LOVE Group Global Ltd (ASX:LVE)
ABN: 82 009 027 178

LOVE GROUP GLOBAL LTD

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

APPENDIX 4E - GIVEN TO THE ASX UNDER LISTING RULE 4.3A

1. Details of reporting period

Reporting Period:	30 June 2018
Previous corresponding period:	30 June 2017

2. Results for Announcement to the Market

	Percentage change Up or Down	%		$'000
Revenue from ordinary activities	up	81%	to	3,850
(Loss) from continuing activities after tax attributable to members	up	126%	to	(7,906)
(Loss) for the period attributable to members	up	131%	to	(7,906)

3. Dividends and Distributions

Dividends	Amount per Security	Franked amount per security
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil
Record date for determining entitlements to dividends		
- Interim Dividend		Not Applicable
- Final Dividend		Not Applicable
Dividend payment date		
- Interim Dividend		Not Applicable
- Final Dividend		Not Applicable

LOVE GROUP
Stock code: LVE

LOVE Group Global Ltd (ASX:LVE)
ABN: 82 009 027 178

4. Net Tangible Assets per security

Net Tangible Assets (NTA)	June 2018	June 2017
Net Tangible Assets per security	-1.1 Cents	1.6 Cents

5. Details of Entities over which control has been gained or lost during the period

Nil

6. Other information

There were no associated or joint venture entities during the reporting period.

This report is based on, and should be read in conjunction with, the attached audited Financial Report.

Any other information required pursuant to ASX Listing Rule 4.3A not contained in this Appendix 4E can be found in the Attached Annual Report.

Michael Ye
Director
30 August 2018

LOVE GROUP GLOBAL LTD

ABN 82 009 027 178

Annual Report
For the year ended 30 June 2018

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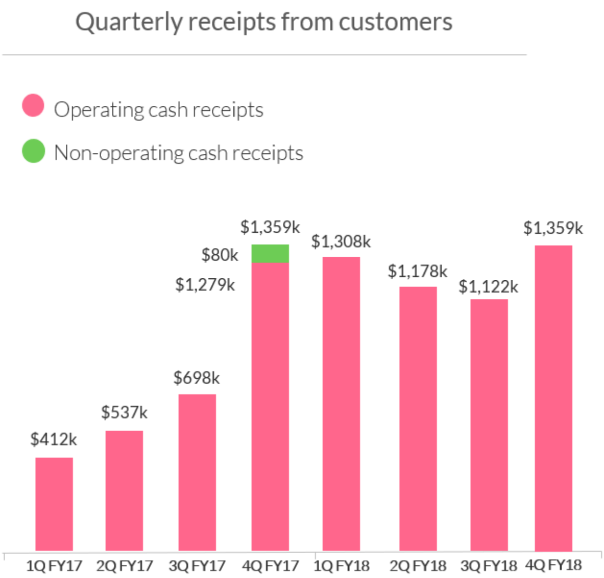
Dear shareholders,

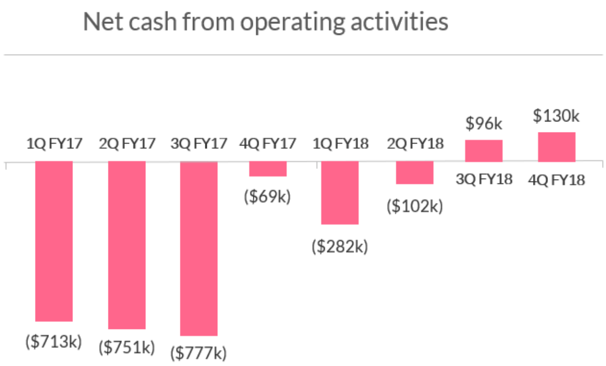
We are pleased to deliver a record year with substantial revenue growth and improvement in cash operating profitability, driven primarily by the strong growth of our premium matchmaking business, which accounted for 83% of total cash receipts in FY18, compared to 42% in FY17. Geographically, Hong Kong remains our largest market, accounting for 68% of total cash receipts in FY18, compared to 56% in FY17.

Cash receipts from our premium matchmaking business increased by 163% year-on-year, from $1,570k in FY17 to $4,125k in FY18, driven by an increase in the number of matchmaking consultations performed across all of our matchmaking stores, including our Bangkok store which was opened in August 2017. Another driver of the growth of our premium matchmaking business has been the sale of our image coaching and date coaching services to our existing matchmaking clients, which has provided us an opportunity to further increase the revenue we earn from each client.

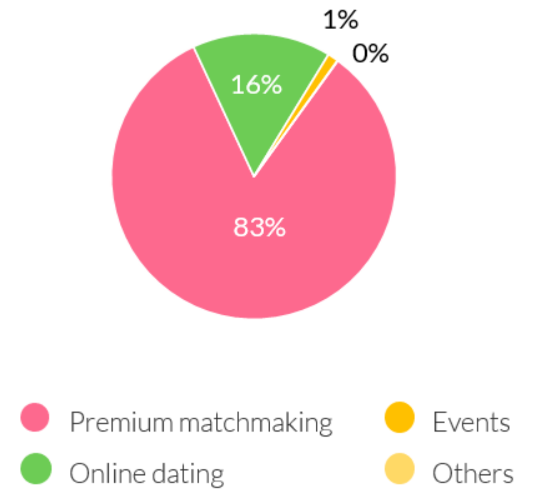
Cash receipts from our online dating business decreased by 28% year-on-year, from $1,076k in FY17 to $780k in FY18, primarily as a result of a decrease in the number of online dating subscriptions purchased. We believe this decrease is directly attributable to our increased focus on upselling premium matchmaking services to our online dating users, which has led many of them to purchase our premium matchmaking packages instead of our online dating subscriptions.

Geographically, we achieved strong growth across Hong Kong, Singapore and Bangkok, transitioned our London matchmaking business from a franchise partnership back to self-operated in June 2018, and closed down our unprofitable Shenzhen office in December 2017.

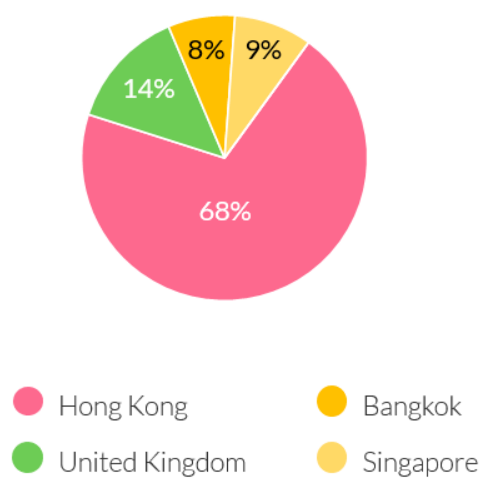




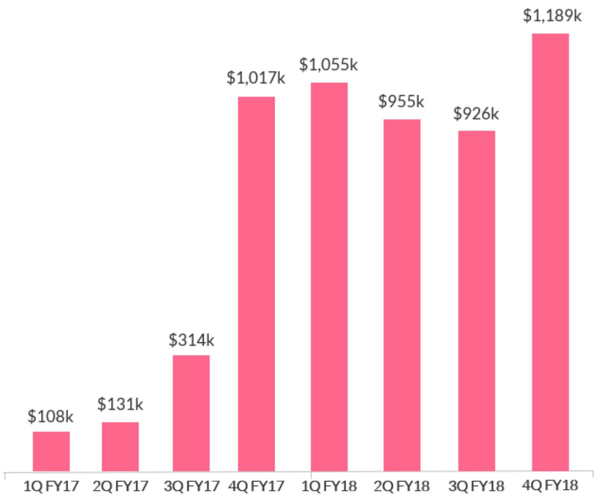
FY18 cash receipts by product



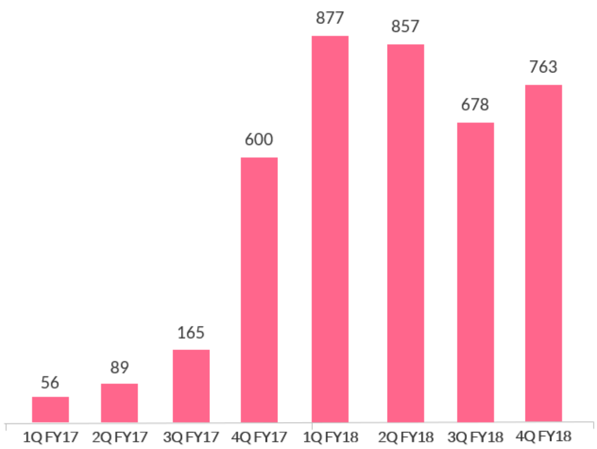
FY18 cash receipts by geography



Matchmaking customer cash receipts



Number of matchmaking orders



FY19 Outlook

Looking ahead to FY19, we are excited about the growth opportunities available to us in the global dating services market, in particular in premium matchmaking services, which currently remain a highly fragmented market in most markets around the world. We see attractive opportunities to consolidate market share in both our existing markets of Hong Kong, Singapore, Bangkok and London, as well as new markets in Asia Pacific and North America that have large populations of single professionals.

We expect our key growth drivers for FY19 to be:

- *Growth in existing markets:* We anticipate continued growth from Hong Kong, Singapore, Bangkok and London driven by an increase in the number of matchmaking consultations. We opened our new Hong Kong matchmaking store in July 2018 with 8 consultation rooms, up from 4 consultations rooms in our previous matchmaking store. Our new Singapore matchmaking store is expected to open in September 2018 with 7 consultation rooms, while our Bangkok matchmaking store has 8 consultation rooms. In London, we are still in the initial stages of growth and currently have 2 consultation rooms.

- *Growth in new markets:* We see significant growth opportunities from expansion into new geographic markets, either on a self-operated basis or via franchise partnerships. We will typically launch and test a new market through the use of short-term service offices that give us the flexibility to withdraw if the economics do not turn out to be favourable, thereby allowing us to reduce the risks associated with new market expansion.

- *Love Academy:* We provide image coaching and date coaching services through our Love Academy brand. We cross-sell these highly complementary services to our large and growing existing singles client base to increase their chances of success in finding the right partner, and at the same time diversify our revenue stream and increase the revenue we generate from each of our clients.

