Collaborate Corporation Limited

COLLABORATE CORPORATION LIMITED
(FORMERLY QANDA TECHNOLOGY LIMITED)
ACN 066 153 982

2015 ANNUAL REPORT

DIRECTORS

Mr Chris Noone – Chief Executive Officer / Executive Director
Mr Adrian Bunter – Non-Executive Director
Mr Domenic Carosa – Non-Executive Director

COMPANY SECRETARY

Ms Karen Logan

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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AUDITORS

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Level 4, 130 Stirling Street
Perth WA 6000

BANKERS

National Australia Bank
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Claremont WA 6010

SHARE REGISTRAR

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Sydney NSW 2000
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Collaborate Corporation Limited

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The Directors present their report together with the financial report of Collaborate Corporation Limited, (the **Company** or **Parent Entity**, formerly Qanda Technology Limited) being the Company and its controlled entities (the **Group**), for the year ended 30 June 2015 and the auditor's report thereon.

DIRECTORS

The Directors at any time during or since the end of the financial year are:

Mr Chris Noone

Chief Executive Officer and Executive Director – appointed 8 August 2014

With one eye on the consumer and another on the balance sheet, Chris has led the development, launch and optimisation of many innovative companies that have helped define today's digital market in Europe, Asia and Australia including Hasbro Interactive, Vodafone and ninemsn. Chris has also co-founded a number of start-up businesses that delivered disruptive online products.

Mr Adrian Bunter

Non-Executive Director - appointed 19 February 2014

Mr Bunter has over 20 years' experience in accounting, finance and a broad range of corporate advisory roles ranging from mergers and acquisitions, divestments of businesses, debt/equity raisings and strategy development and execution. Adrian is an executive director of Venture Advisory, a specialist telecommunications, media and technology financial advisory firm operating out of Australia and AsiaPac. Mr Bunter is a Chartered Accountant, a Senior Associate of Finsia and has completed a Bachelor of Business and a Graduate Diploma in Applied Finance. Adrian is a member of the Executive Committee of Australia's leading angel investing group, Sydney Angels.

In the 3 years immediately before the end of the financial year, Mr Bunter also served and continues to serve as a non-executive director of 8common Limited.

Mr Domenic Carosa

Non-Executive Director – appointed 8 August 2014

Mr Carosa has over 20 years of experience in business and technology. He is co-founder and Chairman of Future Capital Development Fund Pty Ltd (a registered Pooled Development Fund). Future Capital has successfully raised in excess of $8M in patient equity capital in recent years, invested in 14 early stage investees. He is also Chairman of Dominet Digital Corporation Pty Ltd, a boutique internet investment group and Executive Director/CEO of ASX listed global mobile entertainment company CrowdMobile.com. Mr Carosa was previously the co-founder and Group CEO of ASX-listed destra Corporation which was the largest independent media and entertainment company in Australia.

Mr Carosa is a non-executive director of the listed company Shoply Limited having been appointed 18 June 2013 and Executive Director of Crowd Mobile Limited having been appointed 13th January 2015.

Mr Nathan Gyaneshwar

Executive Director - appointed 29 November 2010, resigned 28 November 2014

Mr Reuben Buchanan

Executive Director - appointed 25 October 2013, resigned 7 August 2014

COMPANY SECRETARY

Ms Karen Logan

Appointed 27 October 2009

Ms Logan is a Chartered Secretary with over 10 years' experience in assisting small to medium capitalised ASX-listed and unlisted companies with compliance, governance, financial reporting, capital raising, merger and acquisition, and IPO matters. She is an Associate of the Governance Institute, a Fellow of the Financial Services Institute of Australasia and a Graduate Member of the Australian Institute of Company Directors. Ms Logan is presently the principal of a consulting firm and secretary of a number of ASX-listed companies, providing corporate and accounting services to those clients.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Parent Entity during the financial year are:

Director	Board Meetings		Nomination and Remuneration Committee Meetings		Audit and Risk Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr Chris Noone*	12	12	N/A	N/A	N/A	N/A
Mr Domenic Carosa*	12	12	1	1	2	2
Mr Adrian Bunter	14	14	1	1	2	2
Mr Nathan Gyaneshwar*	6	6	N/A	N/A	N/A	N/A
Mr Reuben Buchanan*	2	1	N/A	N/A	0	0

*Denotes director did not serve for the full year

Committee membership

As at the date of the report, the Parent Entity had a Nomination and Remuneration Committee and an Audit and Risk Committee of the Board of Directors.

Members acting on the committees of the Board during the financial year were:

Nomination and Remuneration Committee	Audit and Risk Committee
Mr Domenic Carosa[1,2] (Chairman)	Mr Domenic Carosa[1,2]
Mr Adrian Bunter[3] (Chairman)	Mr Adrian Bunter (Chairman)

[1] Denotes director did not serve for the full year.
[2] Mr Carosa was appointed to the Nomination and Remuneration Committee as Chairman and to the Audit and Risk Committee on 26 August 2014.
[3] Mr Bunter was Chairman of the Nomination and Remuneration Committee to 26 August 2014.

DIRECTORS' INTERESTS

The following relevant interests in the shares of the Parent Entity were held by the Directors as at the date of this report.

Director	Shares	Options	Deferred Consideration Shares
Mr Chris Noone[1]	600,000	5,300,000	-
Mr Adrian Bunter[2]	3,000,000	1,413,738	489,368
Mr Domenic Carosa[3]	16,257,419	8,788,910	9,880,515

1. Mr Noone has an entitlement of up to 5,300,000 options with varying exercise prices, vesting conditions and expiry dates pursuant to the terms of the Executive Services Agreement he has with the Company.
2. Mr Bunter has an entitlement to Deferred Consideration Shares subject to Drive My Car Rentals Pty Ltd achieving the target set in the Share Sale Agreement for the purchase of that business by the Company.
3. These shares are held by Tiger Domains Pty Ltd ATF Tiger Domains Unit Trust in which the Director is both a 50% shareholder and unit holder and Dominet Digital Corporation Pty Ltd ATF The Carosa Family A/C in which the Director is a beneficiary, and Future Capital Development Fund Pty Ltd in which the Director is a shareholder and director. Mr Carosa's interests have an entitlement to Deferred Consideration Shares subject to Drive My Car Rentals Pty Ltd achieving the target set in the Share Sale Agreement for the purchase of that business by the Company. Further details are included below.

PRINCIPAL ACTIVITY

The principal activity of the Parent Entity and Group during the financial year was the operation of peer-to-peer and online marketplaces.

REVIEW OF OPERATIONS

Operating review

During the year the Company continued to transition its focus towards collaborative consumption (also known as peer-to-peer) opportunities which are viewed by the Board as having high growth potential. In recognition of this, the Company changed its name from Qanda Technology Ltd to Collaborate Corporation Limited in December 2014. Increased investor interest in the Company and greater awareness of the collaborative consumption industry facilitated the raising of new capital which was applied to improving the product offering and the commencement of marketing campaigns. In the broader context we saw the collaborative consumption industry move closer to mainstream adoption with businesses such as Airbnb and Uber reaching valuations of $13bn and $53bn respectively and local, state and federal governments beginning to embrace peer-to-peer concepts. The divestment of the Marketboomer business at the end of the financial year now positions the Company to enter FY16 with a more targeted focus on high growth potential opportunities and lower corporate costs.

Significant progress was made in strengthening the financial position early in the year through an entitlement issue which raised $814,000 in July 2014, providing funds for working capital for the Marketboomer and collaborative consumption business units. In August 2014, the Board was strengthened with the appointment of Chris Noone as Chief Executive Officer/Executive Director and Domenic Carosa as Non-Executive Director.

The acquisition of Caramavan.com, a peer-to-peer caravan rental business, was completed in October 2014 and enabled the Company to enter the lucrative leisure travel market and provides the opportunity to monetise many of the 500,000 caravans in Australia that are unutilised for much of the year.

A vehicle supply agreement was signed with InterLeasing, a McMillan Shakespeare Group Company (ASX:MMS) to provide ex-lease vehicles to the DriveMyCar fleet. Following a successful pilot in Sydney, InterLeasing vehicles were made available in Melbourne and Brisbane. The InterLeasing deal and a national investor roadshow paved the way for a $750,000 placement to institutional and sophisticated investors which was completed on 29 October 2014 and a Share Purchase Plan allowing the participation of smaller shareholders raised a further $95,500 in November 2014. The strong support from existing and new shareholders in these capital raisings allowed for the repayment of debt, convertible notes and settlement of outstanding creditors relating to the Marketboomer and collaborative consumption business units.

In recognition of the focus on collaborative consumption opportunities, the Company changed its name from Qanda Technology Ltd to Collaborate Corporation Limited and a consolidation of capital on a 1 for 10 basis was completed in December which precipitated an increase in Collaborate's share and option trading volumes.

Strong share price performance as a result of increased interest in the Company and the collaborative consumption industry in general enabled the Company to complete a heavily oversubscribed placement to raise $1,260,000 from institutional and sophisticated investors in January 2015.

In the March 2015 quarter, a proposal was received to acquire the Company's remaining 43.3% interest in the Marketboomer business. As that business was incurring ongoing operating losses, required further injections of capital to pursue a new business model which did not fit with the Company's collaborative consumption strategy and added significantly to corporate costs the Board concluded and announced the proposed divestment of the Marketboomer business on 2 April 2015. The divestment was approved at the Extraordinary General Meeting held on 5 June 2015 and completed on 30 June 2015.

The final quarter of FY15 saw the culmination of much of the planning and development that had taken place in previous months. DriveMyCar Rentals was re-branded to DriveMyCar and was accompanied by online advertising and PR campaigns which resulted in over a 100% increase in website traffic and 77% increase in new vehicle activations. Caramavan.com was also re-branded to MyCaravan.com.au and a radio advertising campaign commenced.

Subsequent to the end of FY15, Marketboomer Holdings Pty Ltd repaid a $300,000 loan to Collaborate on 2 July 2015 increasing cash available to the Company at that date to $781,000. A further $170,000 is expected to be received in relation to the R&D tax incentive. On 27 August 2015 the Company raised an additional $500,000 via placement to two existing shareholders to further develop the business and accelerate the conclusion of investment and acquisition opportunities. The Company recently received widespread media coverage for the launch of the PeerPass trust and reputation platform and the corporate rental proposition, DriveMyCar: Business. It reported a month on month increase in gross profit of 25% for DriveMyCar in July 2015.

Collaborate has entered FY16 with the re-launched DriveMyCar and MyCaravan businesses showing improved traction, strong interest in the PeerPass platform, minimal debt and bolstered cash resources available to fund growth and investment and acquisition opportunities in the peer-to-peer space.

Financial review

The Group incurred a loss of $2,252,049 after income tax for the year. The result for the 2014 financial year was a loss of $1,448,293. The revenue from continuing operations increased by $287,928, or 220%, to $419,010 during the year, the net loss from continuing operations was increased by $772,931. The result was impacted by the additional costs associated with developing the collaborative consumption products and corporate costs associated with corporate transactions during the year.

