew enough to enable support for clients in Australia, New Zealand, the United Kingdom, Europe and the Middle East, Canada and the USA, and Singapore, from offices in Sydney, London and Toronto. Since the end of the year we have also introduced further global expansion, with an office in Norway, that will further support our European efforts, particularly across the Nordic region.

Xref has generated dramatic growth since listing on the ASX. Our clients include government, small- to medium-sized businesses, recruitment agencies, not for profit organisations and others. More than 50% of our clients are large enterprises, and we support clients in 32 market sectors.

Australia and New Zealand

In Australia and New Zealand, we serve an employment market of approximately 15 million people. This business is now used by hundreds of clients every day, and thousands of candidates and referees contribute data to our platform every week. Significant new clients introduced during the year included Auckland Transport, Bluescope Steel, CSR, Department of Premier and Cabinet (Victoria), KPMG, ME Bank, NBN, News Corporation, NSW Treasury, Reserve Bank of Australia, Telstra and Transurban.

Expansion in Europe and North America

Xref's expansion is guided by demand from existing clients, which include some of the world's largest enterprises and global brands. We track client and referee activity, which led to the establishment of our London and Canada offices, to capitalise on the growth potential of the regions we service. Our growth into Europe, Canada and the USA has had a strong start. Client usage has grown faster than in Australia at a comparative stage of the company's development.

Our London office supports a European market of approximately 120 million people, and also serves the Middle East and Africa. Among our new clients are household names including the Chelsea Football Club, the Chelsea Foundation, JCB (JC Bamford), Sue Ryder, The Salvation Army, Thwaites and TMP Worldwide.

During the year we also secured our first European clients including Hammer & Hanborg in Sweden. The Nordic market (Denmark, Finland, Norway, Iceland and Sweden) has an employment market of about 14 million people and continues to provide a regional hotspot of candidate referencing activity. These market features led to the recently announced Norway office, opened to better service the Nordic region.

Our Toronto office supports the Canadian and USA employment market of about 180 million people, and we have now secured more than 30 clients in the region, including Bruce County Council, Konica, Lindt, Miele and TravelEdge Group.

Expanding channels to market

Through our platform, we are able to bring tremendous value to channel partners. Xref's open architecture, allows integrations to be deployed quickly and with ease. Once activated, clients can move quickly between the integrated platforms and embed automated candidate referencing into their workflow.

Millions of organisations worldwide use applicant tracking systems to manage recruitment and we aim to partner with the world's leading systems to form integrations that will enable us and out partners to offer organisations a more comprehensive suite of recruitment solutions. Our first integration with the Oracle Taleo applicant tracking system has been very successful, and we have since added Bullhorn, Expr3ss!, iCIMS, SmartRecruiters and Workday. These organisations, which can be accessed through Xref's employee dashboard, support more than 20,000 companies across the world. Applicant tracking systems' (ATS) own marketplaces provide easy access to Xref through their platforms, helping their clients to manage all aspects of the recruitment lifecycle.

Our partners provide a valuable marketing channel and, combined, employ more than 1,500 support staff. We are educating their sales teams through joint marketing activities and co-promoting the strengths of our combined services. As partners become familiar with the benefits of using Xref, we anticipate they will become strong advocates of our services.

Our platform has a 98% success rate, far higher than the results typically seen from telephone or email based candidate referencing. It also provides 60% more data, five times faster, and on average, 60% of feedback is provided out of business hours.. It offers users convenience and greater insight into candidate suitability, while enabling them to make data-driven decisions.

Specialised, proprietary software

During the year we re-engineered our global technical infrastructure and development resources. Significant new services included launching a new, fully API-driven employee dashboard, to improve the user experience; developing a time-based referencing app for the European market; and introducing the new Sentiment analysis engine, which analyses reference data to provide employers with an easy to understand sentiment score.

We have also introduced multi-language capabilities, such as localised French for the Canadian market, Spanish and Swedish. This increases our addressable market and we will systematically roll out new languages during the coming year.

Our investment in technology is delivering continuous improvement in client experience and driving productivity, margin, and efficiency across our business.

Structure for sustainable growth

We are focused on achieving operational excellence and have built a sustainable structure that supports global growth. This includes a global marketing program that supports our sales and channel presence, helping to develop leads. Our customer success team helps clients to achieve their business goals, ensuring the continued strength of our client relationships. The positive testimonials of clients are an important part of our program, demonstrating the value of our platform for human resources business success.

We maintain tight control of costs through a sustainable and scalable global accounting culture. This is led by CFO James Solomons who joined us from Xero where he was head of accounting. As we enter new markets the ability to set accurate budgets and achieve goals aligned with management targets is particularly important to our business. Recently we also appointed a new Chief Operating Officer Sharon Blesson, to ensure the success of ongoing integrations and delivery of operations.

Outlook for growth

We have established a strong position in our key markets and continue to focus on building scale, driving new business and significant renewals from existing clients. We are building a global business, and investing in our capability to increase sales. Revenue growth continues to exceed 100% year-on-year and we expect to maintain this dynamic growth trajectory.

Our channel strategy aims to capitalise on a cost-effective sales expansion path that complements direct sales. Xref's technology is fully API-driven, aiding its connection with different technologies and providing a modern foundation for future product enhancements. We are continuing to integrate with applicant tracking systems and other technology-driven human resources platforms, and exploring partnerships with human resources organisations to assist growth in new markets.

Lee-Martin Seymour,
Chief Executive Officer,
Co-Founder

Tim Griffiths,
Chief Technical Officer,
Co-Founder

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Xref Limited, formerly known as King Solomon Mines Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Directors

The following persons were directors of Xref Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Lee-Martin Seymour

Timothy Griffiths

Timothy Mahony

Brad Rosser (appointed 18 August 2016)

Nigel Heap (appointed 18 August 2016)

Simon O'Loughlin (resigned 18 August 2016)

Principal activities

During the financial year the consolidated entity continued to conduct its core activity which was to develop human resources technology that automates the candidate reference process for employers.

Dividends

No dividends have been paid by the Company during the financial year ended 30 June 2017, nor have the Directors recommended that any dividends be paid.

Review of operations

Xref is investing to build on a global scale, and the loss for the consolidated entity after providing for income tax amounted to $6,456,038, within management expectations (30 June 2016: loss of $830,649).

Highlights of the FY17 included:

- Sales of $4.1 million, up 137% compared to $1.7 million in FY16
- Strong growth in Australia, New Zealand, UK, Europe, Middle East and North America, including more than 50% annual client growth
- Net revenue of $3.0 million, up 127% compared to $1.3 million in FY16.
- Securing the global domain Xref.com, enabling the launch of a global brand
- Activating six channel integration partners which support 20,000 organisations worldwide
- Launching new products and services including new employee dashboard, time-based referencing and Sentiment algorithm
- Winning HRD's 'Employer of choice' gold award
- Completing an $8 million share placement in August 2016
- After balance date, Xref completed a $7.5 million placement, which was oversubscribed.
- After balance date, Xref also launched a new office in Oslo, Norway, to support European growth

Xref demonstrated strong global growth in FY17

Xref is investing to build global scale and extended its client base by over 50% in FY17 to more than 600 clients worldwide, including 36% of the ASX 50. The company services clients in Australia, New Zealand, the United Kingdom, Europe and the Middle East, North America and Singapore, from offices in Sydney, London and Toronto. Since balance, Xref has also introduced an office in Norway, to serve clients across the Nordic countries (Norway, Denmark, Sweden, Iceland and Finland).

Channel provides new growth path

Xref has focused on growth through integration partnerships which increase its channels to market. The company has integrated, or is in the process of integrating, with 10 organisations and channel integrations that are now 'live' worldwide including Bullhorn, Equifax (formerly Veda), Expr3ss!, iCIMS, Oracle Taleo, SmartRecruiters and Workday. Since balance, Xref has also announced its integration with Checkr in Canada and the USA.

Channel partners employ more than 1,500 support staff and their advocacy helps to reduce Xref's cost of acquiring new business.

Re-engineering technology drives client growth

Xref continued to innovate and launch new systems, including a new fully API-driven employee dashboard with a rebuilt client, candidate and referee experience. APIs allow exciting new features such as dynamic reports and self-service 'customer success' capabilities, and the platform also increased scale and security, and added mobile functionality and multi-language capabilities.

On July 1, 2017, Xref launched the new Sentiment Engine which leverages the platform's big data, and through machine learning is able to analyse referee feedback and provide a sentiment breakdown, at a glance.

Winner of 'Employer of choice' gold award and cloud innovation award

Xref was pleased to receive Human Resource Director (HRD)'s 'Employer of choice' gold award for companies with less than 100 employees, as a recognition of the support and opportunities the company offers its people. In August 2017, Xref also received the Australian Business Award for cloud innovation, recognising the power of the platform and the flexibility, efficiency, security and automation it offers its clients.

Growth exceeds 100% year-on- year

Sales for FY17 were $4.1 million, up 137% from $1.7 million in FY16. Sales, which represent cash payments, are a leading indicator of Xref's revenue growth. Unearned revenue, which is represented in unused credits, was $2.03 million at 30 June 2017 (note 21), up from $904k at 30 June 2016. Revenue grew 127% to $3.0 million for FY17, compared to $1.3 million for FY16, demonstrating the strong and continuing demand for Xref's services.

At 30 June 2017, Xref held $4.1 million in cash (note 15). On 2 August 2017, the company raised $7.5 million before costs through a placement, which closed oversubscribed, to Australian institutions and sophisticated investors at a price of 60c per share. Funds from the placement will support:

- Marketing to accelerate expansion in key international markets and co-promotional activities with channel partners to increase sales;
- The further development of integrations with applicant tracking systems and other human resources platforms, which provide a valuable marketing channel for Xref; and
- Initiatives to educate global partner teams and leverage integrations, which provide enterprises access to Xref's candidate referencing platform, enabling the rapid digital onboarding of new clients.

In August 2016, Xref raised $8 million through a share placement which also closed oversubscribed. These funds were used to accelerate the company's investment in global sales growth, product integration and software development. The company also received an R&D refundable tax offset of $482,426 in December 2016.

Positive growth outlook

Xref maintains a dynamic growth trajectory and anticipates continued 100% year-on- year revenue growth.

Corporate

Following shareholder endorsement of moving the company's domicile from New Zealand to Australia on 27 May 2016 the company lodged forms to this effect with ASIC on Monday 28th August 2017. The company successfully redomiciled to Australia on 21 September 2017.

Xref fully divested the mining assets owned as part of the activities of King Solomon Mines Limited in March 2017 for a total consideration of $2.

Matters subsequent to the end of the financial year

On 2 August 2017, Xref Limited raised $7,500,000 before share placement costs through a placement to Australian institutions and sophisticated investors at a price of 60c per share.

During September, Xref incorporated a company in Norway (Xref AS) as part of its continued expansion into new regions. The Norway office is focusing on the Nordic geographical region. Four staff have been hired including a General Manager, and three sales staff. Customer support is initially being provided from the Xref London office. Clients have already been secured in this new region. Refer to the market announcement on 21 September 2017 for further information.

On July 3, 2017 Xref issued invitations to eligible employees to participate in the Xref Employee Option plan. This plan was approved at the EGM held in May 2016. The last date for acceptance to participate was September 7th 2017. With 100% of employees accepting the invitation, the total number of new options issued in Xref Limited is 1,055,499. Refer to the market announcement on 26 September 2017 for further information.