Michael Ye
Founder and CEO

The Directors of Love Group Global Ltd (the "Company") submit herewith the Financial Report of the Company and its controlled entities (the "Group") for the financial year ended 30 June 2018.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Terence Grigg	Chairman and Non-Executive Director
	Terry was appointed a director and Chairman of the Company on 30 November, 2017.
Experience and qualification	Terry has had 25 years' experience as an Executive Financial Director of Ausfine Foods International Pty Ltd (1988-2013) - Importer and Exporter of meat and dairy products worldwide and is currently a Non-Executive Director of Enevis Limited ASX : ENE appointed February 2017 (formerly Stokes Limited ASX: SKS).
	Terry's vast knowledge and experience in purchasing, sales and marketing, import and export logistics, accounting and financial management, foreign currency hedging and mitigation and banking facility negotiation will support the Company in achieving its market growth strategy and enhance the existing capabilities on the Board.
Other directorships in listed entities:	Nil
Former directorships in listed entities In last 3 years:	Non-Executive Director of Enevis Limited
Interests in shares and options:	Nil

Anthony Tony Harris	Chairman and Non-Executive Director (Resigned 30 November 2017)
	Tony was appointed a director of the Company on 6 September 2014 and was appointed as Chairman of the Board on 5 December 2014. He resigned on 30 November, 2017.
Experience and qualification	Tony has extensive experience at managing growing computer software companies, and has held senior as Senior Vice President of Tibco Software APAC and CEO of SAP Australia and New Zealand. Tony currently owns and runs his own software company BlinkMobile that he and two other partners founded eight years ago.
Other directorships in listed entities:	Nil
Former directorships in listed entities In last 3 years:	Nil
Interests in shares and options:	5,000 ordinary shares

Directors (continued)

Michael Ye	Managing Director and Chief Executive Officer
	Michael was appointed a director of the Company on 26 November 2015 and Chief Executive Officer on 1 February 2016.
Experience and qualification	Michael founded DateTix in 2013 and has led the company's strategic direction since its inception. Michael was previously an investment analyst at Imperial Investment Group in Hong Kong, focusing on the internet sector. Prior to that, Michael was a Senior Business Development Manager at GDC Technology Limited, where he led advised the CEO and board on potential acquisitions and investment opportunities. Michael has also worked in the investment banking divisions of Morgan Stanley, J.P. Morgan and Credit Suisse, with extensive experience advising technology and internet companies in Greater China and Asia.
	Michael holds a Bachelor of Mathematics degree in Computer Science from the University of Waterloo, and an MBA from The Wharton School at the University of Pennsylvania.
Other directorships in listed entities:	Nil
Former directorships in listed entities	
In last 3 years:	Nil
Interests in shares and options:	10,885,694 ordinary shares
	2,560,000 Class B performance rights
	2,560,000 Class C performance rights
	400,000 $0.40 employee options expiring 31 December 2020
Tod McGrouther	Non-Executive Director
	Tod was appointed as an non-executive director on 1 February, 2018.
Experience and qualification:	Tod has over 30 years of financial services and corporate advisory service. He is a co-founder and current director at KTM Capital, a Sydney-based boutique investment bank specialising in corporate advisory and underwriting services for high-growth companies. Since KTM's inception in 1988, the Company has assisted over 60 clients in more than 150 transactions, raising over $600 million of equity capital. Prior to founding KTM Capital, Tod was a Director of the Corporate Finance Department of Prudential Bache Securities Limited, and prior to that, he was an Associate Director at Bankers Trust Australia. Tod specialises in the provision of strategic advice in the areas of valuation, capital raising and investor relations services for ASX listed companies.
Other directorships in listed entities:	Nil
Former directorships in listed entities	
In last 3 years:	Nil
Interests in shares and options:	3,457,000 ordinary shares

Directors (continued)

Leigh Kelson	Non-Executive Director (Resigned 1 February 2018)
	Leigh was appointed as an executive director on 12 May 1997 and transitioned to a non-executive role in February 2016. He resigned on 1 February, 2018.
Experience and qualification:	Leigh is CEO and Founder of Beach City Group Ltd, a social media company. A web technologies veteran, after commencing his career in the technology sector in the mid-1980s, Mr Kelson founded Datetix Group Ltd (formerly Enverro Ltd) in 1996 and pioneered cloud computing in Australia by establishing the first Salesforce.com professional services practice in Melbourne, which is now one of the longest serving Salesforce.com partners in Australia.
Other directorships in listed entities:	Nil
Former directorships in listed entities	
In last 3 years:	Nil
Interests in shares and options:	263,129 ordinary shares

Company Secretaries

Matthew Foy, Daniel Smith	Company Secretaries
	Matthew and Daniel were appointed as Joint Company Secretaries of the Company on 17 June 2016.
	Matthew resigned on 30 November 2017.
	Dan has extensive experience in corporate governance as director of Minerva Corporate Pty Ltd, a Perth based boutique corporate consulting firm.

Meetings of directors

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2018 and the number of meetings attended by each director.

During the financial year, 9 board meetings were held in addition to the Company's Annual General Meeting held on 30 November 2017.

In view of the size of the Board, the Board has elected not to appoint separate committees.

Director	**Board Meeting**	
	Attended	Held
Terence Grigg	6	6
Anthony Tony Harris	3	3
Michael Ye	9	9
Tod McGrouther	4	4
Leigh Kelson	5	5

Principal activities

The principal continuing activities of the Group during the year were:

- Dating Services: Provision of social and dating product and services, including the Datetix, Lovestruck and Noonswoon application, personalised matchmaking services and member events; and

- Enterprise Services: Provision of software solutions, including implementation and training support services.

Historically the Group's principal activity has been the provision of software solutions, including design, implementation and support; and development of proprietary software applications.

Review of operations and Financial Position

Consolidated Results

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Revenue	3,787,076	2,124,510
Net (loss) before tax	(7,906,339)	(3,501,320)
Net cash flows used in operating activities	(142,471)	(2,318,604)
Net (liabilities)/ assets	(467,296)	7,538,515

The financial result for the year ended 30 June 2018 is a net loss after tax of $7,906,339 (2017: $3,501,320). The net loss after tax figure includes impairment of intangible assets $6,895,873 (2016: Nil).

Love Group's revenue increased from $2,125k in FY17 to $3,787k in FY18, up 78% year-on-year. The growth is primarily from the expansion of the Company's premium matchmaking unit under Dating service which is the result of multiple drivers, including increases in the total number of visitors, higher visit-to-customer conversion rate, and higher average selling prices.

Dating service revenues increased from $2,061k in FY17 to $3,764k in FY18, up 83% year-on-year. EBITDA is positive $304k (2017: negative $1,683k).

As at 30 June 2018, the Group had a net cash balance of $1,309,373 (2017: $1,723,166).

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of financial year

A three years office lease agreement for Singapore office signed on July 5, 2018.

2,000,000 fully paid ordinary shares were released from escrow on 1 August 2018.

Other than mentioned above, no matters or circumstances have arisen since 30 June 2018, which have significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

In FY19, the Group expects to continue to invest in the growth of its existing markets of Hong Kong, Singapore, Bangkok and London, as well as enter into new markets in Asia Pacific and North America by launching its online dating platforms and opening new matchmaking stores. New market entry may be done through either self-operated basis or franchise partnerships whereby Love Group provides online dating platform, leads and customer service, while partner provides matchmaking store and local sales team. The Group will also increase its efforts to cross-sell complementary services such as image coaching and date coaching to its existing singles client base to further diversify its revenue stream and increase average revenue per client.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Remuneration report (Audited)

The directors present the Love Group Global Ltd remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year. The information provided in this remuneration report has been audited as required by the *Corporations Act 2001*.

The report is structured as follows:

- Key Management Personnel (KMP) covered in this report
- Remuneration policy and link to Group performance
- Use of remuneration consultants
- Non-executive director remuneration policy
- Executive remuneration and benefits
- Details of remuneration
- Service agreements
- Details of share-based compensation
- Equity instruments held by Key Management Personnel
- Other transactions with Key Management Personnel

Key Management Personnel disclosed in this report

Non-executive directors	Terence Grigg – Chairman, appointed on 30 November 2017
	Anthony Tony Harris – Chairman, resigned on 30 November 2017
	Tod McGrouther, appointed on 1 February 2018
	Leigh Kelson, resigned on 1 February 2018
Executive director and CEO	Michael Ye
Other key management personnel	Wendy Hui – Chief Financial Officer

Changes during the reporting period are noted above.

Remuneration policy and link to Group performance

The Board's policy for determining the nature and amount of remuneration of key management personnel of the Company and the Group is designed to:

- Maintain the ability to attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and directors with that of the Company and the Group as much as possible.

The Company was originally listed on the Australian Securities Exchange on 5 December 2014, and suspended on 12 October 2015 following approval by shareholders to change the Company's activities by the acquisition of Datetix Limited (now known as Love Group Hong Kong Limited), a Hong Kong based on-demand dating platform business. The Company was reinstated to official quotation on ASX on 27 November 2015 following completion of the acquisition and, since reinstatement, the primary objectives of the Company have been:

- Consolidating the change of activities, including the sale of the non-core services business;
- Expanding a team of development and marketing personnel for the Datetix on-demand dating business in existing and new market areas;
- Developing, releasing and improving iOS and Android apps for the on-demand dating platform;
- Growing the suite of revenue sources associated with the platform; and
- Acquiring related businesses to generate synergies in marketing and product offerings.

Company acquired both Lovestruck Limited and Noonswoon Co., Ltd and all key intellectual property of Noonswoon Inc. during FY2017.

The Company has generated losses since listing on the ASX as it initially sought to achieve market penetration from the Enverro workforce mobilisation platform. More recently, it has developed and marketed the Datetix, Noonswoon and Lovestruck on-demand dating platform and related business opportunities.

Remuneration policy and link to Group performance (continued)

Details of market price movements in the Company's ordinary share price at 30 June each year are:

	2018	2017
Share price at year end	$0.081	$0.25
Change in share price [1]	-$0.169	-$0.15
TSR - Year on year [2]	-67.6%	-37.5%
Market capitalisation [3]	$3,332,084	$9,259,210
Loss for the year	$7,906,339	$3,420,163
KMP remuneration	$587,768	$608,763

1. The change in share price as measured by the price at the end of the year from the opening share price.
2. Total shareholder return (TSR) – measured as the percentage change in the share price over the year.
3. Market capitalisation – calculated as the total ordinary shares on issue multiplied by the closing share price.