The DriveMyCar results (revenues and expenses) included in continuing operations in the 2014 financial year are for the period from 19 February 2014 being the date on which the DriveMyCar acquisition completed, to 30 June 2014. Other expenses of the Company in the 2014 year are for the full financial year.

Revenues are the amounts received or receivable by the Group for services rendered and do not include the amount paid to owners for rental or other services. The total transaction value of services via peer-to-peer marketplaces is the sum of amounts received by the owners of assets and the services revenue of the Group.

The working capital of the Group has increased by $1,229,973 to a surplus of $553,739 during the year.

On 30 June 2015, the Group disposed of Marketboomer Holdings Pty Ltd, the holding company for the Marketboomer business. This was via a buyback and cancellation of 80,337,670 ordinary shares and the cancellation of 8,033,764 options. In accordance with the requirements of accounting standards, no gain or loss was reflected in this disposal transaction. Refer to the Discontinued Operation note (note 8) in the Notes to the Financial Statements for further information on the disposal.

Significant Changes in the State of Affairs

The Group's net assets decreased by $672,185 to $2,917,011 during the financial year. Movement in net assets principally comprised:

(a) a decrease in current borrowings of $103,306;

(b) a decrease in current liabilities of $1,793,418; and

(c) a decrease in intangible assets of $2,073,377 mainly as a result of the disposal of Marketboomer Holdings Pty Ltd.

Fully paid ordinary shares issued during the year are as follows:

(a) the issue of 357,209,251 fully paid ordinary shares (pre-consolidation) at $0.002 per share;

(b) the issue of 17,875,000 fully paid ordinary shares (pre-consolidation) at $0.002 per share in lieu of cash payment for services rendered by a consultant;

(c) the issue of 50,000,000 fully paid ordinary shares (pre-consolidation) at a deemed issue price of $0.002 as part of the consideration for the acquisition of Caramavan;

(d) the issue of 50,000,000 fully paid ordinary shares (pre-consolidation) at $0.002 in relation to the shortfall from the entitlement issue;

(e) the issue of 375,000,000 fully paid ordinary shares (pre-consolidation) by placement at $0.002 per share;

(f) the issue of 47,750,000 fully paid ordinary shares (pre-consolidation) under the share purchase plan at $0.002 per share;

(g) the issue of 53,000,000 fully paid ordinary shares at $0.02 per share;

(h) the issue of 20,000,000 fully paid ordinary shares at $0.02 per share.

Fully paid ordinary shares bought back and cancelled during the year are as follows:

(a) the selective buy back of 80,337,670 fully paid fully paid ordinary shares as consideration for the disposal of Marketboomer Holdings Pty Ltd.

On 11 December 2014, the Company completed the consolidation of capital to consolidate every 10 shares into 1 share. The number of shares pre-consolidation was 3,159,433,851. The number of shares immediately post-consolidation was 315,943,317 fully paid ordinary shares.

There were 308,605,647 shares on issue at 30 June 2015.

RESULTS

The Group recorded a loss of $2,252,049 (2014 loss of $1,448,293) after income tax for the year.

The Parent Entity incurred a loss of $443,736 (2014: loss of $1,280,839) after income tax for the year.

LIKELY DEVELOPMENTS

The Group will continue with the development of its online marketplaces. The allocation of resources will continue to be focused on the high growth opportunities available to the Group. Future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulations under Commonwealth or State legislation. However, the Directors believe that the Group has adequate systems in place for the management of its environmental regulations and are not aware of any breach of those environmental requirements as they apply to the Group.

GOVERNANCE

The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. The Company believes that the adoption of good corporate governance adds value to stakeholders and enhances investor confidence.

The Company's corporate governance statement is available on the Company's website, in a section titled 'Corporate Governance': www.collaboratecorp.com/investor-relations/corporate-governance/.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters described in Note 32 to these financial statements, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

OPTIONS

The consolidation of options on 11 December 2014 was on the basis of every 10 options being consolidated into 1 option. The exercise price of such options will be amended in inverse proportion to this ratio in accordance with Listing Rule 7.22.1. 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 April 2017	$0.02	35,720,925
Listed Options	30 April 2017	$0.02	13,750,000
Listed Options	30 April 2017	$0.02	5,000,000
Listed Options	30 April 2017	$0.02	18,750,000
Listed Options	30 April 2017	$0.02	36,500,000
Unlisted Options	2 October 2017	$0.02	5,000,000
Unlisted Options	2 October 2017	$0.03	2,500,000
Executive Options(1)	28 November 2018	$0.02	883,334
Executive Options(1)	28 November 2019	$0.02	883,333
Executive Options(1)	28 November 2020	$0.02	883,333
Executive Options(1)	28 November 2018	$0.03	883,334
Executive Options(1)	28 November 2019	$0.03	883,333
Executive Options(1)	28 November 2020	$0.03	883,333
Director Options(1)	28 November 2018	$0.03	2,000,000

(1) Executive options and Director options are not listed. Executive options are subject to vesting obligations.

OPTIONS (continued)

The following options were cancelled during the financial year:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30 April 2017	$0.02	8,033,764

The options were cancelled as part of the consideration for the sale of the Company's 43.3% interest in Marketboomer Holdings Pty Ltd.

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30 April 2017	$0.02	156,377,847
Unlisted Options	2 October 2017	$0.02	5,000,000
Unlisted Options	2 October 2017	$0.03	2,500,000
Executive Options	Various	$0.02	2,650,000
Executive Options	Various	$0.03	2,650,000
Director Options	28 November 2018	$0.03	2,000,000

Following year end, 12,500,000 Listed Options exercisable at $0.02 by 30 April 2017 were issued on 27 August 2015. Further, 2,925,244 Listed Options were exercised on 2 September 2015. No other options were exercised during the financial year. These options do not entitle the holder to participate in any share issue of the Company or any other entity.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

Indemnification

The Parent Entity has agreed to indemnify the Directors and Company Secretary of the Parent Entity against all liabilities to another person (other than the Parent Entity or any related body corporate) that may arise from their position as Directors and Company Secretary of the Parent Entity and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The Parent Entity has also agreed to cover any liability for costs and expenses incurred in successfully defending civil or criminal proceedings, or in connection with a successful application for relief under the *Corporations Act 2001*. It also provides indemnity against costs and expenses in connection with an application where a court grants relief to a Director under the *Corporations Act 2001*.

Insurance premiums

As at the date of this report no insurance policies in respect of indemnification of officers have been entered into.

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 purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF HLB MANN JUDD

There are no officers of the Parent Entity who are former audit partners of HLB Mann Judd.

NON-AUDIT SERVICES

During the financial year, HLB Mann Judd, the Parent Entity's auditor, did not perform any non-audit services.

REMUNERATION REPORT

The Remuneration Report is set out on pages 11 to 16 and forms part of the Directors' Report.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. The Independence Declaration is set out on page 17 and forms part of this Directors' Report for the year ended 30 June 2015.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This Remuneration Report, which forms part of the directors' report, outlines the key management personnel remuneration arrangements of the Parent Entity and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Parent Entity and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire financial year:

Directors

Name	Position held	
Mr Chris Noone	Chief Executive Officer/Executive Director	Appointed 8 August 2014
Mr Domenic Carosa	Non-Executive Director	Appointed 8 August 2014
Mr Adrian Bunter	Non-Executive Director	
Mr Reuben Buchanan	Non-Executive Director	Resigned 7 August 2014
Mr Nathan Gyaneshwar	Executive Director	Resigned as a director 28 November 2014

REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Parent Entity is responsible for determining and reviewing remuneration policies for the Directors and Executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Group.

Further information on the Nomination and Remuneration Committee's role, responsibilities and membership is set out in the Corporate Governance Statement.

PRINCIPLES OF REMUNERATION

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

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segment's performance;
- the consolidated entity's performance including:
    - the consolidated entity's earnings and financial position; and
    - the growth in share price and delivering constant returns on shareholder wealth.

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of Non-Executive Directors' remuneration is clearly distinguished from that of Executives.

Non-Executive Director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2010 Annual General Meeting, is not to exceed $150,000 per annum. Directors' fees cover all main board activities and membership of committees.

Non-Executive Directors do not receive any retirement benefits, nor do they receive any performance related compensation.

Level of Non-Executive Directors' fees as at the reporting date is as follows:

Name	Non-Executive Directors' fees
Mr Adrian Bunter	$30,000 per annum
Mr Domenic Carosa	$30,000 per annum

Executive remuneration

Remuneration for Executives is set out in employment agreements.

Executive Directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

Fixed remuneration

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

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee through a process that considers individual and overall performance of the Group. As noted above, the Nomination and Remuneration Committee has access to external advice independent of management.

Other benefits

Key management personnel may receive benefits such as car allowances, and the Group pays fringe benefits tax on these benefits, where applicable.

Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives, and is designed to reward executives for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, while the long-term incentive (LTI) may be provided as in the form of options over ordinary shares or as an 'at risk' bonus provided in the form of fully paid ordinary shares of the Parent Entity.

Short-term incentives

The Nomination and Remuneration Committee together with the Board have determined the key performance indicators (**KPIs**) for the key management personnel. The KPIs generally include measures relating to the Group, the relevant segment, and the individual, and may include financial, non-financial, corporate and individual measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

At the end of the financial year and subsequent to the completion of the year-end audit, the Nomination and Remuneration Committee and Board of Directors assess the performance of the Group, the relevant segment and individual against the KPIs set. No bonus is awarded where performance falls below the minimum. If it is determined that the KPIs have been reached, the Nomination and Remuneration Committee recommends the STI to be paid to the individuals for approval by the Board.

An STI payment of $30,000 for Mr Noone was agreed in June 2015 (2014: nil). This was 50% of the maximum amount payable.

Long-term incentives

LTI may be provided to key management personnel in the form of options over ordinary shares or as an 'at risk' bonus provided in the form of fully paid ordinary shares of the Parent Entity. LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth.

For the purposes of the 'at risk' bonus, the Nomination and Remuneration Committee together with the Board have determined the KPIs for the key management personnel. At the end of the financial year and subsequent to the completion of the year end audit, the Nomination and Remuneration Committee and Board of Directors assess the performance of the Group, the relevant segment and individual against the KPIs set. No bonus is awarded where performance falls below the minimum. Only one bonus may be claimed by a key management person in a financial year.

If it is determined a KPI has been reached, the Nomination and Remuneration Committee recommends the shares be issued to the individuals for approval by the Board. Options and shares may only be issued to Directors subject to approval by shareholders in a general meeting.

Options were issued to Mr Noone as LTI during the 2015 financial year as part of his employment agreement. These are detailed below. (No options were granted as an LTI in 2014.)

No shares were issued as LTI during the 2015 financial year (2014: nil).

The Parent Entity has a policy that prohibits employees and Directors of the Parent Entity from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Parent Entity securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and Directors to confirm compliance.

Use of remuneration consultants

The Board did not engage the services of a remuneration consultant during the year.