As at 21 September 2017 Xref is now domiciled in Australia. The address of its registered office is Unit 14, 13 Hickson Road, Dawes Point, New South Wales, Australia 2000

Likely developments and expected results of operations

Our ongoing growth centres on three key pillars, global expansion, integrations, and product development. We continue to invest in the global expansion of Xref, in terms of both the physical growth of the organisation - with new offices and personnel - and the R&D required to introduce and scale the Xref service in new markets. We also maintain our focus on partnerships and integrations, a major driver for our success in the last year, which has included agreements with Bullhorn, Expr3ss!, iCIMS, Oracle Taleo, SmartRecruiters and Workday. Critically, we will never lose sight of the continuous product developments required to meet the needs of clients around the world as their roles, industries and demands evolve.

With offices in Australia, the UK and Canada at balance date and a new office with four experienced staff introduced in Norway since, the global expansion and adoption of the Xref solution shows no signs of slowing. A pipeline of potential markets will become the ongoing focus of the year ahead.

Integrations have also continued to gain momentum since balance date. An integration in the US and Canada with Checkr - the first agreement that sees a partner integrated into the Xref platform, rather than vice versa - marks the beginning of another positive year of partnerships with other, smart HR solutions that will allow Xref to offer clients greater value with minimal disruption to their existing workflow.

We will continue to make evidence-based, strategic improvements to the business and pioneer positive change in the HR industry, globally. Xref is on a dynamic growth trajectory and we anticipate continued 100% year-on-year revenue growth. As we scale, we have a strong platform for ongoing growth in our key markets of Australia, Europe, Canada and the USA, with great opportunities to expand further.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under New Zealand or Australian Commonwealth or State law.

Information on directors

Name:	Lee-Martin Seymour
Title:	Chief Executive Officer
Qualifications:	None
Experience and expertise:	Lee-Martin Seymour is CEO and co-founder of Xref. Having spent more than 17 years working in recruitment across various industries and geographies, he developed a deep understanding of the demands of the industry and a passion to pioneer change. A serial entrepreneur, Lee has been at the forefront of multiple other technology and recruitment organisations that redefine processes, build brands and streamline business practices.
Other current public directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee
Interests in shares:	32,371,796 ordinary shares
Interests in options:	None
Contractual rights to shares:	16,666,667 performance rights

Name:	Timothy Griffiths
Title:	Chief Technology Officer
Qualifications:	MBA
Experience and expertise:	Timothy Griffiths is CTO and co-founder of Xref. An MBA-qualified technologist with more than 20 years' experience advising global companies, Tim's IT expertise and technology start-up knowhow have taken the business from a smart idea to a global success. Tim previously worked for Benchmark Capital and was co-founder of media company a2a plc, which floated on the UK stock market. More recently, Tim was also CIO for Jcurve Solutions, an Australian cloud NetSuite ERP provider.
Other current public directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Committee
Interests in shares:	32,371,796 ordinary shares
Interests in options:	None
Contractual rights to shares:	16,666,666 performance rights

Name:	Tim Mahony
Title:	Non-Executive Director
Qualifications:	BFinAdmin
Experience and expertise:	Timothy Mahony spent 17 years in investment banking, specialising in capital markets and debt trading, and the last seven of those years as a director of Fay Richwhite Australia. Mr Mahony has been involved, as investor or founder, in a number of technology start ups, either successfully exiting the business or growing the business to a mature growth phase. He is a founder and director of Globalx Information, a digital information company providing information, software and services to the legal, corporate and spatial markets throughout Australia and the UK.
Other current public directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Remuneration Committees
Interests in shares:	1,650,000 ordinary shares
Interests in options:	900,000
Contractual rights to shares:	None

Name:	Nigel Heap
Title:	Non-Executive Director
Qualifications:	LLB,AMP
Experience and expertise:	Mr Nigel S. C. Heap has been UK & Ireland Managing Director and Chairman of The Asia Pacific Business at Hays plc since 25 April 2012. Mr Heap has been with Hays for 25 years. He served as Managing Director of Asia Pacific at Hays plc. He joined Hays in 1988 and over the last 19 years has successfully led the growth of the Asia-Pacific business. He has been a Non-Executive Director of Xref Limited since 18 August 2016. Mr Heap serves as a Director of Hays Specialist Recruitment (Australia) Pty Limited and Hays Specialist Recruitment (Australia) Pty Limited New Zealand Branch. He has completed INSEAD's Advanced Management Program and holds a Bachelor of Laws from Manchester University.
Other current Public directorships:	Hays UK Ltd
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Committee
Interests in shares:	18,000 ordinary shares
Interests in options:	900,000
Contractual rights to shares:	None

DIRECTORS' REPORT / Continued

Name:	Brad Rosser
Title:	Chairman
Qualifications:	BCom, MBA
Experience and expertise:	Brad is a serial entrepreneur with interests in businesses in Australia, the UK and the US. Businesses include assisting and funding startups through The BSF Group, Real Estate, Fitness and Health and Online businesses. A speaker and has published the book 'Better Stronger Faster: The Entrepreneurs Guide to Success in Business'. Also a director of Sydney TIE, the largest Not for Profit Entrepreneurial Organisation in the World and mentor for the ANZ Innovyz program.
Other current public directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee
Interests in shares:	None
Interests in options:	7,000,000
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Key Management Personnel

Chief Financial Officer

Mr James Solomons, BComm, CA, CTA, AFA, MIPA, QCA, JP, GAICD

James is a chartered accountant with over 17 years of experience within the accounting & corporate finance industry. He has held various roles within the sector and has positioned himself as a leader in the accounting technology space bringing with him to Xref over 3 years of experience as Xero Australia's Head of Accounting. A successful entrepreneur in his own right James has a deep understanding of the need to find a balance between investing for growth whilst maintaining strong corporate governance processes across the business.

Company Secretary

Mr Robert Waring, BEc, ACA, FCIS, ASIA, FAICD

Robert has more than 41 years of experience in financial and corporate roles, including more than 26 years in company secretarial roles for ASX-listed companies. He is a director of Oakhill Hamilton Pty Ltd, a company that provides secretarial and corporate advisory services to a range of listed and unlisted companies. He is also the Company Secretary of ASX-listed companies Aeris Environmental Ltd, Brain Resource Limited, Nanosonics Limited and Vectus Biosystems Limited.

Meetings of Directors

The number of meetings of the Company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Lee-Martin Seymour	5	5	-	-	-	-
Timothy Griffiths	5	5	-	-	3	3
Timothy Mahony	5	5	-	-	3	3
Simon O'Loughlin	-	5	-	-	-	-
Brad Rosser	4	5	-	-	-	-
Nigel Heap	4	5	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 Australia and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth through growth in share price, and delivering constant or
- increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-executive directors remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. In the Prospectus dated 23th December 2015, noted on Page 18 the current maximum annual aggregate remuneration for directors was shown as $200,000. This has changed and a resolution was passed at the 2016 AGM that the maximum aggregate cash-based remuneration payable to Non Executive Directors in any financial year be increased by A$300,000 from A$200,000 to A$500,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments can be granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

The company's 2017 Annual General Meeting ('AGM')

A Remuneration Report has been prepared for the 2017 year and a resolution will be put to the 2017 AGM to ask shareholders to approve it.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. The key management personnel of the consolidated entity consisted of the following directors of Xref Limited:

- Lee-Martin Seymour – Managing Director & Chief Executive Officer
- Timothy Griffiths – Executive Director & Chief Technology Officer
- Timothy Mahony – Non-Executive Director
- Nigel Heap – (appointed as Non-Executive Director on 18 August 2016)
- Brad Rosser – (appointed as Non-Executive Chairman on 18 August 2016)
- Simon O'Loughlin – (Ex-Chairman, resigned 18th August 2016)

And the Key Management Personnel:

- James Solomons – Chief Financial Officer
- Robert Waring – Company Secretary

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments				
	Cash salary and fees	Cash bonus	Nonmonetary	Superannuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2017	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Simon O'Loughlin (Chairman)*	12,500	-	-	-	-	-	-	12,500
Brad Rosser (Chairman)**	125,032	-	-	-	-	-	292,232	417,264
Timothy Mahony	54,555	-	-	-	-	-	15,300	69,855
Nigel Heap**	47,755	-	-	-	-	-	55,921	103,676
Executive Directors:								
Lee-Martin Seymour	250,000	41,450	-	21,850	-	-	-	313,300
Timothy Griffiths	250,000	41,450	-	21,850	-	-	-	313,300
Other Key Management Personnel:								
James Solomons	209,644	41,450	-	18,893	-	-	-	269,987
Robert Waring	71,715	-	-	-	-	-	-	71,715
	1,021,201	124,350	-	62,593	-	-	363,453	1,571,597

**Represents remuneration from 1 July 2016 to 18 August 2016*
***Represents remuneration from 18 August 2016 to 30 June 2017*

2016	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Non-monetary $	Post-employment benefits: Superannuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled shares $	Share-based payments: Equity-settled options $	Total $
Non-Executive Directors:								
Simon O'Loughlin (Chairman)	30,000	-	-	-	-	-	15,300	45,300
Tim Mahony	20,833	-	-	-	-	-	21,588	42,421
Simon Taylor	16,450	-	-	-	-	-	12,750	29,200
Executive Directors:								
Lee-Martin Seymour	248,807	-	-	10,962	-	-	-	259,769
Timothy Griffiths	248,807	-	-	10,962	-	-	-	259,769
Other Key Management Personnel:								
James Solomons	16,962	-	-	1,611	-	-	-	18,573
Robert Waring	96,173	-	-	-	-	-	-	96,173
Fu La	36,000	-	-	-	-	-	-	36,000
Stephen McPhail	63,000	-	-	-	-	-	12,750	75,750
	777,032	-	-	23,535	-	-	62,388	862,955

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2017	Fixed remuneration 2016	At risk - STI 2017	At risk - STI 2016	At risk - LTI 2017	At risk - LTI 2016
Non-Executive Directors:						
Simon O'Loughlin (Chairman)	100%	100%	-	-	-	-
Brad Rosser (Chairman)	100%	-	-	-	-	-
Timothy Mahony	100%	100%	-	-	-	-
Nigel Heap	100%	-	-	-	-	-
Executive Directors:						
Lee-Martin Seymour	87%	100%	13%	-	-	-
Timothy Griffiths	87%	100%	13%	-	-	-
Other Key Management Personnel:						
James Solomons	85%	100%	15%	-	-	-
Robert Waring	100%	100%	-	-	-	-

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Nomination and Remuneration Committee.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Lee-Martin Seymour
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 July 2016
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2017 of $230,000pa, plus superannuation, plus $20,000 car allowance to be reviewed annually by the Nomination and Remuneration Committee. 1 month termination notice by either party. Discretionary bonus may be paid as per Nomination and Remuneration Committee approval and KPI achievement. Non-solicitation and non- compete clauses exist.

Name:	Timothy Griffiths
Title:	Executive Director and Chief Technology Officer
Agreement commenced:	1 July 2016
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2017 of $230,000pa, plus superannuation, plus $20,000 car allowance to be reviewed annually by the Nomination and Remuneration Committee. 1 month termination notice by either party. Discretionary bonus may be paid as per Nomination and Remuneration Committee approval and KPI achievement. Non-solicitation and non- compete clauses exist.