The link between remuneration, company performance and shareholder wealth generation is tenuous during the establishment and user acquisition phase of an internet based business.

The Company operates an Employee Incentive Plan. Under the plan, shares under a limited recourse loan were provided to a KMP and options have been granted to the Key Management Personnel (KMP) and other employees. Details of share based compensation granted to KMP are set out below.

Voting and comments made at the Company's 2017 Annual General Meeting (AGM)
At the 2017 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Use of remuneration consultants

During the year the Company did not engage independent remuneration consultant for review of remuneration practices for the Key Management Personnel.

Non-executive Director remuneration policy

Non-executive directors' fees and payments reflect the demands made on, and the responsibilities of, the non-executive directors. The fees are determined within a pool limit, which is periodically reviewed and proposed changes recommended for approval by shareholders. The pool is currently limited to $300,000 per annum. Non–executive directors do not receive performance–based pay. There are no retirement allowances for non-executive directors. No additional fees are payable to non-executive directors.

The following base fees, exclusive of superannuation contributions required under the Australian superannuation guarantee legislation currently apply.

Non-executive Director remuneration policy (Continued)

	Date	Per Annum
Chairman - Terence Grigg	From 30 November 2017	$36,000
Chairman - Anthony Tony Harris	From listing on 5 December 2014 and resigned on 30 November 2017	$60,000
Non-executive director - Tod McGrouther	From 1 February 2018	$30,000
Non-executive director - Leigh Kelson	From 1 August 2016 and resigned on 1 February 2018	$40,000

Executive remuneration and benefits

Executive payments currently consist of base salary plus statutory superannuation, other benefits and in the case of the former CEO, the provision of a loan to acquire shares or the issue of options under the Employee Incentive Plan. Base pay is structured as a total employment package which may be delivered as a combination of prescribed non-financial benefits at the executives' discretion. There are no guaranteed base pay increases in any executives' contracts.

Throughout the year all remuneration for key management personnel was fixed and not linked to performance except for shares and options issued under the employee incentive plan.

Details of remuneration

2018

	Short term benefit			Post-employment benefit		
Name	Cash Salary, Consultancy & fees $	Other* $	Equity settled Share Base Payment $	Superannuation $	Termination Benefit $	Total $
Non-executive directors						
T Grigg (1)	21,000	-	-	-	-	21,000
T McGrouther (2)	12,500	-	-	-	-	12,500
A Harris (3)	25,000	-	-	2,375	-	27,375
L Kelson (4)	26,682	-	-	-	-	26,682
Executive directors						
M Ye	289,250	22,409	9,674	3,061	-	324,394
Other key management personnel						
W Hui	142,864	4,892	25,000	3,061	-	175,817
Total	517,296	27,301	34,674	8,497	-	587,768

Executive remuneration and benefits (continued)

* Other includes fees paid or due to be paid and movement in annual leave entitlements for the period.
(1) Appointed on 30 November 2017
(2) Appointed on 1 February 2018.
(3) Resigned on 30 November 2017.
(4) Resigned on 1 February 2018.

No long service leave accrued in respect of any key management personnel.

Details of remuneration (continued)

2017

	Short term benefit			Post-employment benefit		
Name	Cash Salary, Consultancy & fees $	Other $	Equity settled Share Base Payment $	Superannuation $	Termination Benefit $	Total $
Non-executive directors						
A Harris	55,000	-	-	5,225	-	60,225
L Kelson	50,677	23,756	-	5,872	-	80,305
Z Lin	14,419	-	-	-	-	14,419
Executive directors						
M Ye	271,693	3,912	17,715	3,114	-	296,434
Other key management personnel						
W Hui	124,924	-	29,342	3,114	-	157,380
Total	516,713	27,668	47,057	17,325	-	608,763

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Non-executive directors						
T Grigg	100%	-	-	-	-	-
T McGrouther	100%	-	-	-	-	-
A Harris	100%	100%	-	-	-	-
L Kelson	100%	100%	-	-	-	-
Executive directors						
M Ye	97%	94%	-	-	3%	6%
Other key management personnel						
W Hui	86%	81%	-	-	14%	19%

Service agreements

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Officer, and the Chief Financial Officer are also formalised in service agreements which include provision for participation in the Employee Incentive Plan.

Name	Term of agreement	Base salary including any superannuation	Other benefits
T Grigg[1] ***Chairman***	Ongoing, commenced 30 November 2017	$36,000	Not Applicable
A Harris[1] ***Chairman***	Ongoing, commenced 5 December 2014 and ended 30 November 2017	$60,000	Not Applicable
T McGrouther[1] ***Non Executive Director***	Ongoing, commenced 1 February 2018	$30,000	Not Applicable
L Kelson[1] ***Non Executive Director***	Ongoing, commenced 1 August 2016, ended 31 January 2018	$40,000	Not Applicable
M Ye[1] ***Chief Executive Officer***	Ongoing, commenced 1 June 2017 Notice period six months.	$286,000 + MPF contribution + Cash bonus under STI + Performance rights under LTI	Mobile phone and associated costs. Participation in Group health insurance plan
W Hui[1] ***Chief Financial Officer***	Ongoing, commenced 1 July 2017 Notice period one month.	$142,864 (HK$840,000) + MPF contribution + Discretionary Bonus	Participation in Group health insurance plan. Professional association memberships.

[1] Key management personnel have no entitlement to any termination benefit. Options lapse on termination are the decision of the board.

Details of Equity Settled share based compensation

2018

Name	Type	Grant Date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Non-executive directors								
T Grigg	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
T McGrouther	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
A Harris	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
L Kelson	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Executive directors								
M Ye	L-T Options	N/A	NIL	$9,674(1)	NIL	NIL	NIL	NIL
Other key management personnel								
W Hui	Performance Rights	30 June 2017	NIL	NIL	NIL	NIL	300,000	NIL(2)
W Hui	Ordinary Shares	30 June 2017	100,000	$25,000(2)	NIL	NIL	NIL	NIL

(1) This relates to share based payment 400,000 options issued to M Ye on 23 November 2015.
(2) On 30 June 2017, the Company issued 100,000 shares and 400,000 performance rights to Chief Financial Officer Wendy Hui, for no cash consideration. Performance rights vesting in four tranches subject to employment continuity from FY2018 to FY2020. The fair value of the shares on grant date was measured at a total of $25,000 and recorded as an expense and credited to the share capital at 30 June 2017. 100,000 performance rights have vested on 30 June 2018, and have been converted into Ordinary shares. The balance of 300,000 performance rights have been cancelled on 30 June 2018.

2017

Name	Type	Grant Date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Non-executive directors								
A Harris	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
L Kelson	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Z Lin	L-T Options	N/A	NIL	NIL	NIL	NIL	100,000	$11,514
Executive directors								
M Ye	L-T Options	N/A	NIL	$17,715②	NIL	NIL	NIL	NIL
Other key management personnel								
W Hui	L-T Options	23 November 2015	100,000	$4,342③	NIL	NIL	NIL	NIL
W Hui	Performance Rights	30 June 2017	400,000	$100,000(4)	NIL	NIL	NIL	NIL
W Hui	Ordinary Shares	30 June 2017	100,000	$25,000(4)	NIL	NIL	NIL	NIL

(1) The shares, performance rights and options granted as compensation for the year 30 June 2017.
(2) This relates to share based payment 400,000 options issued to M Ye on 23 November 2015. Refer to details in note 2 in 2016 Equity Settled share based compensation table.
(3) This relates to share based payment 100,000 options issued to W Hui on 23 November 2015. Refer to details in note 3 in 2016 Equity Settled share based compensation table.
(4) On 30 June 2017, the Company issued 100,000 shares and 400,000 performance rights to Chief Financial Officer Wendy Hui, for no cash consideration. Performance rights vesting in four tranches subject to employment continuity from FY2018 to FY2020. The fair value of the shares on grant date was measured at a total of $25,000 and recorded as an expense and credited to the share capital at 30 June 2017. No value was recognised in the 30 June 3017 financial year for the 400,000 performance rights as the performance rights were granted on 30 June 2017.

Terms and conditions of share based compensation

	Grant date	Vesting date	Expiry date	Exercise price	Value per security at grant date	Hurdle to be achieved	% vested
Performance rights granted during the year ended 30 June 2018							
1	21 May 2018						
	Escrowed 30 June 2021	30 June 2019 - 20%	30 June 2021	$0.00	$0.053	n/a	-
	Escrowed 30 June 2021	30 June 2020 - 20%	30 June 2021		$0.053		-
	Escrowed 30 June 2021	30 June 2021 - 20%	30 June 2021		$0.053		-
	Escrowed 30 June 2022	30 June 2022 - 20%	30 June 2022		$0.053		-
	Escrowed 30 June 2023	30 June 2023 - 20%	30 June 2023		$0.053		-
Long term options granted during the year ended 30 June 2017							
2	23 May 2017	Immediately	31 Dec 2018	$0.40	$0.22	n/a	100%
Performance rights granted during the year ended 30 June 2017							
3	30 June 2017						
	Escrowed 30 June 2020	30 June 2018 - 20%	30 June 2018	$0.00	$0.25	n/a	-
	Escrowed 30 June 2020	30 June 2019 - 20%	30 June 2019		$0.25		-
	Escrowed 30 June 2021	30 June 2020 - 20%	30 June 2020		$0.25		-
	Escrowed 30 June 2022	30 June 2021 - 20%	30 June 2021		$0.25		-
Shares issued during the year ended 30 June 2017							
4	30 June 2017 (Escrowed 30 June 2020)	30 June 2017	30 June 2017	$0.00	$0.25	n/a	100%
Long term options (2016)							
5	23 Nov 2015 (Escrowed until 27 Nov 2017)	23 Nov 2016 -25%	31 Dec 2020	$0.40	$0.115	n/a	100%
		23 Nov 2017 -25%			$0.115		-
		23 Nov 2018 -25%			$0.123		-
		23 Nov 2019 -25%			$0.131		-
6	23 Nov 2015 (Escrowed until 27 Nov 2017)	Immediate	31 Dec 2020	$0.40	$0.115	n/a	100%
7	23 Nov 2015	23 Nov 2016 -25%	31 Dec 2020	$0.40	$0.106	n/a	100%
		23 Nov 2017 -25%			$0.115		-
		23 Nov 2018 -25%			$0.123		-
		23 Nov 2019 -25%			$0.131		-
Shares issued subject to repayment of interest free loan, with recourse limited to the shares issued (2015)							
8	11 Nov 2014	11 Nov 2014	Loan term ends 11 Nov 2021 or earlier if employment ceases	Repay loan of $1 per share	$0.329	No hurdle specified, however, the share price needs to exceed $1.00 per share to deliver a benefit.	100%
Long term options (2015)							
9	13 Oct 2014	13 Oct 2015 -30%	13 Oct 2019	$1.00	$0.136	Share price of $1.25	-
		13 Oct 2016 -30%			$0.129	Share price of $1.50	-
		13 Oct 2017 -40%			$0.123	Share price of $1.75	-
10	10 Nov 2014	10 Nov 2015 -30%	10 Nov 2019	$1.00	$0.121	Share price of $1.25	-
		10 Nov 2016 -30%			$0.119	Share price of $1.50	-
		10 Nov 2017 -40%			$0.115	Share price of $1.75	-

