



26 February 2015

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

*By E-Lodgement*

## JCurve's Half Year Financial Results

### Results for Announcement to the Market

The operating results for the half year to 31 December 2014 are shown with comparisons to the previous corresponding period, being the half year ended 31 December 2013.

	Half Year ended 31 December 2014 \$	Year ended 31 December 2013 \$	Percentage increase / (decrease) over previous corresponding period
Revenue from continuing operations	6,034,434	5,150,565	17% increase
Earnings before interest, taxation, depreciation & amortisation ( <b>EBITDA</b> )	(5,361,958)	(252,512)	2,023% decrease
Net loss after tax (from continuing operations only)	(5,476,834)	(237,712)	2,204% decrease
Profit/(loss) from ordinary activities after tax attributable to members	(5,476,834)	(237,712)	2,204% decrease
Net profit/(loss) for the period attributable to members	(5,476,834)	(237,712)	2,204% decrease

### Dividends

No dividends were paid during the financial year. The Board advises that it does not intend to declare an interim dividend for the financial year, and it will consider reinstating the dividend policy in the future, subject to performance.

### Net Tangible Assets / Earnings Per Share

	31 December 2014	31 December 2013
Net tangible assets per ordinary share for continuing operations	0.02 cents	0.17 cents
Basic loss per ordinary share for continuing operations	(1.67) cents	(0.12) cents

### **Independent Audit Report**

The information outlined above is presented in accordance with ASX Listing Rule 4.2A and the *Corporations Act 2001 (Corporations Act)*. The Appendix 4D is based on the reviewed Half Year Financial Report for the year ended 31 December 2014. The Independent Review Report is included in the Financial Report attached.

### **Accounting Policies, Estimation Methods and Measurements**

The accounting policies, estimation methods and measurement bases used in the Appendix 4D is the same as those used in the previous annual report and half-year report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B. Hatchman', is enclosed within a thin black rectangular border.

**Bruce Hatchman**  
Chairman



**JCurve Solutions Limited**  
**Half Year Report 31 December 2014**

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The information contained in the half year financial report should be read in conjunction with the Company's Annual Financial Report for the year ended 30 June 2014.

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Bruce Hatchman	Non-Executive Chairman	<i>Appointed as Chairman on 27 November 2014</i>
Graham Baillie	Non-Executive Director	<i>Managing Director until appointment of CEO on 30 October 2014; In addition, Executive Chairman from 21 July 2014 until 27 November 2014, when ceased role as Executive Chairman, remaining as Non-Executive Director</i>
David Franks	Non-Executive Director Company Secretary	<i>Appointed 15 September 2014</i>
Nihal Gupta	Non-Executive Chairman	<i>Resigned 21 July 2014</i>
John Bond	Non-Executive Director	<i>Resigned 27 November 2014</i>
Christopher Gabriel	Non-Executive Director	<i>Resigned 15 September 2014</i>

### Review of Operations

- Revenue from continuing operations increased by 17%, from \$5.15 million the previous corresponding period to \$6.03 million this period.
- EBITDA (continuing operations) decreased by 2,023%, from a loss of \$253 thousand in the previous corresponding period to a loss of \$5,361 thousand in this period.
- the majority of the \$5.1m decrease in EBITDA (continuing operations), resulted from an impairment of \$4.9 million of JCurve Business Software's Goodwill and Intangible Assets.
- Appointment of new CEO on 12 January 2015.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 2 and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.



Bruce Hatchman  
Chairman

Dated this 26<sup>th</sup> day of February 2015.