Voting and comments made at the Company's 2014 Annual General Meeting

The Company received 95.0% of "yes" votes on its remuneration report for the 2014 financial year. The Company excluded 19.0% of votes on its remuneration report as key management personnel were not permitted to vote on the resolution. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Directors have regard to the following indices in respect of the current financial year and the previous four financial years:

	2015	2014	2013	2012	2011
Net profit/(loss) for the year	($2,252,049)	($1,448,293)	$533,409	($737,134)	($1,819,424)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	0.10 cents[1]	Nil	(0.10 cents)	(0.20 cents)	(1.20 cents)
Share price at beginning of the period	0.20 cents	0.20 cents	0.30 cents	0.50 cents	1.70 cents
Share price at end of the period	2.10 cents[1]	0.20 cents	0.20 cents	0.30 cents	0.50 cents
Earnings/(loss) per share for loss from continuing operations					
Basic loss per share	(0.53 cents) [1]	(0.66 cents) [1]	(0.23 cents)	(0.11 cents)	(0.32 cents)
Diluted loss per share	N/A	N/A	(0.20 cents)	(0.11 cents)	

1. On 11 December 2014, the Company completed the consolidation of capital to consolidate every 10 shares into 1 share. The change in share price is based on the adjusted share price at the beginning of the period compared to the share price at the end of the period.

In assessing the above indices, the Directors note that the Group has yet to record a sustainable net profit or pay a dividend. Consequently, as the overall level of key management personnel's compensation takes into account the performance of the Group, that overall level has remained relatively unchanged, other than the increase or decrease in compensation levels due to the appointment or resignation of key management personnel. During the 2015 financial year Mr Noone was granted a $30,000 performance related payment (2014: nil).

EMPLOYMENT AGREEMENT

Remuneration and other terms of employment for key management personnel are formalised in employment agreements. Details of the agreement in place during the 2015 financial year follows:

Name:	Mr Chris Noone
Title:	Chief Executive Officer/ Executive Director
Agreement commenced:	7 August 2014
Term of agreement:	To continue indefinitely until terminated in accordance with the Agreement.
Probationary period:	Three months
Base salary:	$200,000 per annum, plus statutory superannuation
Short term incentive:	Up to $60,000 per annum
Long term incentive:	Subject to approval by its shareholders and any other approvals that may be required, for the purposes 53 million options (pre-consolidation) scheduled as follows: (a) 26.5 million options with an exercise price of $0.002 each to acquire 26.5 million ordinary shares in the Company (A Options); the A Options will vest as follows: • 8,833,334 will vest and be exercisable at any time during a period of three years from the date that is 12 months after the date of issue of the A Options; and • 8,833,333 will vest and be exercisable at any time during a period of three years from the date that is 24 months after the date of issue of the A Options; and • 8,833,333 will vest and be exercisable at any time during a period of three years from the date that is 36 months after the date of issue of the A Options. (b) 26.5 million options with an exercise price of $0.003 each to acquire 26.5 million ordinary shares in the Company (B Options); the B Options will vest as follows: • 8,833,334 will vest and be exercisable at any time during a period of three years from the date that is 12 months after the date of issue of the B Options; and • 8,833,333 will vest and be exercisable at any time during a period of three years from the date that is 24 months after the date of issue of the B Options; and • 8,833,333 will vest and be exercisable at any time during a period of three years from the date that is 36 months after the date of issue of the B Options.
Termination:	Three months by either party.

The Agreement otherwise contains provisions standard for an agreement of employment including in relation to annual, long service and personal leaves, confidentiality and other general provisions.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Table1: Remuneration for the year ended 30 June 2015

	SHORT-TERM BENEFITS			POST-EMPLOY-MENT	OTHER LONG TERM BENEFITS	SHARE-BASED PAYMENTS		
	Salary & fees $	Bonus $	Other benefits $	Super-annuation $	Long service leave $	Options $	Total $	Proportion of remuneration performance related %
Non-executive directors								
Mr D Carosa	19,940	-	-	-	-	13,000	32,940	39.5%
Mr A Bunter	22,500	-	-	-	-	13,000	35,500	36.6%
Mr R Buchanan	1,667	-	-	-	-	-	1,667	-
Total non-executive directors	44,107	-	-	-	-	26,000	70,107	-
Executive								
Mr C Noone	183,333	30,000	-	17,417	-	28,824	259,574	22.7%
Mr N Gyaneshwar[1]	192,000	-	10,000	19,190	3,200	-	224,390	-
Total executive directors	375,333	30,000	10,000	36,607	3,200	28,824	483,964	-
Total KMP	**419,440**	**30,000**	**10,000**	**36,607**	**3,200**	**54,824**	**554,071**	**-**

1. Mr Gyaneshwar's superannuation was based on 9.5% of his base salary and allowances and included an amount of $407 in excess of the statutory requirement. His other benefit comprised a motor vehicle allowance.

Table 2: Remuneration for the year ended 30 June 2014

	SHORT-TERM BENEFITS			POST-EMPLOY-MENT	OTHER LONG TERM BENEFITS	SHARE-BASED PAYMENTS		
	Salary & fees $	Bonus $	Other benefits $	Super-annuation $	Long service leave $	Options $	Total $	Proportion of remuneration performance related %
Non-executive directors								
Mr B Donovan	19,026	-	-	-	-	-	19,026	-
Mr K Redstall	8,333		-	-	-	-	8,333	-
Mr R Buchanan	11,667	-	-	-	-	-	11,667	-
Mr A Bunter	6,667	-	-	-	-	-	6,667	-
Total non-executive directors	45,693	-	-	-	-	-	45,693	-
Executive								
Mr N Gyaneshwar[1]	192,000	-	10,000	18,685	3,200	-	223,885	-
Total executive directors	192,000	-	10,000	18,685	3,200	-	223,885	-
Total KMP	**237,693**	**-**	**10,000**	**18,685**	**3,200**	**-**	**269,578**	**-**

1. Mr Gyaneshwar's superannuation was based on 9.25% of his base salary and allowances and included an amount of $910 in excess of the statutory requirement. His other benefit comprised a motor vehicle allowance.

Key management personnel equity holdings

(i) Fully paid ordinary shares

Director	Held at 1 July 2014	Held at date of appointment	Purchases	Granted as remuneration	Share consolidation	Held at date of resignation	Held at 30 June 2015
Mr Noone	N/A	-	600,000	-	-	N/A	600,000
Mr Carosa	N/A	346,665,464	3,930,000	-	(311,998,918)	N/A	38,596,546
Mr Bunter[3]	14,681,050	N/A	1,531,895	-	(13,212,945)	N/A	3,000,000
Mr Gyaneshwar	54,699,481	N/A	-	-	-	54,699,481	-
Mr Buchanan	-	N/A	-	-	-	-	-

Director	Held at 1 July 2013	Held at date of appointment	Purchases	Granted as remuneration	Share consolidation	Held at date of resignation	Held at 30 June 2014
Mr Gyaneshwar	54,699,481	N/A	-	-	-	N/A	54,699,481
Mr Buchanan	-	N/A	-	-	-	N/A	-
Mr Bunter[3]	-	14,681,050	-	-	-	N/A	14,681,050
Mr B Donovan[2]	-	N/A	-	-	-	-	-
Mr K Redstall[1]	3,500,000	N/A	-	-	-	3,500,000	-

On 11 December 2014, the Company completed the consolidation of capital to consolidate every 10 shares into 1 share. The shareholdings at 1 July 2014 are shown as pre-consolidation amounts. Other movements are post consolidation volumes.

(ii) Share options

Director	Held at 1 July 2014	Held at date of appointment	Purchases	Granted as remuneration	Other changes/Option consolidation	Held at date of resignation	Held at 30 June 2015
Mr Noone	N/A	-	-	5,300,000	-	N/A	5,300,000
Mr Carosa[5]	N/A	94,641,548	1,250,000	1,000,000	(85,177,393)	N/A	11,714,155
Mr Bunter[3,5]	1,468,105	-	266,928	1,000,000	(1,321,295)	N/A	1,413,738
Mr Gyaneshwar	5,469,949	N/A	-	-	-	5,469,949	-
Mr Buchanan	-	N/A	-	-	-	-	-

Director	Held at 1 July 2013	Held at date of appointment	Purchases	Granted as remuneration	Other changes/option consolidation	Held at date of resignation	Held at 30 June 2014
Mr Gyaneshwar[4]	-	N/A	-	-	5,469,949	N/A	5,469,949
Mr Buchanan	-	N/A	-	-	-	N/A	-
Mr Bunter[4]	-	-	-	-	1,468,105	-	1,468,105
Mr B Donovan[2]	-	N/A	-	-	-	-	-
Mr K Redstall[1]	-	N/A	-	-	-	-	-

On 11 December 2014 the Company consolidated options on the basis of every 10 options into 1 option. The holdings at 1 July 2014 and at date of appointment are shown as pre-consolidation amounts. Other movements are post consolidation volumes.

Notes in relation to the tables of equity holdings of key management personnel

1. Mr Redstall resigned as a director on 29 November 2013.
2. Mr Donovan resigned as a director on 15 May 2014.
3. Mr Bunter has an entitlement to 489,368 Deferred Consideration Shares and Mr Carosa has an entitlement to 9,880,515 Deferred Consideration Shares (including entities associated with Mr Carosa) subject to Drive My Car Rentals Pty Ltd achieving the target set in the Share Sale Agreement for the purchase of that business by the Company.
4. Options held by Mr Gyaneshwar and Mr Bunter emanated from the Bonus Issue to all shareholders on 11 June 2014.
5. Mr Carosa and Mr Bunter were issued options by resolution at the annual general meeting

Other key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Company during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

Other key management personnel transactions (continued)

The aggregate amount recognised during the year relating to key management personnel and their related parties were as follows:

			Transactions value for the year ended 30 June	
Director	**Transaction**	**Note**	**2015 $**	**2014 $**
Mr C Noone	Consultancy fees	1	18,250	-
Mr D Carosa	Placement fees	2	20,000	-
Mr K Redstall	Consultancy fees	3	-	10,200
Mr B Donovan	Consultancy fees	4	-	8,900

Notes in relation to the table of related party transactions

1. A company associated with Mr Noone provided consultancy services relating to DriveMyCar prior to Mr Noone's employment by the Group. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
2. A company associated with Mr Carosa received placement fees in relation to capital raisings completed since 30 April 2015. The fees charged were on an arm's length basis.
3. A company associated with Mr Redstall received a fee for providing services associated with due diligence on the acquisition of the DMCR business. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
4. Mr Donovan provided consultancy services in connection with the operations of the Company. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.

There were no other key management personnel transactions during the 2015 or 2014 financial years.

Loan to key management personnel

(i) Details of loan to key management personnel:

	Consolidated	
	2015 $	**2014 $**
Current		
Loan to key management personnel	-	12,654

(ii) Terms and conditions of loan to key management personnel

The loan to key management personnel in the prior year was unsecured and interest free.

SHARE BASED COMPENSATION

On 26 August 2014, the Company issued 17,875,000 fully paid ordinary shares in lieu of cash payment for services rendered by a consultant.

At the annual general meeting on 28 November 2014 approval was given for the issue of options to Mr Noone in alignment with his employment agreement and to the non-executive directors, Mr Carosa and Mr Bunter.

Modification of equity-settled share based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

Dated at Sydney, New South Wales this 30th day of September 2015.

