
INTERIM FINANCIAL RESULTS

In accordance with Listing Rule 4.2A.3, the Interim Financial Report for the six months ended 31 December 2015 and Appendix 4D – Half Year Report of Collaborate Corporation Ltd (ASX: CL8) follow this announcement. This information is to be read in conjunction with the annual report for the year ended 30 June 2015.

AUTHORISED BY:

Chris Noone
CEO and Executive Director
Collaborate Corporation Ltd

COLLABORATE CORPORATION LTD

Appendix 4D

**Half Year Report
for the period ended 31 December 2015**

Results for announcement to the Market

	6 Months to 31 December 2015 \$'000	6 months to 31 December 2014 \$'000	Percentage Change
Revenue from ordinary activities (continuing operations)	285	203	40.4%
Loss from ordinary activities after tax attributable to members (continuing operations)	(1,188)	(911)	30.4%
Net loss for the period attributable to members (continuing operations)	(1,188)	(911)	30.4%

No dividends have been declared or are payable by the Company as at 31 December 2015.

Explanation

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

Net Tangible Assets per Security	31 December 2015	30 June 2015
Cents per ordinary share (continuing operations)	(0.18) cents	(0.18) cents

Change in control of entities and Associates

The Company did not gain or lose control of any entities during the period and does not have any associates which contribute to the loss for the period.



COLLABORATE CORPORATION LIMITED

ACN 066 153 982

INTERIM FINANCIAL REPORT
for the six months ended 31 December 2015

COLLABORATE CORPORATION LIMITED

ACN 066 153 982

INTERIM FINANCIAL REPORT – 31 DECEMBER 2015

Contents**Page**

Directors' Report	1
Auditor's Independence Declaration	3
Interim Financial Report	
Condensed Statement of Comprehensive Income	4
Condensed Statement of Financial Position	5
Condensed Statement of Changes in Equity	6
Condensed Statement of Cash Flows	7
Notes to the Condensed Financial Statements	8
Directors' Declaration	13
Independent Auditor's Review Report	14

DIRECTORS' REPORT

The Directors present the financial report of the consolidated entity consisting of Collaborate Corporation Limited (the **Company** or **Parent Entity**) and its controlled entities (the **consolidated entity** or **Group**) for the half-year ended 31 December 2015 and the independent auditor's review report thereon:

1. Directors

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

<i>Name</i>	<i>Period of directorship</i>
Mr Chris Noone <i>CEO/Executive Director</i>	Appointed 8 August 2014
Mr Adrian Bunter <i>Non-Executive Director</i>	Appointed 19 February 2014
Mr Domenic Carosa <i>Non-Executive Director</i>	Appointed 8 August 2014
Mr Joshua Landau <i>Alternate Director to Mr Domenic Carosa</i>	Appointed 1 October 2015

2. Results

The net loss after tax of the Group for the half-year was \$1,187,796 (2014: loss of \$1,055,035).

The Group's gross revenue from continuing operations increased by 40% to \$284,778 in this half year, and gross profit from continuing operations increased by 112% to \$185,750. The net loss from continuing operations increased by \$276,382 to \$1,187,796. Net assets increased by 1% to \$2,953,862.

3. Review of Activities

Collaborate Corporation entered the 2016 financial year with an increased focus on the collaborative consumption industry following the divestment of the Marketboomer business on 30 June 2015. The divestment enabled the group to significantly reduce corporate costs and devote more capital and resources to the growth of its core operating businesses. During the half year (1H FY16), revenue from continuing operations increased by 40% and gross profit increased by 112% compared to the half year ended December 2014 (1H FY15), validating the collaborative consumption strategy.

The launch of the PeerPass trust and reputation platform in July 2015 enabled the Company to more easily identify lower risk customers and increase 'trust' in the marketplace. The increase in trust had a twofold effect of increasing efficiency and decreasing amount of bad debts and insurance claims. This is demonstrated by the substantial improvement in gross profit margin from 43% in 1H FY15 to 65% in 1H FY16.

The increasing trust in the marketplace is encouraging a growing number of owners to list their assets for rental. Further optimisation of the marketing campaign for DriveMyCar has also resulted in improvements in the size and quality of the vehicle fleet, which have together contributed to strong quarter on quarter growth. December 2015 was a record month for sales and gross profit for DriveMyCar and MyCaravan and strong momentum continues into the 2016 calendar year. PeerPass also provides a solid foundation for growth and was instrumental in facilitating agreements with a further three corporate fleet owners during 1H FY16 and continues to attract new partners in 2016.