Equity instruments held by Key Management Personnel

The number of shares and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below. During the year, there were 100,000 shares issued to W Hui from conversion of performance rights. 300,000 performance rights previously granted to W. Hui were cancelled (2017: 100,000 shares and 400,000 performance rights issued to W Hui).

2018		Balance at the start of the year	Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors						
T Grigg (1)	Shares	-	-	-	-	-
	Options	-	-	-	-	-
T McGrouther (2)	Shares	-	-	-	3,457,000	3,457,000
	Options	-	-	-	-	-
A Harris (3)	Shares	5,000	-	-	(5,000)	-
	Options	-	-	-	-	-
L Kelson (4)	Shares	1,008,129	-	-	(1,008,129)	-
	Options	-	-	-	-	-
M Ye	Shares	8,000,000	-	2,560,000	325,694	10,885,694
	A Performance rights	2,560,000	-	(2,560,000)	-	-
	B Performance rights	2,560,000	-	-	-	2,560,000
	C Performance rights	2,560,000	-	-	-	2,560,000
	Options	400,000	-	-	-	400,000
Other Key Management Personnel of the Group						
W Hui (5)	Shares	100,000	-	-	100,000	200,000
	Performance rights	400,000	-	-	(400,000)	-
	Options	100,000	-	-	-	100,000

(1) Appointed on 30 November 2017
(2) Appointed on 1 February 2018.
(3) Resigned on 30 November 2017. Other changes of 5,000 due to resignation of director.
(4) Resigned on 1 February 2018. Personal disposal of shares of 695,000, Other changes of 313,129 due to resignation of director.
(5) 100,000 performance rights have vested on 30 June 2018 and converted to ordinary shares. Balance of 300,000 performance rights have been cancelled on 30 June 2018.

2017		Balance at the start of the year	Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors						
A Harris	Shares	5,000	-	-	-	5,000
	Options	-	-	-	-	-
L Kelson	Shares	1,008,129	-	-	-	1,008,129
	Options	-	-	-	-	-
M Ye	Shares	8,000,000	-	-	-	8,000,000
	A Performance rights	2,560,000	-	-	-	2,560,000
	B Performance rights	2,560,000	-	-	-	2,560,000
	C Performance rights	2,560,000	-	-	-	2,560,000
	Options	400,000	-	-	-	400,000
Z Lin (1)	Shares	-	-	-	-	-
	Options	100,000	-	-	(100,000) (2)	-
Other Key Management Personnel of the Group						
W Hui	Shares	-	-	-	100,000	100,000
	Performance rights	-	-	-	400,000	400,000
	Options	100,000	-	-	-	100,000

(1) Resigned on 2 December 2016.
(2) Other changes due to resignation of director.

Other transactions with Key Management Personnel

(a) Transactions with Key Management Personnel and their related parties

No transactions with Key Management Personnel and their related parties during the year ended 30 June 2018 (2017: nil).

(b) Outstanding balances arising from sales/purchases of goods and services, transactions

No outstanding balances with related parties during the year ended 30 June 2018 (2017: nil).

(c) Loans to Key Management Personnel and their related parties

Details of loans made to Key Management Personnel of the Group, including their personally related parties are set out below.

Name	Balance at the start of the year	Amount advanced during the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2018 L Kelson	155,000	-	-	-	**155,000**	**155,000**
2017 L Kelson	155,000	-	-	-	**155,000**	**155,000**

Pursuant to shareholder approval, the Company advanced $155,000 to Director Leigh Kelson to acquire 155,000 shares in the Company on 11 November 2014. The loan is for seven years or less if the Director ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited. The loan for shares arrangement was treated as a Share based payment and is reflected in the Share based payments reserve.

The Company agreed to extend the term of the loan by up to two years.

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2017: Nil), not disclosed above or in note 20.

END OF AUDITED REMUNERATION REPORT

Shares under option

Ordinary shares of the Company under option at the date of this report are as follows:

2018

Date options granted	Expiry date	Escrowed until	Issue price of shares	Number under option
23 May 2017	31 Dec 2018	n/a	$0.40	350,000
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	400,000
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	200,000
23 Nov 2015	31 Dec 2020	n/a	$0.40	1,100,000
18 July 2014	18 July 2019	28 Nov 2016	$0.84	1,200,004
13 Oct 2014	13 Oct 2019	5 Dec 2016	$1.00	136,500
10 Nov 2014	10 Nov 2019	n/a	$1.00	59,000

2017

Date options granted	Expiry date	Escrowed until	Issue price of shares	Number under option
23 May 2017	31 Dec 2018	n/a	$0.40	350,000
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	400,000
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	200,000
23 Nov 2015	31 Dec 2020	n/a	$0.40	1,100,000
18 July 2014	18 July 2019	28 Nov 2016	$0.84	1,200,004
13 Oct 2014	13 Oct 2019	5 Dec 2016	$1.00	136,500
10 Nov 2014	10 Nov 2019	n/a	$1.00	59,000

The option granted will give the option holder the right to acquire ordinary shares in capital of the Company upon exercise (option). Option holders also have the right to participate in future share issues.

Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against any liability incurred as director, secretary or executive officer 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.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entity against a liability incurred as such an officer or auditor.

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

The Directors are satisfied that the provision of non-audit services during the period 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 Board assesses the provision of non-audit services by the auditors to ensure that the auditor independence requirements of the Corporations Act 2001 in relation to the audit are met.

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 18 to the financial statements.

The directors are of the opinion that the services as disclosed in note 18 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.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the directors of Love Group Global Ltd with an Independence Declaration in relation to the audit of the attached Financial Statements. This Independence Declaration is included in this Financial Report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Michael Ye
Director
30 August 2018

Corporate Governance

The Company's Corporate Governance Statement, prepared in accordance with the third edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found at: http://www.lovegroup.co/investors.html

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Love Group Global Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, 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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 August 2018

Love Group Global Ltd
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	30 JUN 2018	30 JUN 2017
		$	$
Revenue from continuing operations			
Dating Services		3,764,069	2,061,487
Enterprise Services		7,436	27,267
Interest Income		15,571	35,756
	5	3,787,076	2,124,510
Other Income	5	62,685	293
Expenses			
Advertising expenses		1,287,528	1,863,559
Auditing and accounting fees		61,438	141,357
Bad Debts		1,980	1,219
Consulting fees		182,932	232,054
Depreciation and amortisation	6	89,764	97,204
Employee benefits expense - SG&A		1,742,851	1,541,707
Employee benefits expense - R&D		225,861	337,308
Event expenses		36,271	238,649
Finance costs	6	-	478
Impairment of intangible assets		6,895,873	-
Insurance expenses		45,861	50,256
Legal fees		4,762	23,190
Loss on disposal of assets		8,822	-
Marketing expenses		-	166,094
Matchmaking expenses		249,103	113,106
Office Rent	6	416,231	208,272
Other expenses		151,162	269,999
Payment process fees		209,583	132,218
Recruitment expenses		6,939	30,403
Research & Development		38,842	13,038
Share-based payment expenses		35,045	98,545
Software expenses		50,920	39,332
Transaction cost on acquisition		-	3,500
Travel expenses		13,227	16,477
Foreign exchange gains and losses		1,105	8,158
		11,756,100	5,626,123
Loss before income tax		(7,906,339)	(3,501,320)
Income tax	8	-	-
Loss for the year from continuing operations		(7,906,339)	(3,501,320)
Profit from Discontinuing operations		-	81,157
Loss for the year		(7,906,339)	(3,420,163)
Other comprehensive loss for the year			
Exchange difference on conversion of foreign operations		(134,517)	(718)
Total Comprehensive Loss for the year		(8,040,856)	(3,420,881)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company		**Cents**	**Cents**
Basic (loss) per share	26	(19.4)	(10.2)
Diluted (loss) per share	26	(19.4)	(10.2)
Earnings per share for loss attributable to the ordinary equity holders of the Company		**Cents**	**Cents**
Basic (loss) per share	26	(19.4)	(10.0)
Diluted (loss) per share	26	(19.4)	(10.0)

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

Love Group Global Ltd
Consolidated Statement of Financial Position

As at 30 June 2018

	Note	30 Jun 2018	30 Jun 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,309,373	1,723,166
Trade and other receivables	10	49,723	19,805
Other assets	11	241,325	102,804
Total Current Assets		**1,600,421**	**1,845,775**
Non-current assets			
Property, plant and equipment	12	205,985	82,945
Intangible assets	13	-	6,928,600
Total Non-Current Assets		**205,985**	**7,011,545**
Total assets		**1,806,406**	**8,857,320**
LIABILITIES			
Current liabilities			
Trade and other payables	14	359,522	498,400
Prepaid Income from customers	14	1,914,180	820,405
Total Current liabilities		**2,273,702**	**1,318,805**
Total liabilities		**2,273,702**	**1,318,805**
Net assets		**(467,296)**	**7,538,515**
EQUITY			
Contributed equity	15	16,681,389	16,177,350
Reserves	16	917,217	1,520,728
Accumulated losses		(18,065,902)	(10,159,563)
Total Equity		**(467,296)**	**7,538,515**