Signed in accordance with a resolution of the Directors:

Chris Noone

Chief Executive Officer/Executive Director

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Collaborate Corporation Limited for the year ended 30 June 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**M R W Ohm**
30 September 2015	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	Consolidated Group 2015 $	2014 $
Revenue from continuing operations	3	419,010	131,082
Cost of sales		(222,078)	(87,240)
Gross profit		196,932	43,842
Other income	4	-	7,856
Corporate and administrative expenses		(1,668,728)	(909,040)
Technical expenses		(2,368)	-
Research and development expenses		(359,467)	(65,838)
Results from continuing activities		(1,833,631)	(923,180)
Finance income	5	7,575	3,200
Finance costs	5	(47,685)	(45,625)
Net financing costs		(40,110)	(42,425)
Loss before income tax		(1,873,741)	(965,605)
Income tax benefit	7	171,782	36,577
Loss from continuing operations		**(1,701,959)**	**(929,028)**
Discontinued operations			
Loss from discontinued operations	8	(550,090)	(519,265)
Loss for the period		**(2,252,049)**	**(1,448,293)**
Other comprehensive loss			
Items which may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	20	38,568	(52,246)
Reclassification adjustments:			
Exchange differences reclassified on disposal of foreign operations		406,109	-
Other comprehensive loss for the year, net of tax		444,677	(52,246)
Total comprehensive result for the period		**(1,807,372)**	**(1,500,539)**
Loss for the period is attributable to:			
Non-controlling interest		(249,679)	(647)
Owners of the parent	21	(2,002,370)	(1,447,646)
		(2,252,049)	**(1,448,293)**
Total comprehensive result for the period is attributable to:			
Non-controlling interest		(249,679)	(647)
Owners of the parent		(1,557,693)	(1,499,892)
		(1,807,372)	**(1,500,539)**
Basic (loss)/earnings per share (cents)	28	(0.62)	(1.03)
Basic (loss)/earnings per share from continuing operations (cents)	28	(0.53)	(0.66)
Diluted (loss)/earnings per share (cents)	28	N/A	N/A
Diluted (loss)/earnings per share from continuing operations (cents)	28	N/A	N/A

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Collaborate Corporation Limited

STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	Consolidated Group 2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	9	480,731	220,343
Trade and other receivables	10	561,048	1,376,871
Other current assets	11	16,798	24,808
Total Current Assets		1,058,577	1,622,022
NON CURRENT ASSETS			
Other receivables	10	-	308
Property, plant & equipment	12	15,490	47,888
Intangible assets	13	2,347,782	4,421,159
Total Non Current Assets		2,363,272	4,469,355
TOTAL ASSETS		**3,421,849**	**6,091,377**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	329,514	1,013,333
Other current liabilities	15	53,630	760,783
Borrowings	17	121,694	225,000
Redeemable convertible notes	18	-	175,000
Short-term provisions	16	-	124,140
Total Current Liabilities		504,838	2,298,256
NON CURRENT LIABILITIES			
Borrowings	17	-	121,694
Other non-current liabilities	15	-	41,261
Long-term provisions	16	-	40,970
Total Non Current Liabilities		-	203,925
TOTAL LIABILITIES		**504,838**	**2,502,181**
NET ASSETS		**2,917,011**	**3,589,196**
EQUITY			
Issued capital	19	25,332,277	23,566,939
Unissued Capital & Reserves	20	765,583	170,305
Accumulated losses	21	(23,180,849)	(21,178,479)
Parent interests		2,917,011	2,558,765
Non-controlling interests		-	1,030,431
TOTAL EQUITY		**2,917,011**	**3,589,196**

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

Collaborate Corporation Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 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 2014	23,566,939	614,982	(444,677)	(21,178,479)	2,558,765	1,030,431	3,589,196
Loss for the period	-	-	-	(2,002,370)	(2,002,370)	(249,679)	(2,252,049)
Other comprehensive income	-	-	444,677	-	444,677	-	444,677
Total comprehensive income for the period	-	-	444,677	(2,002,370)	(1,557,693)	(249,679)	(1,807,372)
Issue of share capital	3,255,669	(8,982)	-	-	3,246,687	-	3,246,687
Share issue costs	(270,823)	-	-	-	(270,823)	-	(270,823)
Share based payments	-	159,583	-	-	159,583	-	159,583
Disposal of Marketboomer	(1,219,508)	-	-	-	(1,219,508)	(780,752)	(2,000,260)
Balance as at 30 June 2015	**25,332,277**	**765,583**	**-**	**(23,180,849)**	**2,917,011**	**-**	**2,917,011**
Balance as at 1 July 2013	21,298,285	86,000	(392,431)	(19,730,833)	1,261,021	33,839	1,294,860
Profit for the period	-	-	-	(1,447,646)	(1,447,646)	(647)	(1,448,293)
Other comprehensive income	-	-	(52,246)	-	(52,246)	-	(52,246)
Total comprehensive income for the period	-	-	(52,246)	(1,447,646)	(1,499,892)	(647)	(1,500,539)
Issue of share capital	2,311,987	8,982	-	-	2,320,969	997,239	3,318,208
Share issue costs	(43,333)	-	-	-	(43,333)	-	(43,333)
Share based payments	-	520,000	-	-	520,000	-	520,000
Balance as at 30 June 2014	**23,566,939**	**614,982**	**(444,677)**	**(21,178,479)**	**2,558,765**	**1,030,431**	**3,589,196**

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

Collaborate Corporation Limited

STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

	Notes	Consolidated Group 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		4,014,588	3,227,150
Payments to suppliers and employees		(6,739,629)	(4,189,649)
Interest received		12,193	7,860
Finance costs		(50,516)	(64,769)
Research and development income tax incentive		553,502	272,747
Net cash used in operating activities	29	(2,209,862)	(746,661)
Cash flows from investing activities			
Purchases of property, plant and equipment		(26,538)	(27,932)
Payments for development costs		(52,114)	(5,000)
Proceeds from disposal of business, net of cash disposed of	8	(338,129)	-
Cash acquired on acquisition of subsidiary		-	4,256
Net cash used in investing activities		(416,781)	(28,676)
Cash flows from financing activities			
Proceeds from borrowings		-	125,000
Proceeds from issues of shares		3,444,919	473,982
Payment of share issue costs		(186,231)	(43,334)
Repayment of borrowings		(400,000)	(89,146)
Net cash provided by financing activities		2,858,688	466,502
NET INCREASE/(DECREASE) IN CASH HELD		232,045	(308,835)
Cash and cash equivalents at the beginning of the financial year		220,343	559,179
Effect of exchange rate fluctuations		28,343	(30,001)
Cash and cash equivalents at the end of the financial year	9	**480,731**	**220,343**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

These consolidated financial statements of Collaborate Corporation Limited for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 30 September 2015.

Collaborate Corporation Limited (Parent Entity) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company for the year ended 30 June 2015 comprise the Company and its subsidiaries (consolidated entity or Group).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of preparation

Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards (AASBs) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial statements of the consolidated entity also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Basis of measurement

The financial statements have been prepared on the accruals and the historical cost bases.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going concern

These financial statements have been prepared on a going concern basis which assumes the Group realising its assets and extinguishing its 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 $1,701,959 from continuing operations during the financial year (2014: $929,028).

The Directors believe 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 $553,739;
- The R&D tax incentive of $171,782, which has been recorded in other receivables in the statement of financial position is expected to be received in October 2015;
- The repayment of the $300,000 loan receivable from Marketboomer was received in July 2015;
- Subsequent to year end, the Company raised additional share capital of $500,000 via a placement to sophisticated investors;
- The disposal of the Marketboomer business on 30 June 2015 is expected to result in lower corporate costs due to the reduced complexity of the Group;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results; and
- The Company raised $3,255,669 during the year and therefore 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 continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

Basis of preparation (continued)

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.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the consolidated entity.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below:

Estimation of impairment of goodwill

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value-in-use discounted cash flow methodology, to which the goodwill is allocated. Key assumptions used in the value-in-use calculation are set out in Note 13.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining useful life. Depreciation charges are included in Note 12.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Collaborate Corporation Limited and its subsidiaries (as outlined in Note 24) as at and for the period ended 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Collaborate Corporation Limited are accounted for at cost in the separate financial statements of the Parent Entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate statement of profit or loss and other comprehensive income of the Parent Entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the Parent Entity will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a bargain purchase.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the statement of financial position, separately from the equity of the owners of the parent.

Basis of consolidation (continued)

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the Parent Entity’s share of components previously recognised in other comprehensive income to profit or loss.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of Collaborate Corporation Limited.

Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Collaborate Corporation Limited and its Australian subsidiaries is Australian Dollars ($).

The functional currencies of the overseas subsidiaries (which were disposed of on 30 June 2015) are as follows:

Entity	Functional currency
Ortas Enterprises Limited	Euro (EUR)
Marketboomer (Thailand) Co. Ltd	Thai Baht (THB)
Marketboomer China Limited	Chinese Yuan (CNY)
Marketboomer Middle East FZ-LLC	United Arab Emirates Dirham (AED)
Marketboomer South East Asia Pte. Ltd	Singapore Dollars (SGD)
Marketboomer Hospitality Limited	Euro (EUR)

The functional currencies of the overseas subsidiaries are translated to the presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of overseas subsidiaries’ functional currencies to presentation currency

The results of the overseas subsidiaries are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investment in overseas subsidiaries are taken to the foreign currency translation reserve. If an overseas subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of profit or loss and other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Plant and equipment	over 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment of non-financial assets other than goodwill

Non-financial assets other than goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. 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 that 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 tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Goodwill and intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group’s net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any 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 groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates.

Collaborate Corporation Limited performs annual impairment testing using the value-in-use methodology for the cash-generating units to which goodwill has been allocated. Further details on the methodology and assumptions used are outlined in Note 13.

When the recoverable amount of the cash-generating unit 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 an 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.

Goodwill and intangible assets (cont'd)

Impairment losses recognised for goodwill are not subsequently reversed.

Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

A summary of the policies applied to the Group's intangible assets is as follows:

Policy	Patents	Development costs
Useful lives	Finite	Finite
Amortisation method used	Amortised over the period of expected future benefit from the related project on a straight-line basis	Amortised over the period of expected future benefit from the related project on a straight-line basis
Internally generated or acquired	Acquired	Internally generated
Impairment testing	Annually and more frequently when an indication of impairment exists	Annually for assets not yet available for use and more frequently when an indication of impairment exists. The amortisation method is reviewed at each financial year end.

The patents have been granted for twenty years by the relevant government agency. Therefore, the assets have been assessed as having a finite life.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Expenditures on advertising and promotional expenses are recognised as a component of marketing expense in the statement of profit or loss and other comprehensive income when the Group has either the right to access the goods or has received the services.

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition.

Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings (continued)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Redeemable convertible notes

The component of the redeemable convertible notes that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs.

On issuance of the redeemable convertible notes, the fair value of the liability is carried as a long-term liability using the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Interest on the liability component of the instrument is recognised as an expense in profit or loss.

Transaction costs are apportioned between the liability and equity components of the redeemable convertible notes based on the allocation of proceeds to the liability and equity components of the instruments are first recognised.

Issued capital

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

Share based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they were issued.