Accountants | Business and Financial Advisers

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of JCurve Solutions Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

Perth, Western Australia  
26 February 2015

**N G NEILL**  
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

<b>Continuing operations</b>	Notes	2014 \$	2013 \$
Revenue	2	6,034,434	5,150,565
Cost of goods sold		(1,329,472)	(1,476,296)
Employee benefits expense		(3,369,960)	(2,357,871)
Other employee related expense		(447,699)	(216,750)
Communications expense		(75,153)	(49,310)
Advertising & marketing		(261,137)	(100,342)
Professional fees		(469,234)	(735,668)
Occupancy expense		(231,229)	(205,403)
Listing expense		(31,227)	(32,908)
Impairment loss	3	(4,907,008)	-
Depreciation and amortisation		(122,944)	(29,373)
Finance costs		(487)	(43,204)
Other expenses		(261,269)	(181,443)
<b>(Loss)/Profit before income tax</b>		<b>(5,472,385)</b>	<b>(278,003)</b>
Income tax benefit/(expense)		(4,449)	40,291
<b>(Loss)/Profit after tax from continuing operations</b>		<b>(5,476,834)</b>	<b>(237,712)</b>
Loss after tax from discontinued operation		-	-
<b>Net loss for the period</b>		<b>(5,476,834)</b>	<b>(237,712)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(5,476,834)</b>	<b>(237,712)</b>
<b>Earnings per share</b>			
Basic loss per share (cents per share)	7	(1.67)	(0.12)
Diluted loss per share (cents per share)	7	(1.67)	(0.12)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Notes	31 Dec 2014 \$	30 Jun 2014 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		951,651	2,765,265
Trade and other receivables		2,191,129	2,719,797
Other current assets		707,445	628,071
<b>Total Current Assets</b>		<b>3,850,225</b>	<b>6,113,133</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		87,069	115,695
Intangible assets	3	5,583,889	10,570,897
Other financial assets		28,637	31,856
Deferred tax asset		213,163	217,612
<b>Total Non-Current Assets</b>		<b>5,912,758</b>	<b>10,936,059</b>
<b>Total Assets</b>		<b>9,762,983</b>	<b>17,049,192</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		3,930,945	5,677,604
Provisions		-	41,781
Current tax liabilities		21,008	21,237
<b>Total Current Liabilities</b>		<b>3,951,953</b>	<b>5,740,622</b>
<b>Non-Current Liabilities</b>			
Provisions		151,315	172,021
<b>Total Non-Current Liabilities</b>		<b>151,315</b>	<b>172,021</b>
<b>Total Liabilities</b>		<b>4,103,268</b>	<b>5,912,643</b>
<b>Net Assets</b>		<b>5,659,715</b>	<b>11,136,549</b>
<b>Equity</b>			
Issued capital	8	17,588,248	17,588,248
Reserves		1,723,014	1,723,014
Accumulated losses		(13,651,547)	(8,174,713)
<b>Total Equity</b>		<b>5,659,715</b>	<b>11,136,549</b>

The accompanying notes form part of these financial statements



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 July 2013</b>	10,879,285	(6,749,917)	150,870	4,280,238
Total comprehensive loss for the period	-	(237,712)	-	(237,712)
Issue of shares & options on acquisition	3,419,961	-	1,572,143	4,992,104
<b>Balance as at 31 December 2013</b>	<b>14,299,246</b>	<b>(6,987,629)</b>	<b>1,723,013</b>	<b>9,034,630</b>

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 July 2014</b>	17,588,248	(8,174,713)	1,723,014	11,136,549
Total comprehensive loss for the period	-	(5,476,834)	-	(5,476,834)
<b>Balance as at 31 December 2014</b>	<b>17,588,248</b>	<b>(13,651,547)</b>	<b>1,723,014</b>	<b>5,659,715</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Receipts from customers	6,108,084	4,998,246
Payments to suppliers and employees	(7,919,667)	(5,636,773)
Interest received	13,005	47,696
Finance costs	(487)	(43,204)
Income tax receipt	(229)	1,258
Net cash used in operating activities	(1,799,294)	(632,777)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,320)	(27,305)
(Payments)/Receipts for (purchase)/sale of subsidiaries, net of cash acquired	-	(1,000,000)
Net cash (used in)/provided by investing activities	(14,320)	(1,027,305)
<b>Cash flows from financing activities</b>		
Proceeds on share issue	-	-
Net cash provided by financing activities	-	-
Net decrease in cash held	(1,813,614)	(1,660,082)
Cash and cash equivalents at 1 July 2014	2,765,265	3,606,727
<b>Cash at 31 December 2014</b>	<b>951,651</b>	<b>1,946,645</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by JCurve Solutions Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