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

Love Group Global Ltd
Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

	Contributed equity $	Share based payments reserve $	Accumulated losses $	Foreign currency translation reserve $	Total equity $
At 1 July 2016	**13,565,617**	**1,449,977**	**(6,739,400)**	**(1,780)**	**8,274,414**
Loss for the year	-	-	(3,420,163)	-	(3,420,163)
Other comprehensive income	-	-	-	(718)	(718)
Total comprehensive income for the year	**-**	**-**	**(3,420,163)**	**(718)**	**(3,420,881)**
Transactions with owners in their capacity as owners					
Issue of shares for					
* Cash	1,759,600	-	-	-	1,759,600
* business combination	970,000	-	-	-	970,000
Cost of share issues	(142,867)	-	-	-	(142,867)
Share based payments expense on security granted for:					
* employee services	25,000	73,249	-	-	98,249
	2,611,733	**73,249**	**-**	**-**	**2,684,982**
As at 30 June 2017	**16,177,350**	**1,523,226**	**(10,159,563)**	**(2,498)**	**7,538,515**
At 1 July 2017	**16,177,350**	**1,523,226**	**(10,159,563)**	**(2,498)**	**7,538,515**
Loss for the year	-	-	(7,906,339)	-	(7,906,339)
Other comprehensive income	-	-	-	(134,517)	(134,517)
Total comprehensive income for the year	**-**	**-**	**(7,906,339)**	**(134,517)**	**(8,040,856)**
Transactions with owners in their capacity as owners					
Share based payments expense on security granted for:					
* employee services	25,000	10,045	-	-	35,045
Conversion of performance rights	479,039	(479,039)	-	-	-
	504,039	**(468,994)**	**-**	**-**	**35,045**
As at 30 June 2018	**16,681,389**	**1,054,232**	**(18,065,902)**	**(137,015)**	**(467,296)**

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

For the year ended 30 June 2018

	Note	30 June 2018	30 June 2017
		$	$
Cash flows from operating activities			
Receipts from customers		4,966,767	3,005,335
Payments to suppliers and employees		(5,188,592)	(5,363,576)
Other revenue		62,685	293
Interest received		16,669	39,344
Net cash (outflow) from operating activities	25	(142,471)	(2,318,604)
Cash flows from investing activities			
Payments for plant and equipment		(199,619)	(65,018)
Payment to acquire business		-	(350,038)
Payment to acquire domain name and website		(3,213)	-
Transaction cost in business combination		-	(17,301)
Proceeds from disposal of PPE		13,933	-
Cash acquired in business combination		-	238,292
Net cash (outflow) from investing activities		(188,899)	(194,065)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,759,600
Share issue costs		-	(140,475)
Repayment of borrowings		-	(17,961)
Net cash inflow from financing activities		-	1,601,164
Net (decrease) in cash held		(331,370)	(911,505)
Cash and cash equivalents at the beginning of the year		1,723,166	2,634,671
Effects of exchange rate changes on cash and cash equivalents		(82,423)	-
Cash and cash equivalents at the end of the year	9	**1,309,373**	**1,723,166**

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

Note 1: Summary of significant accounting policies

Love Group Global Ltd is a listed public company domiciled in Australia. The address of the Company's registered office is Unit 5, Ground Floor, 1 Centro Avenue, Subiaco WA 6008. The financial statements are for the year ended 30 June 2018.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* The Group is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements were authorised for issue on 30 August 2018 by the Board of Love Group Global Ltd.

i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The consolidated entity incurred a loss of $7,906,339 for the year ended 30 June 2018. As at that date, the consolidated entity had net current liabilities of $673,281, net liabilities of $467,296 and net cash outflow from operating activities of $142,471.

The directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial report, due to the prepaid income from customers of $1,914,180 which is recognised as a current liability as at 30 June 2018 (refer to note 14) which no cash outflows are expected to be required to settle this liability as it will unwind when the service is provided by the consolidated entity during the year ended 30 June 2019 and 30 June 2020.

Note 1: Summary of significant accounting policies (continued)

b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 21.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Love Group Global Ltd ('the Company' or 'the Parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Love Group Global Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or ‘Group’.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d) Operating segments

Operating segments are presented using the ‘management approach’ where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Further information is contained in Note 4.

Note 1: Summary of significant accounting policies (continued)

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

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

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

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

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, refunds, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised for the major business activities as follows:

(i) Dating Services

It comprises of online, subscription fee, events and matchmaking services.

- Online Apps Income:
  Revenue derived from the provision of workforce mobilisation services and dating services via the internet is recognised when the Group has delivered services to the purchaser and there is no unfulfilled obligation that could affect the purchasers' acceptance of service. This applied to Datetix and Noonswoon Apps.

  For Lovestruck apps, as service packages offered ranged from one month to twelve months, revenue will be recognised over the service period.

- Event Income:

  This relates to events held. Income is mainly derived through the sales of tickets. Revenue is recognised upon delivery of the service to the customer.

Note 1: Summary of significant accounting policies (continued)

- Matchmaking Income:
  This relates to revenue derived from Premium matchmaking services targeting singles seeking serious relationships and marriage. Service packages offered range from one month to twenty-four months. Revenue will be recognised over the service period.

(ii) Enterprise Services

This relates to revenue derived from the provision of licence and support services. Revenue recognition will be recognised over the service period with the customers.

g) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable, profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

h) Leases

Leases of property, plant and equipment, where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

Note 1: Summary of significant accounting policies (continued)

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

l) Leasehold, Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs

Note 1: Summary of significant accounting policies (continued)

and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the straight line method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:
– Vehicles; 3-6 years
– Office leasehold, furniture and equipment; 1-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

m) Intangible Assets and Goodwill

(i) Goodwill

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

(ii) Intangible assets

- **Software development costs**

  Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads.

  IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

Note 1: Summary of significant accounting policies (continued)

m) Intangible Assets and Goodwill (continued)

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Capitalised software development costs; 6 years

- **Website and Platform**

  Website and Platform acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years.

(ii) Intangible asset

- **APPS**

  APPS acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years.

- **Brands**

  Brands acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years.

n) Impairment of Assets

The Group assesses at the end of each reporting period whether there is objective evidence that an asset or group of assets is impaired. An asset, or a group of assets, is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

p) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be

Note 1: Summary of significant accounting policies (continued)

p) Borrowings (continued)

drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

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

q) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-base payments

The Company established an Employee Share Ownership Plan, and issued share options to employees under the Plan. The share options constitute equity based payments in accordance with AASB 2 Share Based Payments, and the options have been valued in accordance with the requirements of AASB 2. The options have been valued by independent consultants who used appropriate pricing models to determine the value of the options.

r) Contributed equity

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

Note 1: Summary of significant accounting policies (continued)

s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at reporting date.

t) Earnings per share

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

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

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

  Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. Where the GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

v) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

Note 1: Summary of significant accounting policies (continued)

w) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not yet mandatory for 30 June 2018 reporting periods.

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.

A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

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. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018.

The impact of its adoption is expected to be minimal on the consolidated entity.

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, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Note 1: Summary of significant accounting policies (continued)

w) New Accounting Standards and Interpretations (continued)

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018.

The consolidated entity from its preliminary assessment has considered there is no impact on variable consideration as the full contract amount relating to matchmaking income is received upfront. Income relating to service packages is recognised over the service period. The consolidated entity expects the impact to be insignificant.

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. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019.

Note 2: Financial risk management

(a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets:
- Cash and cash equivalents
- Trade and other receivables

Financial Liabilities:
- Trade and other payables
- Borrowings

Note 2: Financial risk management (continued)

(a) General Objectives, Policies and Processes (continued)

The carrying amounts of the Group's financial assets and liabilities at the reporting date are:

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Financial Assets		
Cash and cash equivalents	1,309,373	1,723,166
Trade and other receivables	291,048	122,609
Non-Traded Financial Assets	1,600,421	1,845,775
Financial Liabilities		
Trade and other payables	2,273,702	1,318,805
Non-Traded Financial Liabilities	2,273,702	1,318,805

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

(b) Interest rate risk

The Group's exposure to interest rates related primarily to the Group's cash deposits.

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Cash and cash equivalents	1,309,373	1,723,166

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

The following sensitivity analysis is based on the interest rate risk relating to cash deposits at reporting date.

Note 2: Financial risk management (continued)

(b) Interest rate risk (continued)

At 30 June 2018, if interest rates had increased or decreased by 50 basis points from the year end rates, as illustrated in the table below, with all other variables held constant, post-tax loss for the year would have been affected as follows:

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Judgement of reasonable possible movement		
+0.5% (50 basis points)	6,547	8,616
-0.5% (50 basis points)	-6,547	-8,616

The movement in losses are due to higher/lower interest received. As the Group does not have any derivative instruments the movements in equity are those of profit only. A movement of + and - 0.5% is selected because this historically is within a range of rate movements.

(c) Foreign currency risk

The group operates internationally and is exposed to foreign currency risk from various currency exposures, primarily with respect to the HK dollar, Sterling pound, Singapore dollars, Thai Bhat and Chinese Renminbi.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were not significant.

(d) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables. Cash is deposited with major banks in Australia, London, China, Hong Kong and Singapore. Trade and other receivables are closely monitored and in most cases services are invoiced in advance or progressively, which limits the chance of financial loss.

In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(e) Fair value

The carrying value of cash and cash equivalents, receivables, payables and current borrowings represent reasonable approximations of their fair values due to their short-term nature. The fair value of non-current borrowings approximates the carrying amount as the impact of discounting is not significant.

Note 2: Financial risk management (continued)

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group has Total Liabilities of $2,273,702 (2017: $1,318,805) of which $1,914,180 (2017: $820,405) is recorded as payment received for services not yet delivered. The group has trade and other receivables of $49,723 (2017: $19,805), trade and other payables (excluding prepaid income from customers) of $359,522 (2017: $498,400), and total assets of $1,806,406 (2017: $8,857,320) of which $1,309,373 (2017: $1,723,166) consists of cash or cash equivalents providing the Board with comfort that the Group is solvent and can meet its payment obligations in full as they fall due.