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and goods and services tax payable to the relevant taxation authority.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the following specific recognition criteria have been met:

Sale of goods

Revenue from the sale of goods is recognised in the statement of profit or loss and other comprehensive income when there has been a transfer of risks and rewards to the customer and generally title has passed.

Revenue recognition (continued)

Rendering of services

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the contract.

Revenue are the amounts received or receivable by the Group for services rendered and do not include the amount paid to owners of assets used in the marketplace for rental or other services. The total transaction value of services via peer-to-peer marketplaces is the sum of amounts received by the owners of assets and the service revenue of the Group.

Interest income

Interest income is recognised using the effective interest method.

Income tax

Income tax benefit comprises current and deferred tax. Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Current income tax expense charged to profit or loss is the tax payable on the taxable income for the year, calculated using applicable income tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable/(receivable) in respect of previous years.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year.

Deferred income tax assets and liabilities are recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences in the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset and unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Tax Consolidation

The Parent Entity and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Collaborate Corporation Limited.

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Parent Entity as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Parent Entity as an equity contribution or distribution.

Income tax (continued)

The Parent Entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Earnings per share

The Consolidated Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Entity by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributed to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Comparative figures

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

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

NOTE 2: FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group’s exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included in Note 30.

The Group’s risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company’s and consolidated entity risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Company and consolidated entity and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Group’s system of risk oversight, management of material business risks and internal control.

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives

The overall financial risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents and trade and other receivables. For the Parent Entity it arises from receivables due from subsidiaries.

The Group does not hold any credit derivatives to offset its credit exposure.

Trade and other receivables

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

Purchase limits may be established where appropriate for individual customers in accordance with parameters set by management.

In addition, receivable balances are regularly monitored and acted upon where necessary to ensure the minimisation of bad debts.

The Group trades only with recognised, creditworthy third parties, and as such collateral is generally not requested nor is it the Group's policy to securitise its trade and other receivables. Rental contracts entered into via the DriveMyCar platform result in the renter paying a deposit to provide security towards the vehicle and possible claims and payments.

The Consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, redeemable convertible notes and unsecured interest-free loans.

The Group manages liquidity risk by maintaining adequate reserves, monitoring the total expected and actual cash inflows and outflows on a monthly basis and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

Market risk

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

Foreign currency risk

During the year the Group was exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the Group entities that were involved in the Marketboomer business (discontinued operation), primarily the Australian Dollar (AUD), but also the Thai Baht (THB), the Chinese Yuan (CNY), the United Kingdom Pound (GBP), and Euro (EUR). The currencies in which these transactions primarily are denominated are AUD, THB, CNY, GBP, and EUR. The continuing operations business does not deal or transact in foreign currencies.

The Board does not consider the Group is materially exposed to changes in foreign exchange rates. As a result, the Group does not currently seek to mitigate its foreign currency exposures.

The Parent Entity's investments in subsidiaries are not hedged as the currency position is considered to be long-term in nature. The Board believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

Interest rate risk

The Group's exposure to interest rates primarily relates to the Group's long term debt obligations. Fixed interest borrowings expose the consolidated entity to fair value interest rate risk, and variable borrowings expose the Group to cash flow interest rate risk.

The Board manages these risks by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates. The Group does not hedge against these risks.

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Capital management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board has no current plans to issue further shares on the market but this is dependent upon future working capital requirements.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels. The Group had total borrowings of $121,694 at 30 June 2015 (2014: $521,694).

The Group has no formal financing and gearing policy or criteria during the year. This position has not changed from the previous year.

There were no changes in the Group's approach to capital management during the year.

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

		Consolidated	
		2015	2014
3.	**REVENUE FROM CONTINUING OPERATIONS**	**$**	**$**
	Rendering of services	419,010	131,082
4.	**OTHER INCOME AND EXPENSES**		
	(a) Other income		
	Other income	-	7,856
	(b) Expenses included in statement of profit or loss and other comprehensive income		
	Depreciation	1,864	7,570
	Amortisation	122,531	-
	Impairment loss (Note 13)	-	170,153
	Rental expense on operating leases – minimum lease payments	58,750	21,004
	(c) Employee benefits expense		
	Salaries and wages	639,644	152,121
	Other associated personnel expenses	51,203	8,801
	Superannuation costs	60,766	14,101
	(Decrease)/increase in liability for leave	32,899	20,731
		784,512	195,754
	(d) Amortisation costs included in discontinued operations		
	Amortisation	83,364	123,934
5.	**FINANCE INCOME AND COSTS**		
	(a) Finance income		
	Interest income	7,575	3,200
	(b) Finance costs		
	Interest expense	47,685	45,625

	Consolidated 2015 $	Consolidated 2014 $
6. AUDITORS' REMUNERATION		
Audit and half year review services:		
- audit and half year review of financial reports (HLB Mann Judd (WA) Partnership)	91,771	82,500
	91,771	82,500

7. INCOME TAX

(a) Income tax benefit

	2015 $	2014 $
The major components of income tax benefit are:		
Current income tax		
R&D Tax offset	171,782	498,463
Income tax expense for current period	-	(82,015)
Income tax benefit reported in the statement of profit or loss and other comprehensive income	**171,782**	**416,448**

(b) Numerical reconciliation between aggregate tax benefit recognised in the statement of profit or loss and other comprehensive income and tax benefit calculated per the statutory income tax rate

A reconciliation between tax benefit and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	2015 $	2014 $
Accounting loss before income tax	(2,837,708)	(1,864,741)
At the Parent Entity's statutory income tax rate of 30% (2014: 30%)	(851,312)	(559,422)
Non-deductible expenses	561,896	522,695
Non-assessable income	(60,637)	-
Share based payments	16,447	-
Other deferred tax assets and tax liabilities not recognised	424,414	112,377
Foreign tax rate adjustment	-	6,365
Research and development tax incentive	(676,467)	(498,463)
Unused tax losses not recognised as deferred tax assets	-	-
Aggregate income tax benefit	**(585,659)**	**(416,448)**
Income tax benefit attributable to discontinuing operations	(413,877)	(379,871)
Income tax benefit attributable to continuing operations	(171,782)	(36,577)
Aggregate income tax benefit	**(585,659)**	**(416,448)**

(c) Current tax liabilities

	2015 $	2014 $
Income tax payable attributable to:		
Subsidiaries	-	55,847

(d) Unrecognised deferred tax balances

	2015 $	2014 $
The following deferred tax assets have not been brought to account:		
Losses available for offset against future taxable income	376,593	1,688,051
Accrued expenses and liabilities	215,738	170,713
Unrecognised deferred tax assets	592,331	1,858,764

The Group has brought forward group tax losses, the availability of which has yet to be determined in accordance with Australian Taxation Law.

7. INCOME TAX (continued)

Tax rates

The potential tax benefit at 30 June 2015 in respect of tax losses not brought to account has been calculated at 30% for Australian entities. This same rate applied for the year ended 30 June 2014.

8. DISCONTINUED OPERATION

In April 2015, the Group entered into a non-binding and conditional agreement to divest its 43.3% interest in Marketboomer Holdings Pty Ltd (**Marketboomer Holdings**), which was a subsidiary of the Company and owns the Marketboomer business. The transaction involves a selective share buy-back of Shares and Options held by a small consortium of existing Collaborate shareholders. The transaction settled on 30 June 2015, 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 CL8O options exercisable at $0.02 each with an expiry date or 30 April 2017 for the divestment.

Total gain on disposal The amount attributable to discontinued operations is:	**Year ended 30 June 2015 $**	**Year ended 30 June 2014 $**
Loss after tax from discontinued operations (iv)	(550,090)	(519,265)
Loss on disposal (i)	-	-
	(550,090)	**(519,265)**

(i) Consideration received or receivable	**30 June 2015 $**
Share buy-back	1,219,508
Total disposal consideration	1,219,508
Net assets disposed of	(813,399)
Gain on disposal before income tax and exchange differences	406,109
Foreign currency reserve reclassified on disposal of business unit	(406,109)
Income tax expense	-
Net position on disposal after income tax	**-**

(ii) Net assets as at date of sale

The carrying amounts of assets and liabilities as at the date of sale in June 2015 were:	**2015 $**
Cash and cash equivalents	338,129
Trade and other receivables	1,343,991
Property, plant and equipment	23,136
Intangible assets	2,039,355
Trade and other payables	(1,267,595)
Deferred income	(577,093)
Employee provisions	(305,772)
Net carrying amount of investment in subsidiary	1,594,151
Less: Non-controlling interest	(780,752)
Net assets of disposed entity attributable to owners of the parent	**813,399**

(iii) Net cash outflow on disposal

The cash outflow on disposal is:	
Cash consideration received	-
Net cash and cash equivalents disposed of	(338,129)
Net cash outflow on disposal	**(338,129)**

8. DISCONTINUED OPERATION (continued)

(iv) Financial performance and cash flow information

	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Financial performance from discontinued operation		
Revenue	3,492,278	3,352,748
Expenses	(4,456,245)	(4,251,884)
Loss before tax from discontinued operations	(963,967)	(899,136)
Income tax benefit	413,877	379,871
Loss after tax from discontinued operations	**(550,090)**	**(519,265)**
Cash flows from discontinued operation		
Net cash flow from operating activities	(756,431)	(240,811)
Net cash flow from investing activities	(24,734)	(27,932)
Net cash flow from financing activities	325,000	(89,146)
	(456,165)	**(357,889)**

	Consolidated	
9. CASH AND CASH EQUIVALENTS	**2015 $**	**2014 $**
Cash at bank and on hand	480,731	220,343
	480,731	**220,343**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 30.

10. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Current		
Trade receivables	25,085	761,814
Allowance for impairment loss (a)	-	(77,080)
	25,085	684,734
Other receivables	2,110	84,383
Research and Development Tax Incentive (i)	171,782	553,502
Loan to key management personnel (b)	-	12,654
Loan to Marketboomer Holdings Pty Ltd (c)	361,871	-
Deposits (d)	200	41,598
	561,048	**1,376,871**
Non-Current		
Other receivables	-	308

(i) The gross amount of the R&D Tax Incentive in 2015 is $171,782.

10. TRADE AND OTHER RECEIVABLES (continued)

(a) Credit risk and impairment losses

The Group's exposure to credit risk and impairment losses relating to trade and other receivables is disclosed in Note 30.

(b) Related party receivables

For terms and conditions of related party receivables refer to Note 24.

(c) Loan to Marketboomer Holdings

For terms and conditions of Loan to Marketboomer Holdings Pty Ltd refer to Note 24.