#### **Basis of preparation**

The interim report has been prepared on a historical cost basis, except for certain acquired intangible assets and available-for-sale financial assets which are measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

#### **Significant accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

#### **Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 2: REVENUE

	31 Dec 2014 \$	31 Dec 2013 \$
<b>(a) Revenue from continuing operations</b>		
Telecommunications expense management	3,040,447	2,369,420
South African Telco	653,036	637,265
Training	-	1,000
IBM software licences – new sales	16,160	102,080
IBM software licences & maintenance renewals	219,363	928,711
Computer services & subscriptions	202,943	522,260
JCurve Business Software	1,888,713	541,740
Interest income	13,005	47,086
Other income	767	1,003
	<u>6,034,434</u>	<u>5,150,565</u>

### (b) Specific expenses from continuing operations

Interest expense	487	43,204
Depreciation of non-current assets	34,922	25,257
Amortisation of intangibles	80,000	-
Operating lease rental expense: minimum lease payments	209,380	153,018

### NOTE 3: INTANGIBLE ASSETS

	31 Dec 2014 \$	30 Jun 2014 \$
<b>Balance as at 1 July 2014</b>	10,570,897	875,000
Additions	-	10,233,501
Impairment expense	(4,907,008)	(487,604)
Amortisation of intangibles	(80,000)	(50,000)
<b>Balance as at 31 December 2014</b>	<u>5,583,889</u>	<u>10,570,897</u>

The net assets include Goodwill for The Full Circle Group Pty Ltd \$2,593,097 and Phoneware Pty Ltd \$387,396. The Goodwill of \$4,007,008 for JCurve Business Software Pty Ltd recognised on acquisition has been fully impaired and has a nil carrying value at 31 December 2014. The \$3,100,000 for NetSuite reseller agreement and \$500,000 for Installation Wizard, which were both taken up at fair value on acquisition, have been impaired by \$797,143 and \$102,857 respectively and have carrying values of \$2,302,857 and \$297,143. The JCurve Wizard will be amortised over its remaining useful life of 4 years commencing 1 January 2015, with amortisation charge of \$37,143 for January to June 2015 (June to December 2014: \$50,000), a total of \$87,143 amortisation expense for 2015 Financial Year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 3: INTANGIBLE ASSETS (continued)

As required by AASB 136, the Directors have reviewed the carrying value of Goodwill and Intangibles for JCurve Business Software in relation to both future cash inflows and outflows discounted to today's value as well as reviewed the value of the Intangibles based on Fair Value less costs to sell. As required by AASB 136, the recoverable amount is to be determined based on the higher of value-in-use and fair value less costs to sell attributed to the Intangible.

In accordance with the Standard, the most appropriate value to attribute to Goodwill and Intangibles was Fair Value less costs to sell. Under the reseller agreement, in the event that JCurve exited the business, the customers of JCurve would be assigned to NetSuite and NetSuite would be required to pay JCurve 30% of the amount paid by the former JCurve customers to NetSuite. Based on the current level of customer revenue, this would amount to \$2.6 million of discounted cash inflows and would represent the Fair Value for the Goodwill and Intangibles. The Directors have written down the value of Goodwill and Intangibles to this amount of \$2.6 million, which has resulted in an Impairment loss of \$4,907,008 which has been brought to account in this reporting period.

Goodwill of \$2,623,097 was recorded on the acquisition of the Full Circle Group which occurred on 17 June 2014. Given this acquisition occurred just prior to end of financial year there has been no opportunity for the economic benefits to arise and no reason to consider that the intangibles acquired being Goodwill and Intellectual Property, are impaired.

### NOTE 4: DIVIDENDS PAID AND PROPOSED

#### *Dividends Paid*

No final dividend was declared for the year ended 30 June 2014.

#### *Dividends Declared*

The Company advises that it does not intend to declare an interim dividend for the financial year, and it will consider reinstating the dividend policy in the future, subject to performance.