The launch of DriveMyCar: Business and airport pickups in Sydney and Brisbane in November 2015 further expanded the application of the DriveMyCar platform and management continues to pursue alternative methods and regions in which to scale the business model.

In October 2015, the Company made an initial investment of \$150,000 in peer-to-peer small business funding platform FundX, making it the largest investor in the seed round. The investment in FundX provides the group with exposure to the burgeoning fintech market. The Company holds an option allowing it to participate in a second investment round at the same price as the original round. FundX continues experiencing solid growth with over \$750,000 advanced in loans to customers to date.

DIRECTORS' REPORT

3. Review of Activities (continued)

The continuing evolution of the Company's operations was supported by two placements to existing and new investors during 1H FY16; a \$500,000 placement completed on 27 August 2015 and a \$641,000 placement completed on 16 December 2015 (\$50,000 of this placement is subject to shareholder approval). In addition \$58,000 was raised from the exercise of options in September 2015.

Subsequent to the end of the period the Company repaid the loan to Future Capital Development Fund on the due date, leaving the Company free of all borrowings. An R&D Incentive tax rebate of approximately \$190,000 is due to be received by April 2016. This is an increase from the previous estimated rebate of \$170,761.

Collaborate looks forward to an exciting 2H FY16 with a deal pipeline that includes opportunities to partner with Australian and multinational organisations and government departments.

The profile of collaborative consumption (or sharing economy) continues to receive increasing attention. Collaborate commends the NSW Government on their formal commitment to supporting the growth of the sharing economy and for encouraging its own departments to engage with sharing economy providers to better manage its own assets and expenditures.

Collaborate will continue to evolve its three existing marketplaces: DriveMyCar, MyCaravan and Rentoid; and seek out opportunities to launch into new market categories, supported by partnerships in the public and private sectors and enhancements to the PeerPass technology platform.

4. Auditor's independence declaration under Section 307C of the Corporations Act 2001

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' Report for the half-year ended 31 December 2015.

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



Chris Noone
CEO and Executive Director

Dated at Sydney, New South Wales, this 29th day of February 2016.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Collaborate Corporation Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
29 February 2016

N G Neill
Partner

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Consolidated	
		Six months ended 31 Dec 2015 \$	Six months ended 31 Dec 2014 \$
Revenue		284,778	203,410
Cost of sales		(99,028)	(115,763)
Gross profit		185,750	87,647
Other income		-	1,224
Corporate and administrative expenses		(1,204,999)	(848,342)
Research and development expenses		(179,603)	(128,113)
Results from operating activities		(1,198,852)	(887,584)
Finance income		18,174	2,305
Finance costs		(7,118)	(26,135)
Net financing costs		11,056	(23,830)
Loss before income tax		(1,187,796)	(911,414)
Income tax benefit/(expense)		-	-
Loss from continuing operations		(1,187,796)	(911,414)
Discontinued operations			
Loss after tax from discontinued operations	6	-	(143,622)
Net Loss for the period		(1,187,796)	(1,055,035)
Other comprehensive income			
<i>Items which may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	43,032
Total comprehensive result for the period		(1,187,796)	(1,012,003)
Loss for the period is attributable to:			
Non-controlling interest		-	(65,016)
Owners of the parent		(1,187,796)	(990,019)
		(1,187,796)	(1,055,035)
Total comprehensive result for the period is attributable to:			
Non-controlling interest		-	(42,515)
Owners of the parent		(1,187,796)	(969,488)
		(1,187,796)	(1,012,003)
Loss per share for loss attributable to the ordinary equity holders of the parent:			
Basic (loss)/earnings per share (cents)		(0.37)	(0.36)
Basic (loss)/earnings per share from continuing operations (cents)		(0.37)	(0.32)