(d) Deposits

Deposits represented amounts lodged as security pursuant to property rental agreements for the following entities in the Group:

	Consolidated	
	2015	**2014**
	$	**$**
Drive My Car Rentals Pty Ltd	-	15,550
Marketboomer South East Asia Pte. Ltd	-	2,040
Marketboomer China Limited	-	16,225
Marketboomer (Thailand) Co. Ltd	-	6,283
Marketboomer Pty Ltd	200	1,500
	200	41,598

11. OTHER ASSETS

Prepayments	**16,798**	**24,808**

12. PROPERTY, PLANT AND EQUIPMENT

At 1 July	47,888	28,836
Additions	26,539	46,767
Disposals	-	(1,535)
Disposal of Marketboomer	(24,327)	-
Exchange differences	(7,324)	6,976
Adjustments to accumulated depreciation	-	-
Depreciation charge for the year	(27,286)	(33,156)
At 30 June, net of accumulated depreciation	**15,490**	**47,888**
At 30 June		
Cost	384,537	661,290
Accumulated depreciation	(369,047)	(613,402)
Net carrying amount	**15,490**	**47,888**

Impairment of property, plant and equipment

There was no impairment loss relating to property, plant and equipment during the 2015 financial year (2014: nil)

	Consolidated			
13. INTANGIBLE ASSETS	**Software Development and Domain costs**	**Patents**	**Goodwill**	**Total**
	$	**$**	**$**	**$**
At 1 July 2014	317,496	2,451	4,101,212	4,421,159
Acquisition of Caramavan	120,167	-	-	120,167
Additions	46,945	5,169	-	52,114
Disposal of Marketboomer Holdings	(15,799)	(2,043)	(2,021,513)	(2,039,355)
Amortisation charge for the year	(205,895)	(408)	-	(206,303)
At 30 June 2015, net of accumulated depreciation	**262,914**	**5,169**	**2,079,699**	**2,347,782**
At 30 June 2015				
Cost (gross carrying amount)	722,803	5,169	2,079,699	2,807,671
Accumulated amortisation	(459,889)	-	-	(459,889)
Net carrying amount	**262,914**	**5,169**	**2,079,699**	**2,347,782**
At 1 July 2013	392,842	2,859	2,021,513	2,417,214
Additions	258,667	-	2,079,699	2,338,366
Impairment loss	(170,153)	-	-	(170,153)
Amortisation charge for the year	(163,860)	(408)	-	(164,268)
At 30 June 2014, net of accumulated depreciation	**317,496**	**2,451**	**4,101,212**	**4,421,159**
At 30 June 2014				
Cost (gross carrying amount)	1,298,435	8,167	4,101,212	5,407,814
Impairment	(170,153)	-	-	(170,153)
Accumulated amortisation	(810,786)	(5,716)	-	(816,502)
Net carrying amount	**317,496**	**2,451**	**4,101,212**	**4,421,159**

(a) Description of the Group's intangible assets and goodwill

(i) Software Development and Domain costs

Software Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. DriveMyCar's intangible assets were assessed as having a finite life of 2.5 years and are amortised using the straight line method over the finite life period. The amortisation has been recognised in the statement of profit or loss and other comprehensive income in the line item "corporate and administrative expenses" other than amounts relating to discontinued operations which is included in that relevant note. Domain names are assessed as having an indefinite useful life and are not amortised, but are subject to impairment testing. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(ii) Patents

Patents were acquired through business combinations and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 10 years. The amortisation has been recognised in the statement of comprehensive income in the line item "corporate and administrative expenses" other than amounts relating to discontinued operations which is included in that relevant note. The patents have been granted for twenty years by the relevant government agency. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(iii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment (refer to section (c) of this note).

13. INTANGIBLE ASSETS (continued)

(b) Recoverability of development costs

Development costs acquired as part of the acquisition of DriveMyCar and Rentoid were assessed as having a fair value of $255,000 upon acquisition in the year ended 30 June 2014. The value remaining to be amortised is $118,333. At the current rate of amortisation this represents an expected life for the software development cost of a further 14 months.

Development cost acquired as the acquisition of caramavan.com was assessed as having a fair value of $120,167 on 2 October 2014. The value remaining to be amortised is $97,636.

(c) Impairment tests for goodwill

No impairment loss was recognised for continuing operations in the 2015 financial year, and no impairment loss was recognised in the 2014 financial year.

Goodwill acquired through business combinations and patents and licences had been allocated to two individual cash generating units, which are reportable segments, for impairment testing as follows:

- Marketboomer
- Collaborative Consumption

Marketboomer

Marketboomer was disposed of during the 2015 financial year. Refer to discontinuing operations note for more information in relation to Marketboomer.

Collaborative Consumption

The recoverable amount of the Collaborative Consumption unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five year period.

The discount rate applied to cash flow projections is 14.7% (2014: 14.9 %) and cash flows beyond the 2015 financial year are extrapolated using a 3% nominal growth rate (2014: 3%) projected to perpetuity.

Carrying amount of goodwill and other identifiable intangibles allocated to the cash generating units are as follows:

	Marketboomer Holdings Pty Ltd		Consolidated Collaborative Consumption		Total	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Carrying amount of other identifiable intangibles	-	2,450	5,169	-	5,169	2,450
Carrying amount of domain names	-	-	46,945	-	46,945	-
Carrying amount of software development costs	-	99,163	215,969	218,333	215,969	317,496
Carrying amount of goodwill	-	2,021,513	2,079,699	2,079,699	2,079,699	4,101,212
Total intangibles	-	2,123,126	2,347,782	2,298,032	2,347,782	4,421,158

Key assumptions used in value in use calculations for Collaborative Consumption

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of the Collaborative Consumption CGU.

- Revenue – the basis used to determine the value assigned to revenue is based on current levels to which expected values of new business have been added.
- Costs – in deriving the values assigned to costs management has considered the existing base and future expected costs with the increasing size of the business. The increasing value allows for the additional requirements of the amount of new business forecast.
- Inflation and long term growth – the current rate of around 3% is maintained.

The Directors are of the opinion that there are no reasonably expected changes in key assumptions upon which management have based in its determination of recoverable amounts which would cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

		Consolidated	
		2015	2014
14.	**TRADE AND OTHER PAYABLES**	**$**	**$**
	Trade creditors (i)	73,422	575,197
	Other creditors and accruals	256,092	438,136
		329,514	**1,013,333**

(i) Trade creditors are non-interest bearing and are normally settled on 60 day terms.

The Company's exposure to liquidity risk relating to trade and other payables are disclosed in Note 30.

15.	**OTHER LIABILITIES**		
	Current		
	Employee Termination Payable	53,630	195,872
	Deferred income	-	564,911
		53,630	**760,783**
	Non-Current		
	Employee Termination Payable	**-**	**41,261**
		-	**41,261**

Deferred income consists of licence fees paid in advance.

16.	**PROVISIONS**		
	Current		
	Liability for employee benefits	**-**	**124,140**
	Non-Current		
	Liability for employee benefits	**-**	**40,970**
	Movements in provisions		
	At 1 July	165,110	172,537
	Arising during the year	-	-
	Utilised	1,632	(7,427)
	Disposal of Marketboomer	(166,742)	-
	At 30 June	**-**	**165,110**

17. BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate and liquidity risks, see Note 30.

Current		
Unsecured loan	-	225,000
Secured loan	121,694	-
	121,694	**225,000**
Non-Current		
Secured loan	-	121,694
	-	**121,694**

17. BORROWINGS (continued)

(a) Terms of borrowings

Unsecured loan – current

The prior year unsecured loan of $125,000 classified as current bore interest at a rate of 12% p.a. Pursuant to the terms of the loan agreement dated 30 January 2014, the repayment commenced in July 2014 or upon finalisation of the Group's rights issue raising. The loan was repaid during the year. The prior year unsecured loan of $100,000 classified as current bore no interest. Pursuant to the terms of the loan agreement dated 22 May 2014, the repayment commenced the earlier of August 2014 or 5 business days from of completion of the Entitlement Issue. The loan was repaid during the year.

Secured loan

The Secured loan classified as current (non-current in the prior year) 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 repayment of the loan is due 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.

	Consolidated	
	2015	**2014**
18. REDEEMABLE CONVERTIBLE NOTES	**$**	**$**
Current		
Redeemable convertible notes	-	**175,000**

(a) Redemption of notes

(i) The Company repaid $100,000 to A.J. Brackin Pty Limited at maturity date, 8 October 2014, of the convertible notes.

(ii) The Company repaid $75,000 to Jayaych Holdings Pty Limited <Jonathan Harris No 1 Trust> at the maturity date, 12 June 2015, of the convertible notes.

	Consolidated	
	2015	**2014**
19. ISSUED CAPITAL	**$**	**$**
308,605,647 (30 June 2014: 2,261,599,600 pre-consolidation[(1)]) fully paid ordinary shares	**25,332,277**	**23,566,939**

19. ISSUED CAPITAL (continued)

(a) Ordinary shares

The following movements in ordinary share capital occurred during the year:

	2015 Number of Shares	2014 Number of Shares	2015 $	2014 $
Balance at beginning of year	2,261,599,600	779,099,600	23,566,939	21,298,285
Issue of shares at $0.001 each by share placement	-	115,000,000	-	115,000
Conversion of notes	-	187,500,000	-	286,988
Issued as per 2012 subscription agreement adjustment clause	-	225,000,000	-	-
Issue of shares at $0.002 each as part consideration for acquisition of DMC	-	780,000,000	-	1,560,000
Issue of shares at $0.002 each by share placement	-	175,000,000	-	350,000
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[1]	(2,843,490,534)	-	-	-
Issue of shares at $0.02 each by share placement	53,000,000	-	1,060,000	-
Issue of shares at $0.02 each by share placement	20,000,000	-	400,000	-
Selective buy-back as part consideration for Marketboomer Holdings Pty Ltd	(80,337,670)	-	(1,219,508)	-
Less share issue costs	-	-	(270,823)	(43,334)
Balance at end of year	308,605,647	2,261,599,600	25,332,277	23,566,939

1. On 11 December 2014, the Company completed the consolidation of capital to consolidate every 10 shares into 1 share. The number of shares pre-consolidation was 3,159,433,851. The number of shares post-consolidation is 315,943,317.

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

On a show of hands every holder of ordinary securities present at a shareholder 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.

(b) Options

On 11 December 2014 the Company completed the consolidation of options on the basis of every 10 options being consolidated into 1 option. The exercise price of such options will be amended in inverse proportion to this ratio in accordance with Listing Rule 7.22.1. The following options were issued during the period (stated at the revised exercise price and number of options).

19. ISSUED CAPITAL (continued)

(b) Options (continued)

At 30 June 2015 unissued ordinary shares of the Company under option were:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30-Apr-17	$0.02	146,803,086
Unlisted Options	2-Oct-17	$0.02	5,000,000
Unlisted Options	2-Oct-17	$0.03	2,500,000
Executive Options(1)	28-Nov-18	$0.02	883,334
Executive Options(1)	28-Nov-19	$0.02	883,333
Executive Options(1)	28-Nov-20	$0.02	883,333
Executive Options(1)	28-Nov-18	$0.03	883,334
Executive Options(1)	28-Nov-19	$0.03	883,333
Executive Options(1)	28-Nov-20	$0.03	883,333
Director Options(1)	28-Nov-18	$0.03	2,000,000

(1) Executive options and Director options are not listed. Executive options are subject to vesting obligations.

(c) Capital management

The Group's objectives when managing capital are disclosed in Note 2.