### NOTE 5: BUSINESS COMBINATION

#### **Acquisition of JCurve Business Software (prior reporting period)**

On 31 October 2013, JCurve Business Software Pty Ltd, a subsidiary of JCurve Solutions Limited acquired the assets and liabilities of JCurve Solutions Pty Ltd, a leading cloud-based accounting and ERP software provider which exclusively promotes and sells the small business version of business software from Netsuite Inc of USA (Netsuite) in the Australia and New Zealand region.

The total cost of the combination was \$6,000,714 and comprised an issue of equity instruments, cash and options. The Company issued 71,428,571 ordinary shares with a fair value of \$0.048 each, based on the quoted price of the shares of JCurve Solutions Limited at the date of control and 35,714,284 options (valued at \$1,572,143). The incentive options were issued with the following milestones all with an exercise price of \$0.000001:

- 8,928,571 options which automatically vest when the share price reaches 7.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2016;
- 8,928,571 options which automatically vest when the share price reaches 10c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 options which automatically vest when the share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018;
- 8,928,571 options which automatically vest when the share price reaches 15c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019.

#### **Consideration transferred**

Acquisition date fair value of the consideration transferred:

	31 December 2013
	\$
Cash	1,000,000
Options issued	1,572,143
Shares issued at fair value	3,428,571

Total consideration	6,000,714
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 5: BUSINESS COMBINATION (continued)

#### Assets acquired and liabilities assumed at the date of acquisition

As at 31 December 2013 the Group had provisionally recognised the fair values of the identifiable assets and liabilities of JCurve Solutions Pty Ltd based upon the best information available at the reporting date. No changes were subsequently made to the amounts reported below:

	Fair value at acquisition date
	\$
Trade receivables	133,631
Bonds	9,700
Property, plant and equipment	20,595
Netsuite licence agreement	3,100,000
Intangible assets – JCurve wizard	500,000
Prepayments	545,416
Deferred tax assets	14,161
Trade and other payables	(2,329,797)
Provisional fair value of identifiable net assets	1,993,706
Goodwill arising on acquisition	4,007,008
Total consideration	6,000,714

#### Net cash outflow arising on acquisition

The cash outflow on acquisition is as follows:

	31 December 2013
	\$
Cash paid	1,000,000
Less: net cash acquired with the subsidiary	-
Net cash outflow	1,000,000

#### Impact of acquisition on the results of the Group

The acquisition of the assets and liabilities of JCurve Solutions Pty Ltd affected the consolidated result as follows:

	31 December 2013
	\$
Revenue	541,921
Less: expenses	(702,883)
Gross loss before tax	(160,962)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 5: BUSINESS COMBINATION (continued)

#### Impact of acquisition on the results of the Group

If the combination had taken place at the beginning of the previous half-year, the loss before tax of the Group (for the period ended 31 December 2013) would have been \$496,906 and revenue from continuing operations would have been \$6,256,892.

In determining the pro-forma revenue and profit of the Group had JCurve Solutions Pty Ltd been acquired at the beginning of the previous reporting period, the Directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

### NOTE 6: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Directors of JCurve Solutions Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. The Group operates predominantly in one business and geographical segment being the software development and software solutions industry providing services for corporate and government clientele throughout Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

### NOTE 7: EARNINGS PER SHARE

	31 Dec 2014 \$	31 Dec 2013 \$
Earnings used for calculation of basic and diluted earnings per share		
Basic loss from operations	(5,476,834)	(237,712)
(Loss)/profit from continuing operations	(5,476,834)	(237,712)
Weighted average number of shares	No.	No.
Weighted average number of shares used in the calculation of basic EPS	327,856,900	195,736,113
Weighted average number of options on issue	-	-
Weighted average number of shares used in the calculation of diluted EPS	327,856,900	195,736,113
Basic loss per share (cents per share)	(1.67)	(0.12)
Diluted loss per share (cents per share)	(1.67)	(0.12)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 8: ISSUED CAPITAL

	31 Dec 2014 \$	30 Jun 2014 \$
Ordinary shares issued and fully paid	17,588,248	17,588,248
<i>Movements in ordinary shares on issue</i>	<i>No.</i>	<i>\$</i>
At 1 July 2014	327,856,900	17,588,248
Shares issued	-	-
At 31 December 2014	327,856,900	17,588,248