The condensed statement of comprehensive income is to be read in conjunction with the accompanying notes.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	Consolidated	
		31 Dec 2015 \$	30 Jun 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		850,527	480,731
Trade and other receivables		196,047	561,048
Other current assets		15,550	16,798
TOTAL CURRENT ASSETS		1,062,124	1,058,577
NON-CURRENT ASSETS			
Other financial assets	14	150,000	-
Property, plant and equipment		17,928	15,490
Intangible assets		2,282,761	2,347,782
TOTAL NON-CURRENT ASSETS		2,450,689	2,363,272
TOTAL ASSETS		3,512,813	3,421,849
CURRENT LIABILITIES			
Trade and other payables		362,193	329,514
Short-term provisions	9	50,421	53,630
Borrowings	10	146,337	121,694
TOTAL CURRENT LIABILITIES		558,951	504,838
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		558,951	504,838
NET ASSETS		2,953,862	2,917,011
EQUITY			
Issued capital	11	26,472,424	25,332,277
Reserves		850,083	765,583
Accumulated losses		(24,368,645)	(23,180,849)
TOTAL EQUITY		2,953,862	2,917,011

The condensed statement of financial position is to be read in conjunction with the accompanying notes.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

Consolidated	Issued capital \$	Share Based Payments Reserve & Unissued Capital \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Owners of the Parent \$	Non-controlling interest \$	Total \$
Balance as at 1 July 2015	25,332,277	765,583	-	(23,180,849)	2,917,011	-	2,917,011
Loss for the period	-	-	-	(1,187,796)	(1,187,796)	-	(1,187,796)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	25,332,277	765,583	-	(24,368,645)	1,729,215	-	1,729,214
Issue of share capital	1,140,147	-	-	-	1,140,147	-	1,140,147
Issue of options	-	84,500	-	-	84,500	-	84,500
Balance as at 31 December 2015	26,472,424	850,083	-	(24,368,645)	2,953,862	-	2,953,862
Balance as at 1 July 2014	23,566,939	614,982	(444,677)	(21,178,479)	2,558,765	1,030,431	3,589,196
Loss for the period	-	-	-	(990,019)	(990,019)	(65,016)	(1,055,035)
Other comprehensive income	-	-	20,531	-	20,531	22,501	43,032
Total comprehensive loss for the period	-	-	20,531	(990,019)	(969,488)	(42,515)	(1,012,003)
Issue of share capital	1,654,203	(8,982)	-	-	1,645,221	250,000	1,895,221
Issue of options	-	137,965	-	-	137,965	-	137,965
Balance as at 31 December 2014	25,221,142	743,965	(424,146)	(22,168,498)	3,372,463	1,237,916	4,610,379

Note: Comparative period information also includes the statement of changes in equity associated with discontinued operations which were disposed of on 30 June 2015.

For more information in relation to discontinued operations refer to Note 6.

The condensed statement of changes in equity is to be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Consolidated	
	31 Dec 2015 \$	31 Dec 2014 \$
Cash flows from operating activities		
Receipts from customers	760,459	562,523
Payments to suppliers and employees	(1,672,371)	(1,468,135)
Interest received	3,971	2,305
Interest paid	(8,470)	(26,135)
Research & Development income tax incentive received	-	36,578
Net cash (used in) discontinued operations	-	(54,871)
Net cash (used in) operating activities	(916,411)	(947,735)
Cash flows from investing activities		
Payments for acquisition of equity investments	(150,000)	-
Proceeds from receipt of loans	300,000	-
Payments for property, plant and equipment	(3,940)	(1,806)
Net cash (used in) discontinued operations	-	(5,042)
Net cash provided by / (used in) by investing activities	146,060	(6,848)
Cash flows from financing activities		
Repayment of borrowings	-	(325,000)
Proceeds from issue of equity	1,149,505	1,659,919
Share issue costs	(9,358)	(103,874)
Net cash provided by discontinued operations	-	250,000
Net cash provided by financing activities	1,140,147	1,481,045
Net increase in cash held	369,796	526,462
Cash and cash equivalents at the beginning of the period	480,731	220,343
Effect of exchange rate fluctuations	-	17,000
Cash and cash equivalents at the end of the period	850,527	763,805

The condensed statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Collaborate Corporation Limited is a company domiciled in Australia. Collaborate Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial report as at and for the half-year ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the **consolidated entity** or **Group**).

The annual financial report of the consolidated entity for the year ended 30 June 2015 is available upon request from the Company's registered office or may be viewed on the Company's website, www.collaboratecorp.com.