Name:	James Solomons
Title:	Chief Financial Officer
Agreement commenced:	1 January 2017
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2017 of $230,000, plus superannuation, plus $20,000 car allowance to be reviewed annually by the Nomination and Remuneration Committee. 1 month termination notice by either party. Discretionary bonus may be paid as per Nomination and Remuneration Committee approval and KPI achievement along with ability to receive options in Xref Limited. Non-solicitation and non-compete clauses exist.

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
7 December 2016	25/11/16 - 25/11/18	25 November 2021	$0.70	$0.1198
7 December 2016	25/11/19	25 November 2022	$0.70	$0.1428

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Number of options granted during the year 2017	Number of options granted during the year 2016	Number of options vested during the year 2017	Number of options vested during the year 2016
Simon O'Loughlin	-	300,000	-	300,000
Tim Mahony	-	900,000	300,000	300,000
Simon Taylor	-	250,000	-	250,000
Stephen McPhail	-	250,000	-	250,000
Nigel Heap	900,000	-	300,000	-
Brad Rosser	7,000,000	-	-	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
Name	$	$	$	%
Nigel Heap	107,820	-	-	54%
Brad Rosser	896,100	-	-	70%

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Non-Executive Directors:					
Simon O'Loughlin*	550,000	-	-	-	550,000
Brad Rosser **	-	-	-	-	-
Timothy Mahony	1,650,000	-	-	-	1,650,000
Nigel Heap**	-	-	18,000	-	18,000
Executive Directors:					
Lee-Martin Seymour	24,038,462	-	8,333,333	-	32,371,795
Timothy Griffiths	24,038,462	-	8,333,334	-	32,371,796
Other Key Management Personnel:					
James Solomons	-	-	9,000	-	9,000
Robert Waring	213,885	-	-	-	213,885
	50,490,809	-	16,693,667	-	67,184,476

**for the period 1 July 2016 to 18 August 2016*
***for the period 18 August 2016 to 30 June 2017*

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Simon O'Loughlin*	300,000	-	-	-	300,000
Brad Rosser	-	7,000,000	-	-	7,000,000
Timothy Mahony	900,000	-	-	-	900,000
Nigel Heap	-	900,000	-	-	900,000
	1,200,000	7,900,000	-	-	9,100,000

**for the period 1 July 2016 to 18 August 2016*

Other transactions with key management personnel and their related parties

During the financial year;

Payments for accounting services from Aptus Accounting & Advisory (related entity of James Solomons) of $93,845 (ex GST) were made.

Payments for company secretarial services from Oakhill Hamilton Pty Ltd (related entity of Robert Waring) of $71,715 (ex GST) were made.

All transactions were made on normal commercial terms and conditions and at market rates.

Performance Rights

Lee-Martin Seymour had B Class Performance Rights converted into 8,333,333 fully paid ordinary shares after the achievement of the performance milestones set out in the conversion events, as approved by shareholders at the 26 November 2015 EGM, and as detailed in the terms and conditions of the Company's B Class Performance Rights released to ASX on 5 February 2016. As at the date of this report there is a balance of 16,666,667 Performance Rights available for Lee-Martin Seymour.

Timothy Griffiths had B Class Performance Rights converted into 8,333,334 fully paid ordinary shares after the achievement of the performance milestones set out in the conversion events, as approved by shareholders at the 26 November 2015 EGM, and as detailed in the terms and conditions of the Company's B Class Performance Rights released to ASX on 5 February 2016. As at the date of this report there is a balance of 16,666,667 Performance Rights available for Timothy Griffiths.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 10 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 10 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Corporate Governance

The Group's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company's website at **https://xref.com/en/investor-centre/.**

This report is made in accordance with a resolution of Directors, pursuant to section 298 (2) (a) of the Corporations Act 2001.

On behalf of the directors

Lee-Martin Seymour
Managing Director

27 September 2017
Sydney

Brad Rosser
Chairman

27 September 2017
Sydney

Independence Declaration

Crowe Horwath

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27 September 2017

The Board of Directors
Xref Limited
14/13 Hickson Street
Dawes Point
SYDNEY NSW 2000

Dear Board Members

Xref Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Xref Limited.

As lead audit partner for the audit of the financial report of Xref Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

A Pather

ASH PATHER
Partner

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Financial Statements

Consolidated statement of comprehensive income for the year ended 30 June 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Sales - Credits Sold in Current Year		**4,107,518**	1,734,426
Less adjustment for Unearned Revenue		**(1,127,069)**	(421,250)
Revenue	9	**2,980,449**	1,313,176
Employee expenses		**5,418,895**	1,912,737
Overheads and administrative expenses	10	**5,409,076**	2,144,376
Depreciation, amortisation and impairment expenses	11	**46,181**	17,310
		10,874,152	4,074,423
Operating profit/ (loss)		**(7,893,702)**	(2,761,247)
OTHER INCOME			
Other income	13	**1,437,665**	1,916,721
Profit/(loss) before income tax from continuing activities		**(6,456,038)**	(844,526)
Income tax expense/ (credit)	14	**-**	716
Profit/(loss) for the year from continuing activities		**(6,456,038)**	(845,242)
DISCONTINUED OPERATIONS			
Profit/ (loss) for the year from discontinued operations	8	**(967)**	(2,354)
Loss attributable to the shareholders of the Company		**(6,457,005)**	(847,596)
OTHER COMPREHENSIVE INCOME MOVEMENTS			
Movements that will be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(51,862)**	16,947
Total other comprehensive income movements		**(51,862)**	16,947
Total comprehensive loss for the year		**(6,508,867)**	(830,649)

Consolidated statement of comprehensive income for the year ended 30 June 2017 (continued)

	Notes	2017 $	2016 $
EARNINGS PER SHARE			
From continuing and discontinuing operations	25		
Basic and diluted (cents per share)		(0.06)	(0.02)
From continuing operations	25		
Basic (cents per share)		(0.06)	(0.02)
From discontinuing operations	25		
Basic (cents per share)		-	-

These financial statements should be read in conjunction with the notes to the financial statements

FINANCIAL STATEMENTS / For the Year Ended 30 June 2017

Consolidated statement of financial position as at 30 June 2017

	Notes	2017	2016
Assets			
Current assets			
Cash and cash equivalents	15	**4,069,573**	2,270,832
Trade and other receivables	16	**2,616,084**	944,060
Prepayments		**192,620**	52,132
		6,878,277	3,267,024
Non-current assets classified as held for sale	8	**-**	333,814
Total current assets		**6,878,277**	3,600,838
Non-current assets			
Property, plant and equipment	17	**212,357**	139,944
Intangibles	18	**101,681**	-
Rental Bonds		**74,998**	48,467
Total non-current assets		**389,036**	188,411
Total assets		**7,267,313**	3,789,249
Liabilities			
Current liabilities			
Trade and other payables	19	**1,641,502**	530,929
Unearned Revenue	21	**2,030,253**	903,566
Employee entitlements	20	**162,725**	62,922
Superannuation payable		**115,258**	57,679
Lease incentives		**31,512**	21,470
		3,981,250	1,576,566
Liabilities directly associated with assets classified as held for sale	8	**-**	333,812
Total current liabilities		**3,981,250**	1,910,378
Non-current liabilities			
Employee entitlements	20	**22,436**	-
Lease Incentive		**13,103**	44,615
Total non-current liabilities		**35,539**	44,615
Total liabilities		**4,016,789**	1,954,993
Net assets		**3,250,524**	1,834,256

Consolidated statement of financial position as at 30 June 2017 (continued)

	Notes	2017	2016
EQUITY			
Issued share capital	22	**32,687,991**	25,042,977
Retained earnings		**(7,475,827)**	(1,110,982)
Other equity reserves	23	**(21,961,640)**	(22,097,739)
Total equity		**3,250,524**	1,834,256

These financial statements should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2016

Notes	Share capital	Performance rights reserve	Share option reserve	Foreign currency translation reserve	Consolidation reserve	Retained earnings	Total equity
Xref Pty Ltd Deficit in Equity as at 1 July 2015	100	-	-	-	-	(427,889)	(427,789)
Prior period adjustment 31	-	-	-	-	-	164,503	164,503
Restated opening balance	100	-	-	-	-	(263,386)	(263,286)
Reverse Acquisition of Assets by Xref Pty Ltd							
Consideration for Xref Pty Ltd equity	2,525,000	433,333	-	-	-	-	2,958,333
Elimination of Xref Pty Ltd Share Capital	(100)	-	-	-	100	-	-
Replaced by King Solomon Mines Ltd Share Equity	22,569,707	-	276,214	-	(22,845,921)	-	-
Reverse Acquisition Equity Movements	25,094,607	433,333	276,214	-	(22,845,821)	-	2,958,333
Comprehensive Income:							
Profit/(loss) for the year	-	-	-	-	-	(847,596)	(847,596)
Other comprehensive income movements for the year	-	-	-	16,947	-	-	16,947
Total comprehensive loss for the year	-	-	-	16,947	-	(847,596)	(830,649)
Issue of options	-	-	21,588	-	-	-	21,588
Issue of share capital transaction costs	(51,730)	-	-	-	-	-	(51,730)
Total transactions with owners recorded directly in equity	(51,730)	-	21,588	-	-	-	(30,142)
Equity as at 30 June 2016	25,042,977	433,333	297,802	16,947	(22,845,821)	(1,110,982)	1,834,256

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2017

Group 2017	Notes	Share capital $	Performance rights reserve $	Share option reserve	Foreign currency translation reserve $	Consolidation Reserve $	Retained earnings $	Total equity $
Equity as at 1 July 2016		25,042,977	433,333	297,802	16,947	(22,845,821)	(1,110,982)	1,834,256
Shares Issued		8,101,681	-	-	-	-	-	8,101,681
Capital Raising Costs		(540,000)	-	-	-	-	-	(540,000)
Performance Rights B		83,333	(83,333)	-	-	-	-	-
Options Issued		-	-	363,454	-		-	363,454
Options Expired		-	-	(92,160)	-	-	92,160	-
Total transactions with owners		7,645,014	(83,333)	271,294	-	-	92,160	7,925,135
Comprehensive Income:								
Profit/(loss) for the year		-	-	-	-	-	(6,457,005)	(6,457,005)
Other comprehensive income movements for the year		-	-	-	(51,862)	-	-	(51,862)
Total comprehensive loss for the year		-	-	-	(51,862)	-	(6,457,005)	(6,508,867)
Equity as at 30 June 2017		32,687,991	350,000	569,096	(34,915)	(22,845,821)	(7,475,827)	3,250,524

These financial statements should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows for the year ended 30 June 2017

	Notes	2017 $	2016 $
Cash flow from operating activities			
Cash was provided from/(applied to):			
Receipts from customers		**3,524,328**	1,772,066
Interest received		**53,031**	16,412
Other Income		**482,426**	22
Payments to suppliers and employees		**(9,631,070)**	(3,666,643)
Income Tax Paid		**-**	(716)
Net cash from/(used in) operating activities	27	**(5,571,285)**	(1,878,859)
Cash flow from investing activities			
Cash was provided from/(applied to):			
Proceeds from sale of property, plant and equipment		**233**	271
Proceeds from Acquisition of King Solomon Mines Limited Ltd		**-**	3,770,054
Cash from loans to other entities		**31,416**	-
Purchase of property, plant and equipment		**(119,804)**	(146,404)
Net cash from/(used in) investing activities		**(88,115)**	3,623,921
Cash flow from financing activities			
Cash was provided from/(applied to):			
Proceeds from issue of convertible notes	22	**8,000,000**	550,000
Transaction costs paid in relation to share capital issued	22	**(540,000)**	(51,730)
Net cash from/(used in) financing activities		**7,460,000**	498,270
Net increase/(decrease) in cash and cash equivalents		**1,800,560**	2,243,332
Cash and cash equivalents, beginning of the year		**2,270,832**	81,076
Net foreign exchange differences		**(1,819)**	(48,101)
Less cash included in disposal group		**-**	(5,475)
Cash and cash equivalents at end of the year	15	**4,069,573**	2,270,832

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1. Reporting entity

Xref Limited is a limited liability company incorporated on 28 January 2003 and as at 21 September 2017 is domiciled in Australia. The address of its registered office is Unit 14, 13 Hickson Road, Dawes Point, New South Wales, Australia 2000.