### NOTE 9: OPTIONS

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

	Six months to 31 December 2014		Year to 30 June 2014	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at the beginning of the year	35,714,284	\$0.000001	800,000	\$0.11
Granted during the year	-	-	35,714,284	\$0.000001
Expired during the year	-	-	(800,000)	\$0.11
Outstanding at the end of the year	35,714,284	\$0.000001	35,714,284	\$0.000001
Exercisable at the end of the year	-	-	-	-

The outstanding balance as at 31 December 2014 is represented by:

- 8,928,571 options with an exercise price of \$0.000001 which automatically vest when the share price reaches 7.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2016;
- 8,928,571 options with an exercise price of \$0.000001 which automatically vest when the share price reaches 10c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 options with an exercise price of \$0.000001 which automatically vest when the share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018;
- 8,928,571 options with an exercise price of \$0.000001 which automatically vest when the share price reaches 15c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019.

### NOTE 10: FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and liabilities.

#### **Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

The Directors consider that the carrying value of the financial assets and financial liabilities are recognised in the consolidated financial statements approximate their fair values.

### NOTE 11: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### NOTE 12: RELATED PARTY TRANSACTIONS

#### Transactions with Directors

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

<b>Taos Creative Pty Ltd</b>	31 Dec 2014	31 Dec 2013
	\$	\$
Digital marketing & consulting	167,297	94,040
<b>Alive Mobile Pty Ltd</b>		
Analysis & product development	-	47,500
<b>Millennium International Pty Ltd</b>		
Consultancy Services	7,500	-
<b>Franks &amp; Associates Pty Ltd</b>		
Secretarial Services	32,751	-

Non-Executive Director Graham Baillie's step-daughter Samantha Brown is the sole shareholder and Director of Taos Creative Pty Ltd, which specialise in digital marketing & consulting services for business. JCurve Solutions Group was provided with services from Taos Creative Pty Ltd prior to the acquisition by the listed entity in October 2013. The JCurve Solutions Group for the 2014 Half Year continues to be provided with services from Taos Creative Pty Ltd amounting to \$167,297 (2013: 94,040) net of GST.

JCurve Solutions Limited Director Mr Christopher Gabriel is the Chairman of Alive Mobile Group which provided analysis and re-design of JTEL product amounting to \$47,500 net of GST for the half year ended 31 December 2013.

JCurve Solutions Limited former Chairman and current Non-Executive Director Mr Graham Baillie is the major Shareholder and Director of Millennium International Pty Limited. On stepping down as Executive Chairman on 27<sup>th</sup> November 2014, Mr Baillie's remuneration under his Executive Service Agreement was agreed to be amended with JCurve Solutions entering into a Consultancy Agreement with Mr Baillie to provide on-going consultancy to the business at a reduced cost and on commercial terms. The consulting agreement ceases on 30 April 2015.

The Company Secretary responsibilities are performed by David Franks of Franks & Associates, whose services were engaged on 15 September 2014. The company secretarial services provided by Franks & Associates include providing guidance on corporate compliance requirements pursuant to the Company's constitution, ASX Listing Rules and Corporations Act, assistance in drafting notices of meeting and announcements; Board documentation, and assistance with preparation of annual and half yearly financial reports. Company secretarial service fees for the half year ended 31 December 2014 amounted to \$32,751 (2013 nil) net of GST.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

### NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Chief Executive Officer (CEO) Mark Thompson resigned on 6 January 2015 and was succeeded by Stephen Canning who commenced employment with the Company on 12 January 2015.

## **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes thereto, as set out on pages 3 to 13:
  - a. comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



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**Bruce Hatchman**

**Chairman**

Dated this 26<sup>th</sup> day of February 2015



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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of JCurve Solutions Limited

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of JCurve Solutions Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of JCurve Solutions Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
Chartered Accountants

A handwritten signature in blue ink that reads 'Norman G. Neill'.

**N G NEILL**  
Partner

**Perth, Western Australia**  
**26 February 2015**