2. STATEMENT OF COMPLIANCE

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

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

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and considered together with any public announcements made by Collaborate Corporation Limited during the half-year ended 31 December 2015 in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

3. BASIS OF PREPARATION

The interim financial statements have been prepared on the accruals basis and the historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted.

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

Going concern

These financial statements have been prepared on a going concern basis which assumes realising assets and extinguishing liabilities in the normal course of business. The Directors acknowledge that stakeholders may be concerned regarding the ability of the Group to continue as a going concern due to the Group having incurred a net loss of \$1,187,796 during the half year (2014: loss of \$1,055,035). However the Group has an excess of current assets over current liabilities of \$503,173 as at 31 Dec 2015 (30 June 2015: \$368,657).

In addition, the excess of current assets over current liabilities is partly comprised of liabilities of \$50,421 for employee annual leave, which do not necessarily represent immediate cash outflows.

The Directors are of the opinion that there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The excess of current assets over current liabilities is \$503,173;
- During the 6 months to December 31, 2015, the Company raised additional share capital of \$1,140,147 via a placement to sophisticated investors and institutional investors. A director of the Company has also agreed to invest \$50,000 in the Company, subject to shareholder approval on the same terms as the most recent placement;
- The R&D tax incentive of approximately \$190,000 is expected to be received in April 2016;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress;

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (cont'd)

- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will produce improved results; and
- As the Company raised \$1,140,147 during the period and regularly receives approaches for investment into the Group the Directors consider it reasonable that the Group will be able to raise further funding as and when required.

Furthermore, the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

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

In preparing this consolidated interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2015.

The Directors have reviewed the ongoing validity of the assumptions made in the last annual impairment assessment of goodwill and, on the basis of trading results against those originally forecast, have concluded that no impairment indicators are present to necessitate a full impairment review as at 31 December 2015.

5. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

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

Adoption of new and revised standards

New and revised Standards and amendments thereof and Interpretations effective for the current half-year do not have any material impact on the Group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

6. DISCONTINUED OPERATION

On 30 June 2015 the Group completed its divestment of Marketboomer Holdings Pty Ltd, with the Group receiving consideration of selective share buy-back of 80,337,670 fully paid ordinary shares and cancellation of 8,033,764 listed CL80 options exercisable at \$0.02 each with an expiry date of 30 April 2017. Results for Marketboomer Holdings Pty Ltd and its controlled entities have been reclassified as discontinued operations for comparative purposes.

a) Financial performance and cash flow information for discontinued operation	31 Dec 2015 \$	31 Dec 2014 \$
Revenue	-	1,784,002
Expenses	-	2,137,624
Loss before tax from discontinued operations	-	(353,622)
Income tax benefit	-	210,000
Loss after tax from discontinued operations	-	(143,622)
<i>Cash flows from discontinued operations</i>		
Net cash flows used in operating activities	-	(54,871)
Net cash flows used in investing activities	-	(5,042)
Net cash flows from financing activities	-	250,000
Net cash flows from discontinued operations	-	190,087

7. SEGMENT INFORMATION

During the reporting period, the Group operated one reportable business segment being the collaborative consumption business. For the comparative period, the Marketboomer Holdings business segment has been classified as a discontinued operation (see Note 6 for further information). Accordingly, only one operating segment has been identified and no further disclosure is required in the interim financial statements.

8. ACQUISITION OF CARAMAVAN.COM

In the prior comparative period, on 2 October 2014 the Group completed the acquisition of a 100% interest in caramavan.com (now rebranded to MyCaravan) via the issue of securities (on a post consolidation basis) as follows: 5,000,000 fully paid ordinary shares; 5,000,000 unlisted options exercisable at \$0.02 each and expiring 1 October 2017; and 2,500,000 unlisted options exercisable at \$0.03 each and expiring 1 October 2017. MyCaravan operates a leading peer to peer online hire and rental marketplace for caravans (www.MyCaravan.com). The Group established a wholly-owned subsidiary (MyCaravan Pty Ltd, formerly known as Caramavan Group Pty Ltd) to complete the acquisition.

This transaction was an asset acquisition, being an intangible asset, representing the website development.