Xref is a human resources technology company that automates the candidate reference process for employers.

2. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

a. Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

b. Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

3. Summary of significant accounting policies

a. Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent is deemed to have controlling relationship (defined as “subsidiaries”). An entity is defined as a subsidiary when the Group is exposed, or has rights to variable returns from its relationship with the entity and has the ability to affect those returns through its power over the entity.

When the Group has less than a majority of the voting power or similar rights of another entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the other entity.

The Group re-assesses whether or not it controls another entity if facts and circumstances indicate that there are changes in one or more of the three elements of control. The financial statements of subsidiaries are included in the preliminary consolidated financial statements from the date that control commences until the date that control ceases.

The consolidation of the Parent and subsidiary entities involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction - that is, as transactions with owners in their capacity as owners, recorded in the statement of movements in equity.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative carrying amount of foreign currency translation; differences recorded in reserves;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss, or retained earnings as appropriate.
- Interests in subsidiaries are held at cost less impairment in the Parent.

b. Foreign currency translation

Functional and presentation currency

The Group financial statements are presented in Australian dollars (AUDs), which is also the functional currency of the Parent.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Parent, using exchange rates prevailing at the dates of the transactions (i.e. the spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the reported profit or loss.

Non-monetary items measured at historical cost are not re-translated at each year-end, instead they are only translated once using the exchange rate at the transaction date. Non-monetary items measured at fair value are translated using the exchange rates at the date when the year-end fair value was determined.

The net balance of foreign exchange gains and losses that relate to monetary items (such as borrowings, cash and cash equivalents) are presented in the Statement of Comprehensive Income within “finance income” or “finance costs”. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within “Other gains/(losses)”.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss are recognised in the Statement of Comprehensive Income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in fair value movements disclosed within other comprehensive income.

Foreign operations

In the Group’s financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than AUDs are translated into AUDs upon consolidation.

The results and financial position of subsidiaries are translated into the presentation currency as follows:

i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

ii. income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii. all resulting exchange differences are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including any goodwill, are translated to AUDs at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to AUDs at exchange rates at the dates of the transactions.

Foreign currency differences are recognised on other comprehensive income, and presented in the foreign currency translation reserve within equity.

When a foreign operation is disposed of such that control is lost, the cumulative amount of the translation reserve related to the foreign operation is reclassified to the reported surplus or deficit as part of the gain or loss on disposal.

c. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

d. Trade debtors and other receivables

Trade debtors are amounts due from customers for goods sold and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors and other receivables are measured initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for any impairment.

An allowance for impairment is established where there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivable.

e. Trade creditors and other payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

f. Assets available for sale

When the Group intends to sell non-current assets or groups of assets, and if the sale is highly probable to be carried out within 12 months, the asset or group of assets is classified as "held for sale" and presented as such in the statement of financial position.

Non-current assets classified as "held for sale" are measured at the lower of their carrying amounts, immediately prior to their classification as held for sale and their fair value less costs to sell. However, some "held for sale" assets such as financial assets or deferred tax assets continue to be measured in accordance with the Group's accounting policy for those assets.

NOTES TO THE FINANCIAL STATEMENTS / continued

No assets classified as "held for sale" are subject to depreciation or amortisation subsequent to their classification as "held for sale".

g. Property, plant and equipment

Except for land and buildings, items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to profit or loss in the year in which the expense is incurred.

Disposals

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the profit or loss is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is charged on a straight value (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied at each class of property, plant and equipment:

Computer Equipment	3-5 years
Office Equipment	3-20 years
Office Furniture	10-20 years
Office Fit-out	6-20 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining life of the improvements, whichever is shorter.

The residual value and useful life of property, plant and equipment is reassessed annually.

h. Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Internally developed intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the reported profit or loss when incurred.

Development activities include a plan or design for the production of new or substantially improved products. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the reported surplus and deficit when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any impairment losses.

i. Leased assets

Leases where the Group assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Upon initial recognition finance leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum leased payments at inception of the lease. A matching liability is recognised for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

j. Impairment of non-financial assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Goodwill and other intangible assets with indefinite useful life are tested for impairment annually.

An impairment loss is recognised whenever the carrying amount of an asset exceeds is recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the reported profit or loss.

The estimated recoverable amount of an asset is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. An impairment loss on property carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through profit or loss.

Any reversal of impairments previously recognised is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, other financial liabilities and derivative financial instruments.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through profit or loss, which are measured at fair value.

Financial assets and financial liabilities are recognised when the Parent and Group becomes a party to the contractual provisions of the financial instrument.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of four categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the four categories below, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported profit/ loss or other comprehensive income.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

ii. Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of non-derivative financial instruments are determined by reference to active market transactions or using a valuation technique where no active market exists.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Group have the intention and ability to hold them until maturity. The Group currently hold listed bonds designated into this category.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Equity investments are measured at cost less any impairment charges, where the fair value cannot currently be estimated reliably.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the "available-for-sale revaluation reserve" within equity, except for impairment losses which are recognised in profit or loss.

When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Any associated interest income or dividends are recognised in profit or loss within "finance income".

Available-for-sale financial instruments are reviewed at each reporting date for objective evidence that the investment or group investment is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l. Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower that the unavoidable cost of meeting its obligation under the contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

m. Employee entitlements Short- term employee benefits

Employee benefits, previously earned from past services, that the Group expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

The Group recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed without realistic possibility of withdrawal, to terminate employment, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Long-term benefits

The Group's net obligation is respect of long service leave is the amount of future benefit that employees have earned in return for their services in the current and prior years. The obligation is calculated using the projected unit credit method and is discounted to its present value. Any actuarial gains and losses are recognised in profit or loss in the year in which they arise.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statements of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period. If the options lapse or expire, the accumulated balance will be reclassified to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

n. Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding GST, rebates, and trade discounts.

The following specific recognition criteria must be met before revenue is recognised:

Rendering of services

The Group sells candidate reference credits to its customers. When customers use a credit, the service has been performed and revenue is recognised in the accounting periods in which the services are provided. Unused credits are recognised as unearned income in the financial statements.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

o. Finance costs

Finance costs recorded in the Statement of Comprehensive Income comprise the interest expenses charged on borrowings and the unwinding of discounts used to measure the fair value of provisions.

p. Profit and loss from discontinued activities

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business; or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest year presented. Where operations previously presented as discontinued are now regarded as continuing operations, prior year disclosures are correspondingly re-presented.

q. Income tax

The income tax expense recognised in profit or loss comprises the sum of deferred tax movements and current tax not recognised in other comprehensive income or directly in equity.

Current income taxes

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustment to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is the amount of income tax payable or recoverable in future years in respect of temporary differences and unused tax losses (if any). Temporary differences are differences between the carrying amount of asset and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable surpluses.

Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects the tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available in future years, against which the deductible temporary differences or tax losses can be utilised.

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

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of income tax in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

r. Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD), Australian Taxation Office ATO or tax offices in other jurisdictions is included as part of receivables and / or payables in the Statement of Financial Position. GST balances from different countries are not offset.

s. Share capital

Share capital represents the consideration received for shares that have been issued. All transaction costs associated with the issuing of shares are recognised as a reduction in equity, net of any related income tax benefits.

t. Dividend distribution

Dividend distributions to the parent's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Parent Directors.

u. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is ultimately responsible for strategic decision, approving the allocation of resources and assessing the performance of the operating segments, has been identified as the Board of Directors.

w. Going Concern

Notwithstanding the Group incurred a loss after tax for the year of $6,457,005 (2016: $847,596), the consolidated financial statements have been prepared on a going concern basis as the Group has a net asset position of $3,250,524 (2016: $1,834,256) and has raised $7.5 million (before costs) in August 2017 which was oversubscribed. The directors believe this is sufficient for the Group to support its operating activities and enable the Group to pay its debts when they fall due in the next 12 months and the foreseeable future. As such the consolidated financial statements have been prepared on the going concern basis.

4. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. 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 those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, and recognition of revenue when each performance obligation is satisfied. The consolidated entity has at this time performed a preliminary assessment of the performance obligations within current contracts and has assessed that there will be no material impacts on the way revenue is currently recognised.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. The consolidated entity has considered its financial assets and liabilities and does not believe that there will be any material impacts on the financial statements.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. The impact of this standard on the financial statements of the consolidated entity is yet to be assessed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment
An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results.

These assumptions relate to future events and circumstances.

Internally generated software and research costs
Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase.

To distinguish any research-type project phase from the development phase, it is the Group’s accounting policy to require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group’s overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets are based on the same data.

Management has determined that for the 2017 financial year that no expenditure be capitalised as an asset. The basis for this decision is that over the past 5 years there has been significant development of the platform and that the current platform is completely different to that which previously existed. The system that currently exists is not a standalone asset and is constantly evolving. Additionally, the codebase and infrastructure regularly changes to keep up with technological advances.

Deferred tax assets
The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group’s latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax losses or credits. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

Research and Development Refundable Tax Offset

The Group has identified costs including hosting fees, market research, external contractors, system testing and remuneration which it has identified as research and development costs. The Research and Development tax refund is calculated as 43.5% of the total figure.

These asset values have then been reduced prior to acquisition based on an estimation of fair value less costs to sell in line with the sale and purchase agreement consideration for Inner Mongolia Plate Mining Co Limited of RMB 10 (equivalent to AU$2). The sale agreement was executed in March 2017 for the written down value of $2 AUD.

6. Group information

The preliminary consolidated financial statements of the Group include:

Name	Principal activity	Country of incorporation	Group % equity interest 2017	2016
Parent				
Xref Limited	Candidate Referencing	New Zealand	100%	100%
Subsidiaries				
Xref (AU) Pty Limited	Candidate Referencing	Australia	100%	100%
Xref (UK) Limited	Candidate Referencing	United Kingdom	100%	100%
Xref Referencing (CA) Limited	Candidate Referencing	Canada	100%	100%
Inner Mongolia Plate Mining Co Limited	Mineral exploration and development	China	0%	90%

The mineral exploration & development asset was divested in March 2017 for the written down value of $2.

a. Investments in subsidiaries

All investments in subsidiaries are carried at cost and eliminated through consolidation in the Group.

7. Segment reporting

There is only one operating segment (candidate referencing) for the year ended 30 June 2017. The disclosures on the face of the statement of comprehensive income to operating loss and the statement of financial position (excluding the items designated for sale) represent the Group's one business segment.