Maturities of financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2018	**$**	**$**	**$**	**$**
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade and other payables	1,698,730	445,572	129,400	2,273,702
	1,698,730	445,572	129,400	2,273,702

2017	**$**	**$**	**$**	**$**
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade and other payables	1,257,352	61,453		1,318,805
	1,257,352	61,453	-	1,318,805

*Trade and other payables include prepaid income from customers.

Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(b) Purchase Price Allocation

On 31 July 2016 the Company acquired Lovestruck Limited for a consideration of $1,102,680. Included in the net assets acquired amounted to $138,909 were cash and cash equivalents, prepayment and deposits, trade and other payables. The remaining purchase consideration of $963,771 has been allocated to goodwill.

On 19 December 2016 the Company acquired Noonswoon Co. Ltd for a consideration of $210,000. $5,067 were cash and cash equivalents and the remaining $204,933 has been allocated to goodwill.

(c) Income tax

The Company has incurred tax losses and has no tax liabilities for the financial year (2017: nil).

Note 4: Operating segments

(a) Identification of reportable operating segments

The consolidated entity is organised into three operating segments based on differences in products and services provided: Dating services, Enterprise services and Corporate.

The operating segments are based on the units identified in the operating reports reviewed by the

Board and executive management who are identified as the Chief Operating Decision Makers (CODM) and that are used to make strategic decisions and in assessing performance. The Board considers the Group from both a business unit and geographic perspective and has identified three reportable segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported is on a monthly basis.

Type of products and services

The principal products and services of each of these operating segments are as follows:

Dating Services	the online, events and matchmaking services in China, Hong Kong, London, Singapore and Thailand
Enterprise Services	the licence and support services in Australia
Corporate	indirect expenses likes auditing and accounting fees, employee benefits expenses for General and Administrative and Research and Development staff, transaction costs and office rent.

Note 4: Operating segments (continued)

(b) Operating segment information

Consolidated - 2018	Dating Services $	Enterprise Services $	Other $	Total $
Revenue				
Sales to external customers	3,764,069	7,436		3,771,505
Other Revenue			62,685	62,685
Total segment revenue	3,764,069	7,436	62,685	3,834,190
Interest revenue				15,571
Total Revenue				3,849,761
EBITDA	304,338	(3,265)	(1,237,346)	(936,273)
Depreciation and amortisation				(89,764)
Impairment of intangible assets				(6,895,873)
Interest revenue				15,571
Profit before income tax expense				(7,906,339)
Income tax expense				-
Profit after income tax expense				(7,906,339)

Asset and Liabilities

Asset	Dating Services $	Enterprise Services $	Other $	Total $
Segment assets	495,953	-	1,080	497,033
Unallocated assets:				
Cash and cash equivalents				1,309,373
Total assets	495,953	-	1,080	1,806,406

Liabilities	Dating Services $	Enterprise Services $	Other $	Total $
Segment Liabilities	2,223,172	1,569	48,961	2,273,702
Total Liabilities	2,223,172	1,569	48,961	2,273,702

Consolidated - 2017	Dating Services $	Enterprise Services $	Other $	Total $
Revenue				
Sales to external customers	2,061,487	27,267	-	2,088,754
Other Revenue	-	-	293	293
Total segment revenue	2,061,487	27,267	293	2,089,047
Interest revenue				35,756
Total Revenue				2,124,803
EBITDA	(1,682,502)	(1,541)	(1,755,351)	(3,439,394)
Depreciation and amortisation				(97,204)
Interest revenue				35,756
Finance costs				(478)
Profit before income tax expense				(3,501,320)
Income tax expense				-
Profit after income tax expense				(3,501,320)

Asset and Liabilities

Asset	Dating Services $	Enterprise Services $	Other $	Total $
Segment assets	7,116,246	2,765	15,143	7,134,154
Unallocated assets:				
Cash and cash equivalents				1,723,166
Total assets	7,116,246	2,765	15,143	8,857,320

Liabilities	Dating Services $	Enterprise Services $	Other $	Total $
Segment Liabilities	1,217,952	7,210	93,643	1,318,805
Total Liabilities	1,217,952	7,210	93,643	1,318,805

Note 4: Operating segments (continued)

Geographical information

	Sales to external customers	
	2018	**2017**
	$	**$**
Oceania	7,436	27,267
Asia	3,171,615	1,685,553
Europe	592,454	375,934
	3,771,505	2,088,754

No individual customer constitute more than 10% of revenue.

Note 5: Revenue

	2018	2017
	$	$
From continuing operations		
Sales revenue		
Dating Services	3,764,069	2,061,487
Enterprise Services	7,436	27,267
Interest Income	15,571	35,756
	3,787,076	2,124,510
Other Income	62,685	293
	62,685	293
Total revenue and other income	3,849,761	2,124,803

Note 6: Expenses

(Loss) before income tax includes the following specific expenses:	2018 $	2017 $
Continuing Operation		
Depreciation		
Vehicles	618	2,181
Office furniture and equipment	53,206	23,144
Amortisation		
Intangible asset		
- Website & Platform	20,965	41,929
- APPS	8,985	17,970
- Brand	5,990	11,980
Total depreciation and amortisation	89,764	97,204
Finance Cost		
Interest and finance charges paid / payable	-	478
Rental expenses relating to operating leases		
Office rental expenses	416,231	208,272
Superannuation contribution expense	59,997	69,793

Note 7: Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the appropriate pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

(a) Share based payments to a Director and employees

On 23 November 2015, pursuant to shareholder approval, the Company issued a total of 1,500,000 Employee Options to employees, including Michael Ye, founder of Datetix Limited, director and Chief Executive Officer of DateTix Group Ltd. The options were issued for no cash consideration, exercisable at $0.40, expiring on 31 December 2020 and vesting in four equal tranches 12, 24, 36 and 48 months after grant date. 400,000 options issued to Michael Ye are restricted by ASX for two years.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model:

• Weighted average share price	$0.40
• Exercise price	$0.40
• Expected volatility	35%
• Option life	5.1 years
• Expected dividends	Nil
• Risk-free interest rate	2.15 – 2.23

- Assumptions made in respect of expected early exercise were that the options would be exercised 3.1, 3.6, 4.1 and 4.6 years after grant.

Note 7: Share-based payments (Continued)

(a) Share based payments to a Director and employees (Continued)

- There were no other features of the options used in the model to determine fair value.

The fair value of the 400,000 Employee options issued to Michael Ye was measured as 11.5, 11.5, 12.3, and 13.1 cents per option for the four vesting tranches respectively, a total of $48,463, which will be expensed over the vesting period of the options. For the year ended 30 June 2016, an amount of $14,859 was recorded as an expense and also included within the share based payments reserve. For the year ended 30 June 2017, an amount of $17,715 was recorded as an expense and also included within the share based payments reserve. For the year ended 30 June 2018, an amount of $9,674 was recorded as share based payment expense and also included within the share based payment reserve.

The fair value of the 1,100,000 Employee options issued to other employees was measured as 10.6, 11.5, 12.3, 13.1 cents per option for the four vesting tranches respectively, a total of $130,856, which will be expensed over the vesting period of the option. For the year ended 30 June 2016, an amount of $39,406 was recorded as an expense and also included within the share based payments reserve. For the year ended 30 June 2017, an amount of $30,474 was recorded as an expense and also included within the share based payments reserve.

During the year ended 30 June 2018, no options were cancelled due to the cessation of employment of the employees (2017: 650,000 option were cancelled).

(b) Share based payments to Chief Financial Officer

On 30 June 2017, the Company issued 100,000 shares and 400,000 performance rights to Chief Financial Officer Wendy Hui, for no cash consideration. Performance rights vesting in four tranches subject to employment continuity from FY2018 to FY2020. The fair value of the shares on grant date was measured at a total of $25,000 and recorded as an expense and credited to the Share capital at 30 June 2017. No value was recognised in the 30 June 3017 financial year for the 400,000 performance rights as the performance rights were granted on 30 June 2017.

On 30 June 2018, 100,000 performance rights have vested and been converted into Ordinary shares. The fair value of the shares was measured at a total of $25,000 and recorded as share based payment expense and credited to the Share capital at 30 June 2018. The balance of 300,000 performance rights have been cancelled on 30 June 2018.

(c) Options granted as consultancy fee

On 23 May 2017 the Company issued 350,000 options, exercisable at $0.40 at any time on or before 31 December 2018 for no cash consideration.

The grant of share options as consultancy fee has been recognised during the year. For the year ended 30 June 2017, an amount of $25,060 was recorded as consultancy expense and also included within the share based payment reserve.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

• Weighted average share price	$0.22
• Exercise price	$0.40
• Expected volatility	100%
• Option life	1.6 years
• Expected dividends	Nil
• Risk-free interest rate	1.60%

Note 7: Share-based payments (Continued)

(d) Share based payments to an employee

On 21 May 2018, the Company 300,000 granted performance rights to an employee for no cash consideration. Performance rights vesting in five tranches subject to employment continuity from FY2019 to FY2023. The fair value of the performance rights on grant date was measured at a total of $371 and was recorded as share based payment expense and also included within the share based payments reserve on 30 June 2018.

Note 8: Income tax

	2018 $	2017 $
Unused tax losses for which no deferred tax asset has been recognised:		
Revenue loss	6,731,805	665,401
Potential tax benefit at 30%	2,019,541	182,985

The Company has incurred tax losses and no tax liability for the financial year (2017: nil).

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain. The benefit of these deferred tax assets will only be obtained if:

(1) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;

(2) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(3) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

Note 9: Current assets – Cash and cash equivalents

	2018 $	2017 $
Cash at bank	416,782	523,166
Terms deposits	508,714	1,200,000
Restricted cash	383,877	-
	1,309,373	1,723,166

Cash at bank and in hand earn no interest (2017: nil). Deposits earn between 2.3% to 2.4% (2017: 2.35% - 2.55%).