9. SHORT-TERM PROVISIONS

Current	31 Dec 2015 \$	30 Jun 2015 \$
Liability for employee benefits	50,421	53,630

10. BORROWINGS

Current	31 Dec 2015 \$	30 Jun 2015 \$
Secured Loan	146,337	121,694

(a) Terms of borrowings

Secured Loan

The Secured loan classified as current bears interest at a rate of 10% pa. The Secured loan is secured against the assets of DriveMyCar. Pursuant to the terms of the loan agreement dated 19 February 2014, the loan was repaid on 19 February 2016.

(b) Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

11. ISSUED CAPITAL

	31 Dec 2015 \$	30 Jun 2015 \$
364,673,748 (30 June 2015: 308,605,647) fully paid ordinary shares	26,472,424	25,332,277

(a) Ordinary shares

The following movements in issued capital occurred during the period:

	Six months to 31 December 2015		Year to 30 June 2015	
	Number of Shares	\$	Number of Shares	\$
At beginning of period	308,605,647	25,332,277	2,261,599,600	23,566,939
Issue of shares at entitlement issue	-	-	357,209,251	714,419
Issued as per consultant agreement	-	-	17,875,000	35,750
Issue of shares at \$0.002 each as part consideration for acquisition of Caramavan	-	-	50,000,000	100,000
Issue of shares at \$0.002 each as shortfall from entitlement issue	-	-	50,000,000	100,000
Issue of shares at \$0.002 each by share placement	-	-	375,000,000	750,000
Issued as per share purchase plan	-	-	47,750,000	95,500
Share consolidation	-	-	(2,843,490,534)	-
Issue of shares at \$0.02 each by share placement	-	-	20,000,000	400,000
Issue of shares at \$0.02 each by share placement	-	-	53,000,000	1,060,000
Selective buy-back as part consideration for Marketboomer Holdings Pty Ltd	-	-	(80,337,670)	(1,219,508)
Less: share issue costs	-	-	-	(270,823)
Issue of shares at \$0.02 each by share placement	25,000,000	500,000	-	-
Issue of shares at \$0.02 each by exercise of options	2,925,244	58,505	-	-
Issue of shares at \$0.021 each by share placement	28,142,857	591,000	-	-
Less: share issue costs	-	(9,358)	-	-
At end of period	364,673,748	26,472,424	308,605,647	25,332,277

(b) Options

The following options were issued during the period (stated at the revised exercise price and number of options).

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30-Apr-17	\$0.02	12,500,000
Listed Options	30-Apr-17	\$0.02	9,380,952
Officer Options	30-Nov-18	\$0.035	5,000,000

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. COMMITMENTS AND CONTINGENCIES

The changes to the commitments and contingencies disclosed in the most recent annual report are specified below. Other than the changes mentioned, all other commitments and contingencies remain consistent with those disclosed in the 2015 annual financial report.

Service commitments

At the reporting date the Group has no agreements in place for services that are not provided on a month by month basis.

	31 Dec 2015 \$	30 Jun 2015 \$
Within one year	-	14,494
After one year but not more than five years	-	-
	-	14,494

Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts (longer than month to month) in existence at the reporting date but not recognised as liabilities, payable:

	31 Dec 15 \$	30 Jun 2015 \$
Within one year	100,000	100,000
After one year but not more than five years	-	-
	-	-

Contingencies

The Group does not have any contingent liabilities at balance and reporting dates.

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 19 February 2016, the Group repaid the secured loan and associated interest payable in the amount of \$148,337.

14. FINANCIAL INSTRUMENTS

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

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

All of the Group's assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 are as follows:

Reconciliation of Level 3 fair value measurements

	Available-for-sale – unlisted shares \$	Total \$
31 December 2015		
Opening balance	-	-
Purchases	150,000	150,000
Closing balance	150,000	150,000

During the period, the Group made an investment in Global Invoice Exchange Pty Ltd (which trades as FundX). The investment is carried at the cost of the investment based on the arms-length transactions made by several parties at the time of investment.

DIRECTORS' DECLARATION

In the opinion of the Directors of Collaborate Corporation Limited:

1. the financial statements and notes, set out on pages 4 to 12, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and
 - (b) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Chris Noone
CEO and Executive Director

Dated at Sydney, New South Wales this 29th day of February 2016.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Collaborate Corporation Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Collaborate Corporation Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 February 2016



N G Neill
Partner