Geographical information	2017 $	2016 $
Credit sales to external customers		
Australia	3,844,059	1,720,865
Canada	120,864	-
United Kingdom	142,595	13,561
Total operating revenue	4,107,518	1,734,426
Revenue from external customers		
Australia	2,889,087	1,304,475
Canada	23,124	-
United Kingdom	68,238	8,701
Total operating revenue	2,980,449	1,313,176
Non-current operating assets		
Australia	207,128	147,960
Canada	22,125	7,521
United Kingdom	58,102	32,930
Total Non-current operating assets	287,355	188,411

The information above is based on the locations of the customers.

8. Non-current assets held for sale and discontinued operations

The assets and liabilities related to Inner Mongolia Plate Mining Co Limited have been presented as held for sale following the acquisition by Xref Pty Limited.

a. Cash flows associated with discontinued operations:

	2017 $	2016 $
Operating cash flows – exploration and mining cost	(967)	(2,297)
Total cash flows from discontinued operations	(967)	(2,297)

b. Net assets of disposal group classified as held for sale

The asset was divested in March 2017 for the written down value of $2

	2017 $	2016 $
Assets		
Exploration and evaluation assets	-	240,000
Other assets	-	93,814
Total assets	-	333,814
Liabilities		
Trade creditors and other payables	-	333,812
Total liabilities	-	333,812
Net assets of disposal group	-	2

The assets and liabilities of the discontinued operations are classified as held-for-sale and were written down to their fair value in 2016.

The measurement of fair value in 2016 was been determined by using observable inputs, being the selling price agreed between the buyer and the company and is therefore within level 2 of the fair value hierarchy. The buyer is a related party of the company. The disposal was finalised in March 2017 for a consideration of $2.

c. Net profit of disposal group classified as held for sale

	2017 $	2016 $
Expenses	(967)	(2,354)
Profit/ (loss) for the year from discontinued operations	(967)	(2,354)

NOTES TO THE FINANCIAL STATEMENTS / continued

9. Revenue

	2017 $	2016 $
Rendering of services	2,980,449	1,313,176
Total revenue	2,980,449	1,313,176

10. Expenses

The following expenses were expensed in the operating profit/(loss) for the year:

	2017 $	2016 $
Audit fees	111,352	69,636
Accounting	314,279	157,559
Directors Fees	232,353	91,298
Legal Fees	187,628	172,028
Marketing expenses	1,486,865	277,437
Other Consultants	830,788	410,162
Share Option Expense	363,454	21,588
Administration expense	1,301,920	623,846
Foreign exchange loss	25,522	48,101
Operating lease payments	554,915	272,722
Total	5,409,076	2,144,376

Auditors remuneration		
Fees charged by Audit Firm:		
Financial statement audit and review	111,352	69,636
Total fees paid to audit firm	111,352	69,636

11. Depreciation, amortisation and impairment expenses

	2017 $	2016 $
Depreciation of property, plant and equipment	46,181	17,310
Total	46,181	17,310

12. Research and development costs

	2017 $	2016 $
Research and development costs expensed	3,183,062	1,072,058
Total research and development costs for the year	3,183,062	1,072,058

The Parent and Group research and development projects have focused on cloud-based solutions for candidate recruitment.

13. Other income

	2017 $	2016 $
Profit on Sale	2	1,417,860
Research & Development - Refundable Tax Offset	1,384,632	482,426
Interest Received	53,031	16,413
Other Income	-	22
Total	1,437,665	1,916,721

14. Income tax

The Company has moved domicile from New Zealand to Australia and has sold the Chinese subsidiary, and so the company does not recognise a potential tax loss in these countries. However, Xref Limited has operating subsidiaries in Australia, the UK and Canada which are expected to accumulate tax losses prior to returning a profit.

	2017 $	2016 $
a. Components of income tax expense		
Current year tax expense	-	716
Income tax profit and loss	-	716
b. Reconciliation of effective tax rate		
Profit/(loss) before income tax	(6,457,005)	(846,880)
Income tax using Company tax rates @30% (2015: 30%)		
Expected income tax expense (deferred tax asset)	(1,937,102)	(254,064)
Adjustments:		
Deferred tax asset not recognised	(441,019)	417,505
Permanent differences	1,772,574	(163,441)
Adjustment for foreign tax rates	605,547	-
Interest resident withholding tax unable to claimed	-	716
Current year income tax expense	-	716

	Australia $	UK $	Canada $	NZ $	Total $
2016					
Losses BF	(263,386)	-	-	-	(263,386)
Current year loss	(333,250)	(363,246)	(98,298)	(52,802)	(847,596)
Accumulated Losses	(596,636)	(363,246)	(98,298)	(52,802)	(1,110,982)
Permanent Tax Difference					
	(740,555)	-	-	55,359	(685,196)
Timing Differences	274,501	-	-	-	274,501
Taxable Loss CF	(1,062,690)	(363,246)	(98,298)	2,557	(1,521,677)
Tax Rates	30%	20%	27%	28%	
Calculated Deferred Tax Asset					
	(318,807)	(72,649)	(26,049)	716	(416,789)
Tax Expense	-	-	-	(716)	(716)
Potential Deferred Tax Asset Not Recognised	(318,807)	(72,649)	(26,049)	-	(417,505)
2017					
Losses BF	(596,636)	(363,246)	(98,298)	(52,802)	(1,110,982)
Current year loss	(4,388,877)	(850,881)	(727,341)	(489,906)	(6,457,005)
Accumulated Losses	(4,985,513)	(1,214,127)	(825,639)	(542,708)	(7,567,983)
Permanent Tax Difference	1,458,892	11,179	4,128	-	1,474,199
Timing Differences	(420,761)	(1,083)	(9,155)	102,449	(328,550)
Taxable Loss CF	(3,947,382)	(1,204,031)	(830,666)	(440,259)	(6,422,338)
Tax Rates	30%	20%	27%	28%	
Calculated Deferred Tax Asset					
	(1,184,215)	(240,806)	(224,280)	(123,273)	(1,772,574)
Tax Expense	-	-	-	-	-
Potential Deferred Tax Asset Not Recognised	(1,184,215)	(240,806)	(224,280)	(123,273)	(1,772,574)

	2017 $	2016 $
c. Income tax payable/(receivable)		
Provisional tax and resident withholding tax paid	-	716
Closing balance	-	716

	2017 $	2016 $
d. NZ Imputation credits		
Closing balance	-	15,948

e. Deferred tax assets and liabilities

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax losses or credits. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

The company has not yet raised a deferred tax entry as the company is not certain whether the tax losses carried forward can be utilised in the foreseeable future.

15. Cash and cash equivalents

	2017 $	2016 $
Cash at bank and in hand	3,999,066	2,200,335
Rental bonds	70,507	70,507
Bank overdrafts	-	(10)
Total cash and cash equivalents	4,069,573	2,270,832

The carrying amount of cash and cash equivalents approximates their fair value.

The Parent has arranged a legal right of set off between its bank trading account, call deposit accounts, and its bank overdraft. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management. Accordingly, this balance has been netted in the 2017 Statement of Financial Position.

Cash at bank earns interest at floating rates on daily deposit balances.

Term deposits are for a period of 3 years and serve as security for leased premises maturing at renewal dates. Interest is paid annually.

16. Trade debtors and other receivables

	2017 $	2016 $
Trade debtors	1,199,661	220,114
Related party receivables	1,499	25,995
Research and development incentive grant	1,384,632	655,717
Other receivables	30,292	42,234
Total	2,616,084	944,060

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

All receivables are subject to credit risk exposure.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade debtors and other receivables as disclosed above. The Group does not hold any collateral as security.

As at 30 June 2017, the ageing analysis of trade receivables post due but not impaired is detailed as follows:

	2017 $	2016 $
0 – 30 days overdue	793,537	152,309
30 – 90 days overdue	348,375	67,651
90 days overdue	57,749	154
Total	1,199,661	220,114

The Group's management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

There was no impairment as at 30 June 2017 (2016: No impairment recognised).

17. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

Group 2016	Computer Equipment $	Office Equipment $	Office Furniture $	Office Fitout $	Total $
Gross carrying amount					
Opening balance	-	18,614	-	-	18,614
Acquisitions from Reverse Acquisition	-	864	-	-	864
Other additions	30,114	82,370	22,979	10,941	146,404
Disposals	-	(5,349)	-	-	(5,349)
Closing balance	30,114	96,499	22,979	10,941	160,533
Accumulated depreciation and impairment					
Opening balance	-	8,357	-	-	8,357
Current year depreciation	3,938	12,630	486	256	17,310
Depreciation written back on disposal	-	(5,078)	-	-	(5,078)
Closing balance	3,938	15,909	486	256	20,589
Carrying amount 30 June 2016	26,176	80,590	22,493	10,685	139,944

Group 2017	Computer Equipment $	Office Equipment $	Office Furniture $	Office Fitout $	Total $
Gross carrying amount					
Opening balance	30,114	96,499	22,979	10,941	160,533
Other additions	93,485	7,982	16,994	1,343	119,804
Disposals	-	(1,210)	-	-	(1,210)
Closing balance	123,599	103,271	39,973	12,284	279,127
Accumulated depreciation and impairment					
Opening balance	3938	15,909	486	256	20,589
Current year depreciation	25,250	17,580	2,248	1,103	46,181
Depreciation written back on disposal	-	-	-	-	-
Closing balance	29,188	33,489	2,734	1,359	66,770
Carrying amount 30 June 2017	94,411	69,782	37,239	10,925	212,357

18. Intangibles

	2017 $	2016 $
Domain: Xref.com	101,681	-
Less: impairment	-	-
Total	101,681	-

Xref issued 200,554 shares at $0.507, being $101,681 to Jeffery Robert Di Donato on the 10th May 2017 as consideration for the payment of the purchase price of the domain name xref.com. The value of consideration payable in share capital has been classified as an intangible asset.

19. Trade creditors and other payables

	2017 $	2016 $
Trade payables	571,166	291,904
Non trade payables and accrued expenses	552,807	165,414
Related party payables	4,097	8,491
Accrued salaries, wages and related costs	481,441	21,070
GST Payable	31,991	44,050
Total	1,641,502	530,929

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore, their carrying amount approximates their fair value.

20. Employee entitlements

	2017 $	2016 $
Current		
Annual leave entitlements	162,725	62,922
Total	162,725	62,922

Short–term employee entitlements represent the Group's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These consist of accrued holiday entitlements at the reporting date.

	2017 $	2016 $
Non current		
Long Service Leave Entitlements	22,436	-
Total	22,436	-

21. Unearned revenue

	2017 $	2016 $
Balance Brought Forward	903,566	482,316
Unearned Revenue Movement:		
Credits Sold	4,107,518	1,734,426
Opening Conditional Credits	205,132	83,949
Credits Used	(2,100,318)	(1,191,993)
Closing Conditional Credits	(1,085,263)	(205,132)
Net Unearned Revenue Movement	1,127,069	421,250
Opening Balance Revaluation due to change in foreign exchange rates	(382)	-
Balance Carried Forward	2,030,253	903,566

22. Share capital - Xref Limited

	Number of Shares	Issue Price $	Average Issue Price $/Share
Opening Balance 2015	834,929,348	18,733,002	0.022
Consolidation (1 for 50)	16,698,587		
Rounding after Consolidation	81		
Issued to redeem Xref Pty Ltd Convertible notes	3,575,000	572,000	0.160
Issued for Cash	20,000,000	4,000,000	0.200
Issued for Acquisition of Xref Pty Ltd	50,000,000	2,525,000	0.051
Capital Raising Costs - King Solomon Mines	-	(735,295)	
Capital Raising Costs - Xref Pty Ltd	-	(51,730)	
Closing Balance 2016	90,273,668	25,042,977	0.277

	Number of Shares	Issue Price $	Average Issue Price $/Share
Opening Balance 2016	90,273,668	25,042,977	0.277
Shares Issued for Cash	11,428,571	8,000,000	0.700
Performance rights Conversion	16,666,667	83,333	0.005
Capital Raising Costs	-	(540,000)	
Issued for acquisition of domain name	200,554	101,681	0.507
Closing Balance 2017	118,569,460	32,687,991	0.0276

Xref issued 11,428,571 shares at $0.70 (being a 5.4% discount to the market price at the time) to Australian institutions and sophisticated investors on 17 August 2016 with the aim of accelerating global sales growth, facilitating product integrations, driving software development and providing further working capital for the Group's operations.