Note 10: Current assets – Trade and other receivables

	2018 $	2017 $
Trade debtors	48,890	17,873
Interest receivables	833	1,932
	49,723	19,805

Trade debtors ageing as follows:

2018	**$**	**$**	**$**	**$**
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade debtors	48,890	-	-	48,890
	48,890	-	-	48,890

2017	**$**	**$**	**$**	**$**
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade debtors	17,873	-	-	17,873
	17,873	-	-	17,873

Note 11: Current assets – Other assets

	2018 $	2017 $
Deposits	128,727	86,103
Prepayments	112,598	16,701
	241,325	102,804

Note 12: Non-current assets – Plant and equipment

	Vehicles	Office furniture & equipment	Leasehold Improvement	Total
	$	$	$	$
Year ended 30 June 2018				
Cost	32,854	115,521	-	148,375
Accumulated depreciation	(20,495)	(44,935)	-	(65,430)
Net carrying amount	12,359	70,586	-	82,945
Net carrying amount at the beginning of the year	12,359	70,586	-	82,945
Reclassification	-	(5,128)	5,128	-
Additions	-	47,931	151,687	199,618
Disposals - Cost	(32,854)	(23,260)	-	(56,114)
- Accumulated depreciation	21,113	12,247	-	33,360
Depreciation expense	(618)	(42,022)	(11,184)	(53,824)
Net carrying amount at the end of the year	-	60,354	145,631	205,985
At 30 June 2018				
Cost	-	133,451	158,428	291,879
Accumulated depreciation	-	(73,097)	(12,797)	(85,894)
Net carrying amount	-	60,354	145,631	205,985
Year ended 30 June 2017				
Cost	32,854	51,185	-	84,039
Accumulated depreciation	(18,314)	(21,791)	-	(40,105)
Net carrying amount	14,540	29,394	-	43,934
Net carrying amount at the beginning of the year	14,540	29,394	-	43,934
Additions	-	64,336	-	64,336
Disposals	-	-	-	-
Depreciation expense	(2,181)	(23,144)	-	(25,325)
Net carrying amount at the end of the year	12,359	70,586	-	82,945
At 30 June 2017				
Cost	32,854	115,521	-	148,375
Accumulated depreciation	(20,495)	(44,935)	-	(65,430)
Net carrying amount	12,359	70,586	-	82,945

Note 13: Non-current assets – Intangible assets

	2018	2017
	$	$
Goodwill	6,826,772	6,826,772
Less: Accumulated Depreciation	-	-
Impairment of assets	(6,826,772)	-
	-	6,826,772
Proprietary software - at cost	231,573	231,573
Less: Accumulated Depreciation	(231,573)	(231,573)
	-	-
Website and Platform - at cost	125,787	125,787
Less: Accumulated Depreciation	(87,353)	(66,388)
Impairment of assets	(38,434)	-
	-	59,399
APPS - at cost	53,909	53,909
Less: Accumulated Depreciation	(37,437)	(28,452)
Impairment of assets	(16,472)	-
	-	25,457
Brand - at cost	35,940	35,940
Less: Accumulated Depreciation	(24,958)	(18,968)
Impairment of assets	(10,982)	-
	-	16,972
Domain - at cost	3,213	-
Less: Accumulated Depreciation	-	-
Impairment of assets	(3,213)	-
	-	16,972
	-	6,928,600

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Proprietary software	Website & Platform	APPS	Brand	Domain	Total
	$	$	$	$	$	$	$
Balance at 1 July 2016	5,658,068	-	101,328	43,427	28,952	-	5,831,775
Additions through business combinations	1,168,704	-	-	-	-	-	1,168,704
Impairment of assets	-	-	-	-	-	-	-
Amortisation expense	-	-	(41,929)	(17,970)	(11,980)	-	(71,879)
Balance at 30 June 2017	6,826,772	-	59,399	25,457	16,972	-	6,928,600
Additions	-	-	-	-	-	3,213	3,213
Impairment of assets	(6,826,772)	-	(38,434)	(16,472)	(10,982)	(3,213)	(6,895,873)
Amortisation expense	-	-	(20,965)	(8,985)	(5,990)	-	(35,940)
Balance at 30 June 2018	-	-	-	-	-	-	-

Goodwill is subjected to annual impairment testing. The goodwill related to acquisition of Datetix Limited (Love Group Hong Kong Limited) in Hong Kong, Lovestruck Limited in United Kingdom and Noonswoon Co., Ltd in Thailand.

Note 13: Non-current assets – Intangible assets (continued)

The carrying amount of the goodwill was allocated to cash generating business units as follows:

	2018 $	2017 $
Dating Services		
Datetix Business & Matchmaking Division	-	5,658,068
Lovestruck Business Division	-	963,771
Noonswoon Business Division	-	204,933
	-	6,826,772

Recoverable amount of goodwill – DateTix Business & Matchmaking, Lovestruck, and Noonswoon Division:

30 June 2017:
The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 4-year projection period approved by management and extrapolated for a further 1 year using a steady rate, together with a terminal value.

The key assumptions used in generating the cash flow projections for the Datetix, Lovestruck and Noonswoon divisions are as follows:

- Revenue growth is based upon expected sales based on existing revenue plus other provinces penetration in China, Singapore, London, Bangkok and Delhi under budget in the first four years;
- 5% year-on-year growth in revenue from year 4 to year 5. The growth rate is derived from management's past experience, as well as potential penetration rate from market research reports into the Dating Industry in countries mentioned above;
- Direct costs are based on the existing cost of sales model with inflation applied and increases in line with revenue growth;
- Indirect costs to grow over the period with inflation applied and increases in line with revenue growth. This is in line with expected budgeted plans; and
- A pre-tax discount factor of 12.28% has been applied to the cash flows. This discount factor is based reflects management's estimate of the time value of money, the consolidated entity's weighted average cost of capital adjusted for the Datetix, Lovestruck and Noonswoon business and the risk-free rate.

30 June 2018:
Although all the business units reported growth in sales revenue in 2018, future sales growth to support the carrying value of intangible assets is not certain given the market and customer development. While the company remains confident in the long-term growth potential, a prudent approach to revenue growth has been adopted in the value-in-use calculations. This has been resulted in an impairment charge equal to the carrying value of intangible assets of $6,895,873 being recognized in the financial report.

Note 14: Current liabilities – Trade and other payables

	2018 $	2017 $
Trade payables	102,910	99,339
Other payables and accruals	217,421	213,947
Payment received for services not yet delivered	1,914,180	820,405
Employee benefits	39,191	185,114
	2,273,702	1,318,805

Note 15: Contributed equity

	NUMBER OF SHARES		SHARE CAPITAL	
	2018	2017	2018 $	2017 $
Ordinary shares - fully paid (no par value)	**41,136,841**	37,036,841	**16,681,389**	16,177,350
Total Share Capital			16,681,389	16,177,350

(a) Movements in ordinary share capital

Movements in ordinary share capial:

DETAILS	ORDINARY SHARES No.	Issue Price $	2018 $	2017 $
Balance at start of period	37,036,841		16,177,350	13,565,617
Issue of Shares as consideration for business combination				
- Lovestruck Limited	-	-	-	760,000
- Noonswoon Inc.	-	-	-	210,000
Issue of Shares as conversion of class A performance rights	4,000,000	-	479,039	-
Issue of Shares for employee services	100,000	0.25	25,000	25,000
Issue of Shares for cash	-	-	-	1,759,600
Cost of share issue	-	-	-	(142,867)
Balance at end of period	41,136,841		16,681,389	16,177,350

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Shares in escrow

There were 2,800,000 shares in escrow at 30 June 2018 (2017: 14,550,000).

Note 15: Contributed equity (continued)

(d) Options

There were 3,445,504 shares under option as at 30 June 2018 (2017: 3,445,504).

(e) Capital risk management

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

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

Note 16: Reserves

	30-Jun-18 A$	30-Jun-17 A$
Share-based payment reserve	1,054,232	1,523,226
Foreign Currency Translation Reserve	(137,015)	(2,498)
	917,217	1,520,728

	30-Jun-18 $	30-Jun-17 $
Share-based payment reserve		
Balance at the beginning of the year	1,523,226	1,449,977
Movement during the year	(468,994)	73,249
Balance at the end of the year	**1,054,232**	**1,523,226**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	(2,498)	(1,780)
Movement during the year	(134,517)	(718)
Balance at the end of the year	**(137,015)**	**(2,498)**
Total reserves	**917,217**	**1,520,728**

Share-based payment reserve

The share-based payments reserve is used to recognise the expense of the fair value at grant date of options and performance rights granted to employees but not exercised and to recognise the fair value of shares issued to an employee under a limited recourse loan which is not yet due to be repaid.

Note 16: Reserves (continued)

	30-Jun-18		30-Jun-17	
	No	**$**	**No**	**$**
Options over fully paid ordinary shares				
Balance at beginning of year	**3,445,504**	**394,452**	**3,095,504**	**321,203**
Total recognised directly in equity	-	-	-	-
Recognised in income statement				
Amortisation of option issued to a director with an exercise price of 40c	-	9,674	-	17,715
Amortisation of option issued to an employee with an exercise price of 40c	-	-	-	30,474
Option issued to a consultant with an exercise price of 40c	-	-	350,000	25,060
Total recognised in income statement	-	9,674	350,000	73,249
Balance at end of year	**3,445,504**	**404,126**	**3,445,504**	**394,452**
Weighted average exercise price of outstanding options (Cents)		59		59
Weighted average remaining life of outstanding options (Year)		1.7		2.7
Performance Rights				
Balance at beginning of year	**12,400,000**	**1,128,774**	**12,000,000**	**1,128,774**
Recognised directly in equity	-	-	-	-
Performance rights granted	300,000	371	400,000	-
Performance rights cancelled	(300,000)	-	-	-
Performance rights exercised	(4,100,000)	(479,039)	-	-
Balance at end of year	**8,300,000**	**650,106**	**12,400,000**	**1,128,774**
Total share based payment reserves		**1,054,232**		**1,523,226**

Note 17: Key management personnel disclosures

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the consolidated entity's Key Management Personnel.

The aggregate compensation made to Key Management Personnel is set out below:

	2018	2017
	$	$
Key management personnel compensation		
Short term employee benefits	517,296	516,713
Post-employment benefits	8,497	17,325
Other benefits	27,301	27,668
Share based payments	34,674	47,057
	587,768	608,763

Note 18: Remuneration of auditors

		2018 $	2017 $
i)	Audit and other assurance services:		
	Audit and review financial statements	45,148	78,050
	Total remuneration for audit and assurance services	45,148	78,050
ii)	Non-assurance services provided by related practice of the auditor:		
	Taxation services	-	10,000
	Total Non-assurance services	-	10,000
	Total remuneration	45,148	88,050

No other services were provided by RSM Australia Partners during the period.