Xref issued 200,554 shares at $0.507 to Jeffery Robert Di Donato on the 10th May 2017 as consideration for the payment of the purchase price of the domain name xref.com

All issued shares are fully paid and do not have a par value. The holders of ordinary shares have equal voting rights and share equally in any dividend distribution and any surplus on winding up of the Parent.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is not subject to certain financing arrangements covenants during the financial year ended 30 June 2017. The capital risk management policy remains unchanged from the 30 June 2016 Annual Report.

23. Other equity reserves

	2017 $	2016 $
a. Foreign Currency Translation Reserve	(34,915)	16,947
b. Performance Right Reserve	350,000	433,333
c. Share Options Reserve	569,096	297,802
d. Consolidation Reserve	(22,845,821)	(22,845,821)
Total	(21,961,640)	(22,097,739)

a. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries for consolidation purposes. It is also used to record gains and losses on hedges of the net investments in foreign operations.

b. Performance right reserve

The performance right reserve is used to record unutilised performance rights issued on 18 January 2016 as part of the consideration for Xref Pty Ltd. Performance Rights operate as an equity-settled, share based compensation plan. When rights are realised, the balance less any attributable transaction costs will be transferred to issued capital. If rights are not used, they would be offset against the consolidation reserve.

The 50,000,000 performance rights are split into 3 Classes as shown below:

Class	Number Granted	Performance Right Reserve $A	Weighted Average Fair Value $ / Right
Class A	16,666,667	350,000	0.021
Class B	16,666,667	83,333	0.005
Class C	16,666,666	-	0.000
	50,000,000	433,333	0.009
Less Conversion Event	(16,666,667)	(83,333)	
Performance right reserve balance	33,333,333	350,000	0.0105

Class A Conversion Event

Upon the Group, during any six month reporting period of the company that ends on or prior to 30 months after the date of issue of the rights, achieving Credit Sales of $A2,500,000 or more.

Class B Conversion Event

Upon the Company achieving a 20 day Volume Weighted Average Market Price of the shares equal to or greater than $0.50 within two years after the date of issue of the rights and a minimum sale in the UK of either 1000 credits or £25,000 (whichever comes first).

The Class B Conversion Event was achieved and the Class B shares were issued 10 March 2017.

Class C Conversion Event

Upon the Group, during any six month reporting period of the Company that ends on or prior to five years after the date of issue of the rights, achieving EBITDA of $A2,500,000 or more.

The conversion ratio of the Performance Rights into ordinary shares upon achievement of a relevant Performance Milestone is one ordinary share for each Performance Right. They are in escrow until 8 February 2018.

The key inputs used in the binomial valuation of the Xref PR's are summarised in the table below.

Grant date	20/01/2016
Expiry date - Class A	20/07/2018
Expiry date - Class B	20/01/2018
Expiry date - Class C	20/01/2021
Xref share value at issue	$0.03
Share price hurdle (150% above the issue price)	$0.50
Period over which the VWAP must exceed the share price hurdle	20 days
Expected volatility	60% to 70%
Risk free rate	2.09%
Dividend yield	0.00%

Class C options were considered based on likelihood of reaching the target EBITDA and a Nil valuation adopted. All rights may be converted immediately in the event of a change of control event.

The weighted average contractual life of the outstanding performance rights is 2.31 Years.

c. Share option reserve

Issued option and movements of options are shown below:

	Issue Date	Expiry date	Average exercise price in $A per share		Options	Option Reserve $A
Consolidation (1 for 50)		29 July 2016	6.000		32,000	92,160
Granted	1 February 2016	1 February 2019	0.230		3,908,909	199,354
Granted - Class A	1 February 2016	1 February 2019	0.230		300,000	3,144
Granted - Class B	1 February 2016	1 February 2019	0.230		300,000	3,144
Closing Balance		30 June 2016	0.271		4,540,909	297,802
At 1 July 2016		29 July 2016	0.120		32,000	92,160
At 1 July 2016		1 February 2019	0.230		4,508,909	220,942
Expired		29 July 2016	0.120		(32,000)	(92,160)
Granted	7 December 2016	25 November 2022	0.700	(b)	2,500,000	67,576
Granted	7 December 2016	25 November 2021	0.700	(a)	5,400,000	280,578
Closing Balance		30 June 2017	0.529		12,408,909	569,096

The options have been valued using a binomial options method, using the following assumptions:

(a)	Listing date (re-listing as Xref Limited)	9/02/2016
	Price history for volatility determination	2.47yr
	Grant date	26/11/2016
	Measurement date	26/11/2016
	Exercise price	$0.70
	Expiry date	25/11/2021
	Life of option	5.00 yr
	Price of underlying shares at measurement date	$0.47
	Risk free rate = 5 year Government Bond (26/11/2016)	2.19%
	Expected volatility	40%
	Dividends expected on the shares	Nil
(b)	Listing date (re-listing as Xref Limited)	09/02/2016
	Price history for volatility determination	5.00yr
	Grant date	25/11/2016
	Measurement date	25/11/2016
	Exercise price	$0.70
	Expiry date	25/11/2022
	Life of option	6.00 yr
	Price of underlying shares at measurement date	$0.47
	Risk free rate = 5 year Government Bond (26/11/2016)	2.7%
	Expected volatility	40%
	Dividends expected on the shares	Nil

Class A Vesting Event is the same as a Performance Right Class A Conversion Event

Upon the Group, during any six month reporting period of the company that ends on or prior to 30 months after the date of issue of the rights, achieving Credit Sales of $A2,500,000 or more.

Class B Vesting Event is the same as a Performance Right Class B Conversion Event

Upon the Company achieving a 20 day Volume Weighted Average Market Price of the shares equal to or greater than $0.50 within two years after the date of issue of the rights and a minimum sale in the UK of either 1000 credits or £25,000 (whichever comes first). The Class B Conversion Event was achieved and the Class B shares were issued 10 March 2017.

Class A and B option expense is being recognised over the two years during which the options may be exercised. If the options were to be exercised, the full remaining option expense if any would be immediately recognised and the Option Reserve figure transferred to Issued Capital.

The weighted average contractual life of the performance rights for the 2017 year was 1.59 years (2016: 2.59 years)

Option movements during the year

On the 29th July 2016, 92,160 options expired.

As approved at the 25th November 2016 AGM, 7,900,000 options were issued to 2 directors of the company as a key component of their remuneration by the company. Chairman Brad Rosser was issued with 7,000,000 with 4,500,000 expiring on the 25th November 2021 and 2,500,000 expiring on the 25th November 2022. Nigel Heap was issued 900,000 options, all expiring on the 25th November 2021. 300,000 of the options issued to Nigel Heap vested on the 25th November 2016.

Option movements during the previous year

The 2,000,000 options issued to Directors and an employee lapsed.

At 30 June 2015, the remaining 1,600,000 options had an historical value of $92,160 carried in the Options Reserve, which expired on 29th July 2016. (based on the Black Scholes valuation model; assuming a stock volatility ranging between 80% to 120% depending on time of grant).

Options Vested and therefore exercisable

Source	Expiry Date	2017	2016
BF from King Solomon Mines Limited & Consolidated (1 for 50)	29 July 2016		32,000
Acquisition of Xref Pty Ltd	1 February 2019	3,908,909	3,908,809
Options Vested – Tim Mahony	1 February 2019	300,000	300,000
Options Vested – Nigel Heaps	25 November 2021	300,000	
		4,508,909	4,240,909

The weighted average share price for the 2017 financial year was $0.548 (2016: $0.465)

d. Consolidation Reserve

The reserve was formed on the reverse acquisition of assets and liabilities of King Solomon Mines Limited by Xref Pty Limited which brought the share capital of Xref Pty Limited to the share capital of King Solomon Mines Limited immediately after the reverse acquisition.

24. Dividends

The following dividends were declared and paid by the Parent.

	2017 $	2016 $
$0.00 per ordinary share (2016: $0)	-	-

25. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group recorded losses for the years ended 30 June 2016 and 30 June 2017. Diluted earnings per share has not been calculated because the effect of including the share options in the calculation would be anti-dilutive. Hence the diluted earnings per share is the same as the basic earnings per share.

The following reflects the income and share data used in the basic and diluted EPS computations:

	2017 $	2016 $
Loss attributable to ordinary equity holders of the parent:		
Continuing operations	(6,456,038)	(845,242)
Discontinued operations	(967)	(2,354)
Loss attributable to ordinary equity holders of the parent for basic earnings	(6,457,005)	(847,596)
Weighted average number of ordinary shares for basic EPS	105,341,482	50,919,627
Weighted average number of ordinary shares adjusted for the effect of dilution	105,341,482	50,919,627

26. Financial instruments

a. Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

Group 2017	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit and loss	Total
Financial assets				
Cash and cash equivalents	4,069,573	-	-	4,069,573
Trade debtors and other receivables	2,616,084	-	-	2,616,084
Total	6,685,657	-	-	6,685,657
Financial liabilities				
Trade creditors and other payables	-	-	1,919,485	1,919,485
Total	-	-	1,919,485	1,919,485

Group 2016	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit and loss	Total
Financial assets				
Cash and cash equivalents	2,270,832	-	-	2,270,832
Trade debtors and other receivables	944,060	-	-	944,060
Trade debtors and other receivables classified as held for sale	-	93,814	-	93,814
Total	3,214,892	93,814	-	3,308,706
Financial liabilities				
Trade creditors and other payables	-	-	651,530	651,530
Liabilites designated as held for sale	-	-	333,812	333,812
Total	-	-	985,342	985,342

b. Financial instrument risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity Risk
- Market Risk

The Group is exposed to market risk through their use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

The Group have a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into and the Group are not actively engaged in the trading of financial instruments. As part of this policy, limits of exposure have been set and are monitored on a regular basis.

i. Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

The Group have no significant concentration of risk in relation to cash and cash equivalents, trade debtors and other financial assets.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

Further details in relation to the credit quality of financial assets is provided in Note 16.

ii. Liquidity risk

Liquidity risk represents the Group's ability to meet is contractual obligations as they fall due. The Group manages liquidity risk by managing cash flows and ensuring that adequate cash is in place to cover any potential short falls.

The oversubscribed $7.5million raise in August 2017 has allowed the Group to continue its expansion plans. As at this date the Group has sufficient cash on hand to fund current planned expansion.

All amounts shown as current financial liabilities are expected to be paid on demand and without interest

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Group 2017			Contractual cash-flow maturities				
	Carrying amounts	Total contractual cash-flows	0-6 months	6-12 months	1 - 2 years	2-5 years	Later than 5 years
Non-derivative financial liabilities							
Trade creditors and other payables	1,641,502	1,641,502	1,641,502	-	-	-	-
Superannuation payable	115,258	115,258	115,258	-	-	-	-
Total	1,756,760	1,756,760	1,756,760	-	-	-	-

Group 2016			Contractual cash-flow maturities				
	Carrying amounts	Total contractual cash-flows	0-6 months	6-12 months	1 - 2 years	2-5 years	Later than 5 years
Non-derivative financial liabilities							
Trade creditors and other payables	530,929	530,929	530,929	-	-	-	-
Superannuation payable	57,679	57,679	57,679	-	-	-	-
Liabilities included in disposal group classified as held for sale	333,812	333,812	333,812	-	-	-	-
Total	922,420	922,420	922,420	-	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

iv. Foreign exchange risk

The Group is exposed to fluctuations in foreign currency exchange rates as a result of maintaining foreign currency denominated bank accounts and entering into foreign currency transactions. Thus, the Group will incur a foreign exchange gain or loss each year due to the appreciation and depreciation of the Australian dollar relative to other currencies including the Canadian dollar, the UK Pounds Sterling and the New Zealand dollar.

The exposure to currencies of the Group is as follows:

	2017 $	2016 $
Canadian dollars	31,734	13,853
UK Pound Sterling	56,284	60,889
New Zealand Dollars	1,507	34,552
Chines Yuen	-	12,727
Total	89,525	122,021

The potential impact on the bank accounts, net deficits and equity movements in foreign currency exchange rates (calculated by applying the change in foreign exchange rate to foreign currencies held at balance date) is indicated below:

Potential Foreign Exchange Rate Fluctuation Impact on valuation of holding in:	5% $	10% $	20% $
Canadian dollars	1,857	3,713	7,426
UK Pound Sterling	2,814	5,628	11,254
New Zealand Dollars	75	151	301
Total impact of potential change in exchange rate	4,746	9,492	18,981

a. Measurement of financial assets

The Group would normally require the determination of fair value for the assets designated available for sale. These are subject of a contract for sale and carried at that net valuation of RMB 10 (AUD 2) This sale agreement was executed in March 2017 for the written down value of $2 AUD.

Foreign exchange risk

Currency risk is the risk that the fair value of financial instruments will fluctuate due to a change in foreign exchange rates.

Most of the Group transactions are carried out in AUD. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in United Kingdom Pounds Sterling (GBP) and Canadian dollars (CAD).

The Group monitors foreign expenditure, seeking favourable terms when it is time to for further funding. By adopting this passive strategy, it expects its average foreign exchange rates to reflect the average foreign exchange rate for the year.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

Short-term exposure 30 June 2017	AUD	China	United Kingdom	Canada	New Zealand
Financial Assets	6,385,797	-	112,949	111,913	-
Financial Liabilities	(1,636,040)	-	(95,076)	(25,644)	-
Net statements of financial position exposure	4,749,757	-	17,873	86,269	-

Long-term exposure 30 June 2017	AUD	China	United Kingdom	Canada	New Zealand
Financial Assets	74,998	-	-	-	-
Financial Liabilities	-	-	-	-	-
Net statements of financial position exposure	74,998	-	-	-	-

Short-term exposure 30 June 2016	AUD	China	United Kingdom	Canada	New Zealand
Financial Assets	2,987,225	93,814	99,842	20,262	37,056
Financial Liabilities	(512,817)	(333,812)	(50,371)	(6,286)	(18,934)
Net statements of financial position exposure	2,474,408	(239,998)	49,471	13,976	18,122

Long-term exposure 30 June 2016	AUD	China	United Kingdom	Canada	New Zealand
Financial Assets	70,507	-	-	-	-
Financial Liabilities	-	-	-	-	-
Net statements of financial position exposure	70,507	-	-	-	-

Foreign exchange risk

Sensitivity analysis

The following analysis illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities carried in foreign currencies. It assumes a +/- 5% change in exchange rates for the year ended at 30 June 2017 (2016: 12%).

The percentage movement has been determined based on the average exchange rate market volatility for the AUD in the previous 12 months.

	2017		2016	
Group	Loss for the year	Equity	Loss for the year	Equity
5% (2016: 12%) increase in AUD against foreign currencies	(6,540,069)	3,143,168	(883,180)	1,811,678
5% (2016: 12%) decrease in AUD against foreign currencies	(6,416,487)	3,347,656	(811,965)	1,845,974

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

Revenue of the Group is exposed to interest rate risk on interest bearing financial assets only as it has immaterial bank overdraft balances.

The Group are also exposed to interest rate risk on interest bearing financial assets. The Group's investment in bonds all pay fixed interest rates and the interest risk exposure on money market funds is considered immaterial.

Interest rate risk profile	Group	
	2017	2016
At the reporting date the interest rate profile of interest-bearing financial instrument was:	$	$
Fixed interest instruments		
Financial assets	70,507	70,507
Variable rate instruments		
Financial assets	3,999,066	2,200,325
Total	4,069,573	2,270,832

27. Reconciliation of cash flows from operating activities

	2017 $	2016 $
Profit/(loss) for the year	(6,457,005)	(847,596)
Add/(deduct) non-cash items		
Depreciation, amortisation and impairment	46,181	17,309
Interest on Convertible Notes	-	22,000
Option expense	363,454	21,588
Foreign exchange	(56,853)	65,048
Unearned revenue	1,127,069	421,250
Profit on acquisition	-	(1,417,860)
Other non-cash items		
Add/(deduct) movements classified as investing activities		
(Profit)/loss on sale of property, plant and equipment	-	-
Add/(deduct) movements in working capital		
(Increase)/ decrease in trade debtors and other receivables	(1,572,023)	(679,191)
(Increase)/ decrease in prepayments	(140,488)	(49,790)
(Increase)/ decrease in other financial assets	(26,531)	(48,467)
Increase/ (decrease) in trade creditors and other payables	1,001,202	518,101
Increase/ (decrease) in employee entitlements	122,239	54,134
(Increase)/ decrease in other financial liabilities	21,470	44,615
Net cash flows from/ (used in) operating activities	(5,571,285)	(1,878,859)

28. Contingent assets and contingent liabilities

The Group has no contingent assets or liabilities at 30 June 2017 (2016: $Nil).

29. Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Group.

The Group has a related party relationship with its Shareholders, Directors and other key management personnel.

Unless otherwise stated transactions with related parties in the years reported have been on an arms-length basis, none of the transactions included special terms, conditions or guarantees.

Transactions with related parties

The following transactions were carried out with related parties:

a. Purchase of services	2017 $	2016 $
Directors	1,229,896	576,959
Key management personnel	475,547	68,260
Other related parties	19,396	92,571
Total purchase of services from related parties	1,724,839	737,790

b. Year end receivable/ (payable) with related parties	2017 $	2016 $
Receivable from related parties:		
Directors	1,499	25,995
Total	1,499	25,995
Payable to related parties:		
Other related party	4,097	8,491
Total	4,097	8,491

c. Other related party balances

Directors

Loans to directors for the year ended 30 June 2017 amounted to $1,499 (2016: $25,995). The loan was repaid on 7th July 2017

d. Key management compensation

	2017 $	2016 $
Salaries and other short-term employee benefits	1,133,523	645,219
Total	1,133,523	645,219

30. Parent Information

	2017 $	2016 $
Result of the parent entity		
Loss for the year	(489,907)	(592,336)
Other Comprehensive Income	5	-
Total comprehensive loss for the year	(489,902)	(592,336)
Financial position of the parent entity at year end		
Current assets	1,507	3,794,927
Non Current assets	14,849,709	3,530,335
Total assets	14,851,216	7,325,262
Current Liabilities	(112,655)	(21,930)
Non Current Liabilities	-	-
Total Liabilities	(112,655)	(21,930)
Total equity of the parent entity comprising of:		
Share Capital	(33,089,721)	25,094,707
Reserves	(569,096)	731,135
Accumulated Losses	18,430,354	(18,522,510)

Parent entity contingencies

There are no contingencies for the parent entity in 2017 or 2016.

Parent entity guarantees

There are no guarantees entered into by the parent entity in relation to the debts of its subsidiary Inner Mongolia Plate Mining Limited or any other Xref subsidiary in 2017 or 2016.

Parent entity capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the parent entity in 2017 or 2016.

31. Commitments

Operating leases are held for premises used for office space. Lease commitments net of incentive payments are:

	Group	
	2017	2016
Non-cancellable operating leases are payable as follows:	$	$
Less than one year	257,357	268,888
Later than one year and not greater than two years	104,480	257,900
Later than two years and not greater than five years	-	99,363
Total	361,837	626,151

The Group had no other commitments at 30 June 2017 (2016; $Nil).

32. Events after the reporting period

On 2 August 2017, Xref Limited raised $7,500,000 before share placement costs through a placement to Australian institutions and sophisticated investors at a price of 60c per share.

During September, Xref incorporated a company in Norway (Xref AS) as part of its continued expansion into new regions. The Norway office is focusing on the Nordic region. Four staff have been hired including a General Manager, and three sales staff. Customer support is initially being provided from the Xref London office. Clients have already been secured in this new region. Refer to the market announcement on 21 September 2017 for further information.

On July 3, 2017 Xref issued invitations to eligible employees to participate in the Xref Employee Option plan. This plan was approved at the EGM held in May 2016. The last date for acceptance to participate was September 7th 2017. With 100% of employees accepting the invitation, the total number of new options issued in Xref Limited is 1,055,449. Refer to the market announcement on 26 September 2017 for further information.

As at 21 September 2017 Xref is now domiciled in Australia. The address of its registered office is Unit 14, 13 Hickson Road, Dawes Point, New South Wales, Australia 2000

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Directors' Declaration

In the directors' opinion:

> the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

> the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in notes 1,2 & 3 to the financial statements;

> the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date;

> there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Lee-Martin Seymour	Brad Rosser
Managing Director	Chairman
27 September 2017	27 September 2017
Sydney	Sydney

Independent Auditor's Report

Crowe Horwath

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Xref Limited

Independent Auditor's Report to the Members of Xref Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Xref Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in

Crowe Horwath

Key Audit Matter	How we addressed the Key Audit Matter
Intangibles and Research and Development Costs - Notes 12 and 16	
In the current year, the Group incurred significant expenditure, comprising mostly payroll costs, to develop its domain and to advance several cloud-based solutions for candidate recruitment. Whilst the Group generates revenue by delivering services through its website and related software applications, we focused our attention on the fact that the Group has not capitalised research and development costs as intangible assets in the financial report. Management had outlined their key judgements made in relation to internally generated software and research costs in Note 5 of the financial report.	We held discussions with management to understand the nature of the Group's research and development processes, recognising that the Group's systems are constantly evolving and its codebase and infrastructure is regularly being modified. We challenged management's approach to exercising their key judgements in relation to internally generated software and research costs in the context of the period that management expects to recover economic benefits associated with these activities.
Going concern - Note 3(w)	
We focus our attention on management's assertions in relation to going concern, as outlined in Note 3(w) of the financial report.	We critically analysed the Group's cash flow forecast that was used to support the going concern assessment, including performing the following procedures: a. We compared the prior year cash flow forecast prepared by management with the actual cash flows achieved, and obtained justification from management on variances in order to evaluate the validity of management's current forecasting processes. b. We interrogated the cash flow forecast using different inputs as a means to perform a sensitivity analysis. c. We discussed with management the significant assumptions and inputs used in the cash flow forecast, comparing the inputs used with historical results, and obtained reasonable justification for those inputs that differ from historical results.