Note 19: Commitments

(a) Capital commitments

The Group had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2017: nil).

(b) Operating leasing commitments - Premises

	2018 $	2017 $
Non cancellable operating lease contracted for but not capitalised in financial statements		
Payable - minimum lease payment		
- not later than 12 months	349,630	316,704
- between 12 months and 5 years	596,738	87,758

Note 20: Related party transactions

Key Management Personnel and transactions with other related parties

Disclosures relating to Key Management Personnel are set out in Note 17 and the Remuneration Report included in the Directors' Report.

(a) Transactions with Key Management Personnel and their related parties

No transactions with Key Management Personnel and their related parties during the year ended 30 June 2018 (2017: nil).

(b) Outstanding balances arising from sales/purchases of goods and services, transactions

No outstanding balances with related parties during the year ended 30 June 2018 (2017: nil).

(c) Loans to Key Management Personnel and their related parties

Details of loans made to Key Management Personnel of the Group, including their personally related parties are set out below.

Name	Balance at the start of the year	Amount advanced during the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2018 L Kelson	155,000	-	-	-	**155,000**	**155,000**
2017 L Kelson	155,000	-	-	-	**155,000**	**155,000**

Pursuant to shareholder approval, the Company advanced $155,000 to Director Leigh Kelson to acquire 155,000 shares in the Company on 11 November 2014. The loan is for seven years or less if the Director ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited. The loan for shares arrangement was treated as a Share based payment and is reflected in the Share based payments reserve.

The Company agreed to extend the term of the loan by up to two years.

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2017: Nil).

Note 21: Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2018, the parent entity of the Group was Love Group Global Ltd. The following information relates to the parent entity and has been prepared using accounting policies that are consistent with those presented in Note 1.

a) Summary financial information

	2018 $	2017 $
Result of parent entity		
Loss for the year after tax	(11,391,836)	453,366
Total comprehensive loss for the year	**(11,391,836)**	**453,366**
Financial position of parent entity at year end		
Current assets	547,435	1,412,064
Non-current assets	596	10,415,824
Total assets	**548,031**	**11,827,888**
Current liabilities	(49,300)	(77,655)
Total liabilities	**(49,300)**	**(77,655)**
Net assets	**498,731**	**11,750,233**
EQUITY		
Contributed equity	16,681,389	16,177,350
Reserves	930,591	1,409,258
Accumulated loss	17,113,249	(5,836,375)
Total Equity	**498,731**	**11,750,233**

b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in respect of its subsidiaries (2017: Nil).

c) Contingent liabilities

The parent entity has no contingent liabilities (2017: Nil).

d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity has no contractual commitments for the acquisition of property, plant and equipment (2017: Nil).

Note 22: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

Name of entity	Country of Incorporation	Class of Shares	Equity Holding 30-Jun-18	Equity Holding 30-Jun-17
Enverro Asia Pacific Pty Ltd (incorporated 18 August 2014)	Australia	Ordinary	100%	100%
Datetix Solutions Pty Ltd (formerly PRM Clound solutions Pty Ltd) (incorporated 18 August 2014)	Australia	Ordinary	100%	100%
Love Group Hong Kong Limited (formerly Datetix Limited) (incorporated 18 February 2013, acquired 23 November 2015)	Hong Kong	Ordinary	100%	100%
Datetix Pte Limited (incorporated 4 January 2016)	Singapore	Ordinary	100%	100%
Datetix China Limited (incorporated 6 January 2016)	Shenzhen, China	Ordinary	100%	100%
Datetix China Shenzhen Limited (incorporated 17 June 2016 and de-registration in progress)	Shenzhen, China	Ordinary	100%	100%
Lovestruck Limited (incorporated 27 June 2006, acquired 31 July 2016)	London	Ordinary	100%	100%
Noonswoon Co., Ltd (incorporated 10 May 2013, acquired 19 December 2016)	Bangkok	Ordinary	100%	100%

Note 23: Events occurring after the reporting period

A three years office lease agreement for Singapore office signed on July 5, 2018.

2,000,000 fully paid ordinary shares were released from escrow on 1 August 2018.

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 30 June 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 24: Contingent liabilities

There were no contingent liabilities for the Group at 30 June 2018 (2017: nil).

Note 25: Reconciliation of (loss) after income tax to net cash outflow from operating activities

	2018 $	2017 $
(Loss) for the year	(7,906,339)	(3,420,163)
Adjustment for:		
Depreciation and amortisation	89,764	97,204
Impairment of intangible asset	6,895,873	-
Share based payments	35,045	98,545
Loss on disposal	8,822	-
Foreign exchange differences	(52,094)	8,158
Net non-cash operating expenses	-	(62,579)
Change in operating assets and liabilities:		
Change in trade and other receivables	(29,918)	(10,373)
Change in loans and other assets	(138,521)	(44,451)
Chaneg in trade and other payables	954,897	1,015,054
Net Cash (outflow) from operating activities	(142,471)	(2,318,604)

Note 26: Earnings per share

	2018 Cents	2017 Cents
(a) Basic and Diluted[1] earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	(19.4)	(10.2)
From discontinued operations	-	0.2
Total basic loss attributable to the ordinary equity holders of the Company	(19.4)	(10.0)

	$	$
(b) Reconciliation of earnings/(loss) used in calculating earnings per share		
Net earnings/(loss) for the year attributable to the ordinary equity holders of the Company used to calculate loss per share – basic and diluted[1].		
From continuing operations	(7,906,339)	(3,501,320)
From discontinued operations	-	81,157
	(7,906,339)	(3,420,163)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used to calculate earnings/(loss) per share	40,773,827	34,239,387

[1]Diluted earnings per share are the same as basic earnings per share because the options and performance rights on issue are anti-dilutive.

Directors' declaration

In the opinion of the directors:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
ii) Complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a)(i); and

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

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

This declaration is made in accordance with a resolution of the directors.

Michael Ye
Director
Hong Kong
30 August 2018

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LOVE GROUP GLOBAL LTD

Opinion

We have audited the financial report of Love Group Global Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

RSM

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Impairment of goodwill
Refer to Note 13 in the financial statements</td></tr>
<tr><td>The Group previously recognised goodwill of $6.8 million relating to its acquisition of businesses in prior years. The goodwill was allocated to three separate cash-generating units.

Management have fully impaired this goodwill amount during the year, resulting in an impairment charge of $6.8 million being recognised.

Goodwill is considered high risk as it involves the application of management judgement to determine and quantify the impairment loss.</td><td>Our audit procedures in relation to the impairment of goodwill included:

• Reviewing the financial position and performance of each of the cash generating units during the year in comparison to previous forecasts;

• Evaluating management’s forecast for each of the cash generating units, based on which management determined and quantified the impairment amount; and

• Assessing the appropriateness of the disclosures in the financial statements.</td></tr>
</table>

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 2018 but does not include the financial report and the 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 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_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Love Group Global Ltd, for the year ended 30 June 2018, 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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 August 2018

Shareholder information

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 29 AUGUST 2018

(a) Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Size of holding	Number of Shareholders
100,001 and Over	39
10,001 - 100,000	117
5,001 - 10,000	45
1,001 - 5,000	221
1 - 1,000	15
Total	437

There were no holders of less than a marketable parcel of ordinary shares.

(b) Quoted Equity security holders

Twenty largest quoted equity security holders

Name	Quoted Ordinary Share held	Percentage of issue shares
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	10,417,508	25.324%
MICHAEL YE	6,325,694	15.377%
GLOBAL MARKETPLACE LIMITED	4,560,000	11.085%
PACIFIC DEVELOPMENT CAPITAL LIMITED	3,457,000	8.404%
MR BRETT PAUL HARDING	816,000	1.984%
DAHO PTY LTD <THE DHB S/F A/C>	682,421	1.659%
REDAN STREET PTY LTD <THE CONSVEST SUPER FUND A/C>	682,420	1.659%
MR BENJAMIN PHILLIPE GRENIER	652,927	1.587%
DIXTRU PTY LIMITED	559,164	1.359%
MS LINVANA THOMSON	550,000	1.337%
GOODE NICHOLSON PTY LTD <GOODE NICHOLSON FAMILY A/C>	536,863	1.305%
CITICORP NOMINEES PTY LIMITED	505,397	1.229%
ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	465,244	1.131%
JAYART FUNDS MANAGEMENT PTY LTD	400,000	0.972%
CARROLL SUPERANNUATION FUND PTY LIMITED <CARROLL SUPER FUND A/C>	375,000	0.912%
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	300,001	0.729%
UBS NOMINEES PTY LTD	300,000	0.729%
MRS DIANE GAIL HARAPIN	300,000	0.729%
JOKEN NOMINEES PTY LTD <JOKEN SUPER FUND A/C>	273,530	0.665%
MR LAURENCE PETER HOLLOWAY	272,000	0.661%
	32,431,169	78.837%

Shareholder information (Continued)

(c) Substantial holders

Substantial holders in the Company are set out below:

Ordinary Shares	Number Held	Percentage
Sandhurst Trustees Ltd <IMFG CONSOL A/C>	10,417,508	25.32%
Michael Ye	6,325,694	15.38%
	16,743,202	**40.70%**

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below.

(i) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share will have one vote.

Corporate Directory

Board of Directors
Terence Grigg, Non-executive Chairman
Michael Ye, Chief Executive Officer
Tod McGrouther, Non-executive director

Company Secretary
Minerva Corporate Pty Ltd
-Daniel Smith

Websites
www.lovegroup.co
www.enverro.com

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Mills Oakley Lawyers
Level 4, 145 Ann Street
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Australia
www.millsoakley.com.au

Registered Office
Unit 5, Ground Floor,
1 Centro Avenue
Subiaco WA 6008
Australia

Auditor
RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000
Australia
www.rsm.com.au

Share Registry
Advanced Share Registry Services Limited
110 Stirling Highway
Nedlands, WA 6009
www.advancedshare.com.au