Crowe Horwath

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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, International Financial Reporting 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf .This description forms part of our auditor's report.

Crowe Horwath

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Xref Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

ASH PATHER
Partner

Sydney
27 September 2017

Independent Auditor's Report

Information relating to shareholders, as required by ASX Listing Rule 4.10, and not disclosed elsewhere in this Annual Report, is detailed below.

Substantial Shareholders as at 24 August 2017, as disclosed in substantial holding notices given to the ASX and to the Company:

Substantial Shareholders	Shareholding	% Shares Issued
Squirrel Holdings Australia Pty Ltd	32,371,796	24.70
West Riding Investments Pty Ltd	32,371,795	24.70
Industry Super Holdings Pty Ltd	11,051,770	8.43

Based on the market price at 24 August 2017 there were 91 shareholders with less than a marketable parcel of 863 shares at a share price of $0.58.

Number of Ordinary Shares Held	Number of Holders	Ordinary Shares	% of Total Issue Capital
1 - 1,000	112	48,839	0.04
1,001 - 5,000	179	547,423	0.42
5,001 - 10,000	112	912,371	0.70
10,001 - 100,000	276	10,306,153	7.86
100,001 and over	92	119,254,674	90.99
Total	771	131,069,460	100.000

Top 20 Holders of Ordinary Shares as at 24 August 2017

Rank	Name of Shareholder	Shares	% of Shares
1	Squirrel Holdings Australia Pty Ltd <Griffiths Family A/C>	32,371,796	24.70
2	West Riding Investments Pty Ltd <Seymour Family A/C>	32,371,795	24.70
3	HSBC Custody Nominees (Australia) Limited	10,237,857	7.81
4	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	3,159,365	2.41
5	J P Morgan Nominees Australia Limited	3,050,255	2.33
6	Austral Capital Pty Ltd <Austral Equity Fund A/C>	3,000,000	2.29
7	Citicorp Nominees Pty Limited	2,647,890	2.02
8	UBS Nominees Pty Ltd	2,071,430	1.58
9	Parkstone House Pty Ltd	1,923,076	1.47
10	CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	1,900,000	1.45
11	Merrill Lynch (Australia) Nominees Pty Limited	1,736,667	1.32
12	Mr Craig Mcdonald + Mrs Kim Mcdonald <Mcdonald Family A/C>	1,665,500	1.27
13	MSR Nominees Pty Limited	1,408,763	1.07
14	Calama Holdings Pty Ltd <Mambat Super Fund A/C>	1,193,370	0.91
15	Mr Tim Mahony + Ms Jacki Pervan <Mahony Super Fund A/C>	1,000,000	0.76
16	Schindler Investment Haus Pty Ltd <Schindler Super Fund A/C>	912,500	0.70
17	Twenty Ten Enterprise Ltd <Twenty Ten Investments A/C>	727,500	0.56
18	Biatan Pty Ltd <Mahony Family A/C>	650,000	0.50
19	Hughnan Pty Ltd <Luke Tighe Super Fund A/C>	550,000	0.42
20	GP Securities Pty Ltd	527,742	0.40
	Total of Top 20 Holdings	103,105,506	78.66
	Other Holdings	27,963,954	21.34
	Total Fully Paid Shares Issued	131,069,460	100.00

Fully Paid Ordinary Shares in Escrow as at 24 August 2017

Name of Shareholder	Shares the Holder is Entitled to	ASX Escrow Until
Squirrel Holdings Australia Pty Ltd <Griffiths Family A/C>	32,371,796	8 February 2018
West Riding Investments Pty Ltd <Seymour Family A/C>	32,371,795	8 February 2018
Biatan Pty Ltd <Mahony Family A/C>	150,000	8 February 2018
Total	64,893,591	

Performance Rights as at 24 August 2017

Name of Performance Holder	Performance Shares the Holder is Entitled to	ASX Escrow Until
Squirrel Holdings Australia Pty Ltd <Griffiths Family A/C>	A Class Performance Rights: 8,333,333	8 February 2018
West Riding Investments Pty Ltd <Seymour Family A/C>	A Class Performance Rights: 8,333,334	8 February 2018
Squirrel Holdings Australia Pty Ltd <Griffiths Family A/C>	C Class Performance Rights: 8,333,333	8 February 2018
West Riding Investments Pty Ltd <Seymour Family A/C>	C Class Performance Rights: 8,333,333	8 February 2018
Total	33,333,333	

The conversion ratio of the Performance Rights into ordinary shares upon achievement of a relevant performance milestone is one ordinary share for each Performance Right.

Options as at 24 August 2017

Name of Option Holder	Shares the Option Holder is Entitled to	Exercise Price	Option Expiry Date	ASX Escrow Until
Taylor Collison Limited	2,808,909	$0.23	1 February 2019	8 February 2018
Simon Thomas O'Loughlin	300,000	$0.23	1 February 2019	8 February 2018
Stephen James McPhail and Olinka Clare Heath	250,000	$0.23	1 February 2019	8 February 2018
Simon James Robson Taylor	250,000	$0.23	1 February 2019	8 February 2018
Timothy Lloyd Mahony, Jackie Tadranka Pervan and Thomas James Mahony	900,000	$0.23	1 February 2019	8 February 2018
Brad Rosser	4,500,000	$0.70	25 November 2021	No escrow
Brad Rosser	2,500,000	$0.70	25 November 2022	No escrow
Nigel Heap	900,000	$0.70	25 November 2021	No escrow
Total	12,408,909			

Voting Rights

At general meetings of the Company, all fully paid ordinary shares carry one vote per share without restriction. On a show of hands, every member present at a general meeting, or by proxy, shall have one vote and, upon a poll, each share shall have one vote. Performance Rights holders and Option holders have no voting rights until the Performance Rights are converted and the Options are exercised, respectively.

Use of Funds

In accordance with ASX Listing Rule 4.10.19, the Company advises that it has used its cash and assets in a form readily convertible to cash, that it had at the time of the Company's reinstatement of its shares to quotation following compliance with ASX Listing Rule 11.1.3, in a way consistent with its business objectives, as set out in its Replacement Prospectus dated 7 December 2015. This statement refers to the time between the Company's reinstatement to quotation on ASX on 8 February 2016 and the end of the reporting period, being 30 June 2017.

On-Market Buy-Back

There is no current on-market buy-back of shares in the Company.

Corporate Directory

PLACE OF BUSINESS

Australia (Head Office and Registered Office)
Suite 14, 13 Hickson Road
Dawes Point, NSW 2000
Tel: +61 2 8244 3099

United Kingdom
46 New Broad Street
London, EX2M 1JH

Canada
Suite 202
1 Adelaide Street East
Toronto, Ontario M5C 1X6

Norway
Rådmann Halmrastsvei 16
1337 Sandvika
Norway

Website
xref.com

DIRECTORS

Brad Rosser
Chairman

Lee-Martin Seymour
Tim Griffiths
Tim Mahony
Nigel Heap

LEADERSHIP TEAM

Lee-Martin Seymour
Chief Executive Officer, Co-Founder

Tim Griffiths
Chief Technology Officer, Co-Founder

James Solomons
Chief Financial Officer

Sharon Blesson
Chief Operating Officer

COMPANY SECRETARY

Robert Waring

AUDITORS

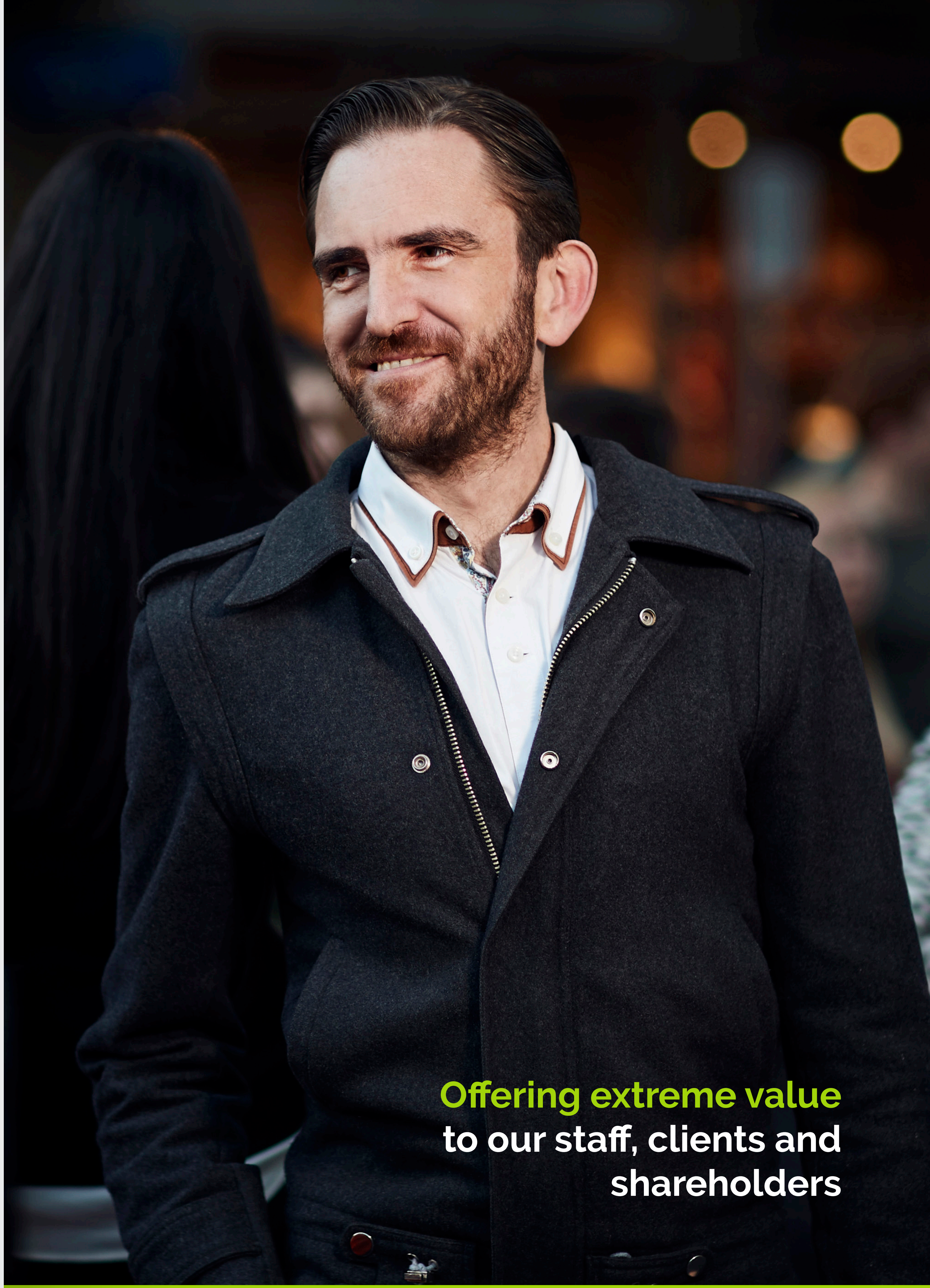
Crowe Horwath
Level 15
1 O'Connell Street
Sydney NSW 2000
Tel: +61 2 9262 2155

STOCK EXCHANGE

The company's ordinary shares are listed on the ASX under code XF1

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Yarra Falls,
452 Johnston Street
Abbotsford, Victoria
Australia 3067
Tel: 1300 850 505
(within Australia)
Tel: + 61 3 9415 4000
(outside Australia)



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