20. RESERVES	**Consolidated 2015 $**	**Consolidated 2014 $**
Foreign currency translation reserve		
Balance at beginning of the year	(444,677)	(392,431)
Currency translation differences	38,568	(52,246)
Exchange differences reclassified on disposal of foreign operations	406,109	-
Balance at the end of the year	-	(444,677)
Share-based payments reserve		
Balance at beginning of the year	614,982	86,000
Deferred consideration	-	520,000
Options	159,583	-
Entitlement unissued Share Funds	(8,982)	8,982
Balance at the end of the year	765,583	614,982
TOTAL RESERVES	**765,583**	**170,305**

Foreign currency translation reserve

This reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and exchange differences on net investments in foreign operations.

Share-based payment reserve

This reserve is used to record the value of equities that will be issued at a future date.

(i) Opening balance

The value of options previously issued.

20. RESERVES (continued)

(ii) Options

The value attributed to options issued in the acquisition of Caramavan.com, the value of options issued to underwriters of the entitlement issue during the year, the value attributed to options issued to Mr Noone as part of his employment agreement and the value attributed to options issued to non-executive directors on 28 November 2014.

Listed options were valued using their market value. Non-listed options were valued using the Black Scholes pricing models with the following assumptions, Risk Free Interest Rate: 2.732% for options with 4 year expiry, 2.857% for options with 5 year expiry term, and 2.908% for options with 6 year expiry, each options respective term, estimated volatility at the time of the options issued over between 40% and 100%, no expected future dividends, and the underlying security spot price of $0.02 (based on post-consolidation basis). Options issued for the acquisition of Caramavan.com had a discount of 50% applied for lack of transferability and for additional performance hurdles. No discount has been applied for lack of transferability for other options.

(iii) Entitlement Unissued Share Funds

The issue of shares on 7 July 2014 corresponding to funds received on or before 30 June 2014 as part of the Entitlement Issue.

	Consolidated	
21. ACCUMULATED LOSSES	**2015 $**	**2014 $**
Accumulated losses at beginning of year	(21,178,479)	(19,730,833)
(Loss)/profit for the year	(2,002,370)	(1,447,646)
Accumulated losses at end of year	**(23,180,849)**	**(21,178,479)**

22. SHARE-BASED PAYMENTS

On 20 August 2014, the Company issued 17,875,000 fully paid ordinary shares in lieu of cash payment for services rendered by a consultant.

As approved at the annual general meeting, on 28 November 2014 Mr Carosa and Mr Bunter were each granted 1,000,000 options with an exercise price of $0.03 and an expiry date of 28 November 2018 and Mr Noone was granted 2,650,000 options with an exercise price of $0.02 at various expiry dates and 2,650,000 options with an exercise price of $0.03 at various expiry dates.

23. KEY MANAGEMENT PERSONNEL

Key management personnel compensation		
Short-term benefits	459,440	247,693
Long-term benefits	3,200	3,200
Post-employment benefits	36,607	18,685
Share based payment	54,824	-
Total compensation	**554,071**	**269,578**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 11 to 16.

Other key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Company during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

23. KEY MANAGEMENT PERSONNEL (continued)

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

Director	Transaction	Note	Transactions value for the year ended 30 June 2015 $	2014 $
Mr C Noone	Consultancy fees	1	18,250	-
Mr D Carosa	Placement fees	2	20,000	-
Mr K Redstall	Consultancy fees	3	-	10,200
Mr B Donovan	Consultancy fees	4	-	8,900

Notes in relation to the table of related party transactions

1. A company associated with Mr Noone provided consulting services in relation to DriveMyCar. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
2. Placement fees were paid to DJ Carmichael Pty Limited in relation to a capital raising since 30 April 2015. An entity associated with Mr Carosa acquired a 6.4% interest in DJ Carmichael Pty Limited on 30 April 2015. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
3. A company associated with Mr Redstall received a fee for providing services associated with due diligence on the acquisition of DriveMyCar. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
4. Mr Donovan provided consultancy services in connection with the operations of the Company. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.

There were no other key management personnel transactions during the 2015 or 2014 financial years.

24. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Collaborate Corporation Limited and its subsidiaries listed in the following table:

Name	Country of Incorporation	Date of Incorporation	Equity Interest 2015 %	Equity Interest 2014 %
Drive My Car Rentals Pty Ltd	Australia	5 September 2009	100.0%	100.0%
Drive My Fleet Pty Ltd	Australia	15 December 2010	100.0%	100.0%
Rentoid Group Pty Ltd	Australia	28 April 2014	100.0%	100.0%
My Caravan Pty Ltd	Australia	3 September 2014	100.0%	N/A
Marketboomer Holdings Pty Ltd[1]	Australia	25 March 2014	-	50.5%

[1.] During the year, the Company entered into a loan agreement with Marketboomer Holdings Pty Ltd to lend the latter $300,000. The loan was interest free and was repayable within five business days after the completion of the sale of Marketboomer Holdings Pty Ltd. The repayment was received by the Company on 2 July 2015.

(b) Ultimate parent

Collaborate Corporation Limited is the ultimate parent entity, incorporated in Australia on 20 September 1994.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 23.

(d) Loans to related parties

Loans are made by the Parent Entity, Collaborate Corporation Limited, to its wholly owned subsidiaries for capital purchases and working capital purposes. The loans outstanding between the Parent Entity and its subsidiaries have no fixed date of repayment and are non-interest bearing. Details of the Parent Entity's interest in its subsidiaries are set out in Note 24 (a).

24. RELATED PARTY DISCLOSURES (continued)

(d) Loans to related parties(continued)

	Parent Entity	
	2015 $	2014 $
Non-Current		
Loans to subsidiaries	1,512,406	316,634
Allowance for impairment loss	-	-
	1,512,406	316,634

No dividends were received from the subsidiaries in the 2015 or 2014 financial years.

(e) Loans from related parties

	Consolidated	
	2015 $	2014 $
Current		
Unsecured loans	-	225,000
Secured Loan[1]	121,694	-
	121,694	**225,000**
Non-Current		
Secured loan	-	121,694
	-	**121,694**

[1] The secured loan has been provided by Future Capital Development Fund Pty Ltd (an entity related to Mr Carosa). Interest accrued in relation to this secured loan to 30 June 2015 was $17,535 which is included in Note 14. Further details of this secured loan are provided in Note 17.

25. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group has a commercial lease for its office. This lease is now on a month by month basis.

Contingencies

The Group does not have any contingent liabilities at reporting date.

26. SEGMENT INFORMATION

The Group had one reportable segment at the end of the period being the collaborative consumption business segment. The Marketboomer Holdings was divested on 30 June 2015 and is a discontinued operation (see Note 8 for further information). The Group has identified its segment based on the internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The Group now operates predominantly in one business segment being the collaborative consumption business. Accordingly, under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the financial statements.

27. ACQUISITION OF SUBSIDIARY

Acquisition of Caramavan.com (Caramavan)

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 2 October 2017; and 2,500,000 unlisted options exercisable at $0.03 each and expiring 2 October 2017. Exercise of the unlisted options is subject to the achievement of certain performance criteria. MyCaravan (as Caramavan has been renamed) operates a leading peer to peer online hire and rental marketplace for caravans (www.MyCaravan.com.au). The Group established a wholly-owned subsidiary to complete the acquisition.

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

The Company incorporated a new wholly owned subsidiary, MyCaravan Pty Ltd (formerly known as Caramavan Group Pty Ltd) to complete the acquisition.

28. LOSS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of $2,002,370 (2014 loss: $1,447,646) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 321,702,390 (2014: 1,403,524,257 pre-consolidation) calculated as follows:

Loss attributable to ordinary shareholders (basic)	2015 Continuing Operations $	2015 Discontinued Operations $	2015 Total $	2014 Continuing Operations $	2014 Discontinued Operations $	2014 Total $
Loss attributable to the ordinary shareholders	(1,452,280)	(550,090)	(2,002,370)	(928,381)	(519,265)	(1,447,646)

Weighted average number of ordinary shares	2015 Number	2014 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	321,702,390	140,352,426

29. CASH FLOW STATEMENT RECONCILIATION

	Consolidated 2015 $	Consolidated 2014 $
(a) Reconciliation of net loss after tax to net cash used in operating activities		
Net loss after income tax	(2,252,049)	(1,448,293)
Adjustments for:		
Depreciation	27,286	33,156
Amortisation	206,303	164,268
Impairment loss	-	170,153
Loss on disposal of property, plant and equipment	-	1,536
Foreign exchange loss	(16,882)	(7,275)
Other non-cash items (including share based payments, discontinued operations adjustments and exchange reserves reclassified to profit and loss on disposal of foreign entities)	250,564	59,911
Operating profit/(loss) before changes in working capital and provisions	(1,784,778)	(1,026,544)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(345,752)	(143,051)
Change in prepayments	(4,700)	(9,737)
Change in deferred tax assets	-	-
Change in deferred tax liabilities	-	-
Change in trade and other payables	(156,354)	281,864
Change in other liability	120,470	200,104
Change in provisions	(38,748)	(49,297)
Net cash used in operating activities	(2,209,862)	(746,661)

(b) Non-cash investing and financing activities

On 20 August 2014, the Company issued 17,875,000 fully paid ordinary shares (pre-consolidation) to a consultant of the Company in consideration of services rendered.

On 2 October 2014 the Group completed the acquisition of a 100% interest in the business and assets of caramavan.com (rebranded as MyCaravan).

On 30 June 2015, the Company completed the selective share buy-back in consideration for the divestment of the Company's 43.3% interest in Marketboomer Holdings Pty Ltd, which owns the Marketboomer business.

Refer to Note 8 & 27 for further details of these transactions. These transactions are not reflected in the Statement of Cash Flows.

30. FINANCIAL INSTRUMENTS DISCLOSURE

Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying Amount 2015 $	Consolidated Carrying Amount 2014 $
Cash and cash equivalents	480,731	220,343
Trade and other receivables - current	561,048	1,376,871
Trade and other receivables - non current	-	308
	1,041,779	1,579,522

The credit quality is assessed and monitored as follows:

Credit quality of financial assets	Equivalent S&P rating[1] A+ and above $	BBB and below $	Internally rated[2] New customers $	Closely monitored customers $	No default customers $	Total $
At 30 June 2015						
Cash and cash equivalents	480,731	-	-	-	-	480,731
Trade receivables - current	-	-	6,677	18,408	-	25,085
Other receivables and deposits - current	-	-	535,963	-	-	535,963
Other receivables - non-current	-	-	-	-	-	-
	480,731	-	542,640	18,408	-	1,041,779

Credit quality of financial assets	Equivalent S&P rating[1] A+ and above $	BBB and below $	Internally rated[2] New customers $	Closely monitored customers $	No default customers $	Total $
At 30 June 2014						
Cash and cash equivalents	220,343	-	-	-	-	220,343
Trade receivables - current	-	-	88,631	243,032	430,151	761,814
Other receivables and deposits - current	-	-	692,137	-	-	692,137
Other receivables - non-current	-	-	308	-	-	308
	220,343	-	781,076	243,032	430,151	1,674,602

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.
2. New customers are counterparties with whom the Group has traded for less than one year. No default customers are customers with whom the Group has traded for greater than one year and have no history of default, late payments, renegotiated terms or breach of their credit terms within the past two years. Closely monitored customers are customers with whom the Group has traded for greater than one year and do not qualify as no default customers.

Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by the Group in the current year (2014: $77,080). These amounts have been included in the corporate and administrative expenses item in the statement of profit or loss and other comprehensive income. No individual amount within the impairment allowance is material.

30. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Allowance for impairment loss (Continued)

Movements in the provision for impairment loss were as follows:

	Consolidated Carrying Amount 2015 $	2014 $
At 1 July	77,080	76,165
Charge/(Write back) for the year	143,478	14,302
Amounts written off	(16,670)	(19,518)
Acquisition of DMCR	-	6,131
Disposal of Marketboomer Holdings	(203,888)	
At 30 June	-	**77,080**

The ageing analysis of trade receivables at reporting date was:

	2015 $	2014 $
0-30 days	6,022	259,054
31-60 days	195	127,378
61-120 days	265	139,698
More than 121 days	18,603	235,684
	25,085	761,814

Receivables past due but not considered impaired are $18,603 (2014: $298,302). Payment terms on these amounts have been renegotiated.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Liquidity risk

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments. Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

	Carrying amount $	Contractual cash flows $	≤ 6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
At 30 June 2015							
Trade creditors	73,422	(73,422)	(73,422)	-	-	-	(73,422)
Other Creditors and accruals	230,967	(230,967)	(230,967)	-	-	-	(230,967)
Unsecured loan – current	-	-	-	-	-	-	-
Secured loan –current	121,694	(121,694)	-	(121,694)	-	-	(121,694)
Redeemable convertible notes	-	-	-	-	-	-	-
	426,083	(426,083)	(304,389)	(121,694)	-	-	(426,083)
At 30 June 2014							
Trade creditors	575,197	(575,197)	(493,875)	(36,206)	(45,116)	-	(575,197)
Other Creditors and accruals	438,136	(438,136)	(438,136)	-	-	-	(438,136)
Unsecured loan – current	225,000	(225,000)	(225,000)	-	-	-	(225,000)
Unsecured loan – non-current	121,694	(121,694)	-	-	(121,694)	-	(121,694)
Redeemable convertible notes	175,000	(175,000)	(175,000)	-	-	-	(175,000)
	1,535,027	(1,535,027)	(1,332,011)	(36,206)	(166,810)	-	(1,535,027)

30. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Foreign currency risk

Exposure to foreign currency risk

The Group had no exposure to foreign currency risk at balance date.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2015	2014	2015	2014
	$	$	$	$
GBP	0.5307	0.5657	0.4885	0.5531
EUR	0.6963	0.6775	0.6866	0.6906
SGD	1.0956	1.1574	1.0340	1.1763
CNY	5.1837	5.6382	4.7661	5.8466
AED	3.0775	3.3739	2.8205	3.4595
THB	27.3600	29.4534	25.9400	30.5600

Interest rate risk

Profile

The Group had the following exposure to interest rate risk at reporting date:

	Consolidated Carrying Amount	
	2015	2014
	$	$
Fixed rate instruments		
Financial liabilities		
Unsecured bank loan	-	-
Secured loan	(121,694)	(121,694)
Redeemable convertible notes	-	(175,000)
	(121,694)	(296,694)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	480,731	220,343
Net exposure	(359,037)	(76,351)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The reasonable change has been calculated on the basis of historical changes in interest rates. This analysis assumes that all other variables remain constant.

	Profit or loss	
30 June 2015	100 bp increase	100 bp decrease
Variable rate instruments	4,807	(4,807)
30 June 2014		
Variable rate instruments	2,203	(2,203)

30. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Fair value of financial instruments

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) 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

(c) 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 30 June 2015 and 30 June 2014 are classified as level 3.

31. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Collaborate Corporation Limited, at 30 June 2015. The information presented has been prepared using accounting policies as disclosed in Note 1.

(a) Statement of financial position

	Parent Entity	
	2015	**2014**
	$	**$**
CURRENT ASSETS		
Cash and cash equivalents	465,868	15,282
Trade and other receivables	3,358	85
Loan to Marketboomer	361,871	-
Total Current Assets	831,097	15,367
NON CURRENT ASSETS		
Other receivables	-	-
Investments in subsidiaries	3,597,577	3,414,020
Deferred tax assets	-	-
Total Non-Current Assets	3,597,577	3,414,020
TOTAL ASSETS	**4,428,674**	**3,429,387**
CURRENT LIABILITIES		
Trade and other payables	144,813	342,729
Borrowings	-	100,000
Redeemable convertible notes	-	175,000
Total Current Liabilities	144,813	617,729
TOTAL LIABILITIES	**144,813**	**617,729**
NET ASSETS	**4,283,861**	**2,811,658**
EQUITY		
Contributed equity	25,332,277	23,566,939
Unissued Share Capital & Reserves	765,583	614,982
Accumulated losses	(21,813,999)	(21,370,263)
TOTAL EQUITY	**4,283,861**	**2,811,658**

31. PARENT ENTITY INFORMATION (continued)

(b) Statement of profit or loss and other comprehensive income

	Parent Entity	
	2015	**2014**
	$	**$**
Net loss for the year	(645,860)	(716,639)
Profit of sale of discontinued operation	202,124	-
Impairment of investment	-	(564,200)
Total comprehensive loss for the year	**(443,736)**	**(1,280,839)**

The Parent Entity incurred a loss of $443,736, down from a loss of $1,280,839 in the 2014 financial year.

(c) Commitments and contingencies

The Parent Entity does not have any commitments at reporting date.

Remuneration commitments

Contingencies

The Parent Entity does not have any contingent liabilities at reporting date.

32. EVENTS SUBSEQUENT TO REPORTING DATE

In August 2015, the Company raised $500,000 via a placement of 25,000,000 fully paid ordinary shares and 12,500,000 listed options exercisable at $0.02 each with an expiry date of 30 April 2017 to sophisticated investors.

On 2 September 2015, Future Capital exercised 2,925,244 listed CL8O options, raising over $58,000 for Collaborate on conversion of these CL8O options into CL8 shares. The options had an exercise price of $0.02 per option and an expiry date of 30 April 2017.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Collaborate Corporation Limited:

   (a) the accompanying financial statements and notes 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 2015 and of its performance for the year then ended; and

      (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   (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.

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.

Chris Noone

Chief Executive Officer/ Executive Director

Dated at Sydney, New South Wales this 30th day of September 2015.

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Collaborate Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Collaborate Corporation Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Collaborate Corporation Limited 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 2015 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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.

Auditor's opinion

In our opinion the remuneration report of Collaborate Corporation Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
30 September 2015

Details of securities as at 21 September 2015:

Top holders

The 20 largest registered holders of each class of quoted security as at 21 September 2015 were:

Fully paid ordinary shares

	Name	No. of Shares	%
1.	HISHENK PTY LTD	22,500,000	6.69
2.	DOMINET DIGITAL CORPORATION PTY LTD <THE CAROSA FAMILY A/C>	14,913,319	4.43
3.	BELLITE PTY LTD <MEYER FAMILY BTML A/C>	12,144,679	3.61
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,000,000	2.97
5.	RADIATA INVESTMENTS PTY LTD <RUDIE SYPKES FAMILY A/C>	7,442,921	2.21
6.	DSAH HOLDINGS PTY LTD	6,913,320	2.05
7.	HYECORP PROPERTY FUND NO 1 PTY LTD	6,900,000	2.05
8.	PROTO INVESTMENT PARTNERS PTY LTD	6,744,167	2.00
9.	MR GRAEME DARYL HOLLOWAY	6,500,000	1.93
10.	THE ABERCROMBIE GROUP PTY LTD	5,652,016	1.68
11.	MR KONSTANTINOS BAGIARTAKIS	5,156,383	1.53
12.	ASTROMESEOGIOS OVERSEAS LTD <THE TAMBURLAINE A/C>	5,155,201	1.53
13.	MR JOHN HENDERSON MANSON & MRS KAREN ANN-MARIE MANSON <MAYFLOWER A/C>	4,000,000	1.19
14.	SMSF GOOD LIFE PTY LTD <GOOD LIFE S/F A/C>	3,742,950	1.11
15.	K & C HOLLOWAY PTY LTD	3,500,000	1.04
16.	MR GEORGE POLITES	3,000,000	0.89
17.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL LTC A/C>	2,900,000	0.86
18.	MRS SIMIDA COST	2,900,000	0.86
19.	MR ADRIAN COST	2,700,000	0.80
20.	MR JINQUAN XU	2,540,000	0.76
		135,304,956	40.21

Options exercisable at $0.02 on or before 30 April 2017

	Name	No. of Options	%
1.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INVESTMENTS S/F A/C>	19,136,555	12.24
2.	HISHENK PTY LTD	8,750,000	5.60
3.	DOMINET DIGITAL CORPORATION PTY LTD <THE CAROSA FAMILY A/C>	7,750,000	4.96
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,000,000	3.20
5.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	4,416,872	2.82
6.	MR AYNGARAN KAILAINATHAN	4,000,000	2.56
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,755,503	2.40
8.	MRS ANNE BELL	3,000,000	1.92
9.	DARONLYN PTY LTD	3,000,000	1.92
10.	MR ANDREW WOLFE & MRS NICOLE VAN DIJKEN <WOLFE SUPERFUND A/C>	2,801,000	1.79
11.	18 KNOT VENTURES PTY LTD <GREEN ARROW A/C>	2,500,000	1.60
12.	MR ANDREW OWEN & MRS JENNIFER OWEN	2,400,000	1.54
13.	MR AYNGARAN KAILAINATHAN	2,250,000	1.44
14.	MR AARON GILL	2,000,000	1.28
15.	MR HAYDEN PHILIP STEINEMANN	1,900,000	1.22
16.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL LTC A/C>	1,850,000	1.18
17.	MR GIUSEPPE SURACE & MRS GIOVANNA MARIA SURACE	1,840,000	1.18
18.	MR BERWICK WILHELM LOURENSZ & MRS BEVERLEY JILLIAN LOURENSZ <LOURENSZ SUPER A/C>	1,800,000	1.15
19.	MR ALEXANDER ZHONGLIE NG	1,774,000	1.13
20.	MR CHRISTOPHER MICHAEL MCCAGH& MRS REBECCA ANNE MCCAGH	1,700,000	1.09
		81,623,930	52.22

Distribution schedule

A distribution schedule of each class of equity security as at 21 September 2015:

Fully paid ordinary shares

Range		Holders	Units	%
1	-,000	230	108,638	0.03
1,001	-,000	213	580,236	0.17
5,001	-0,000	56	427,861	0.13
10,001	-00,000	411	18,704,679	5.55
100,001	-ver	373	316,709,477	94.12
Total		1,283	336,530,891	100.00

Options exercisable at $0.02 on or before 30 April 2017

Range		Holders	Units	%
1	-1,000	494	115,109	0.07
1,001	-5,000	85	213,370	0.14
5,001	-10,000	21	152,867	0.10
10,001	-100,000	72	3,375,570	2.16
100,001	-Over	158	152,520,926	97.53
Total		830	156,377,842	100.00

Unlisted securities

Class	Expiry Date	Exercise Price	Number of Options	Number of holders
Vendor Options	2 October 2017	$0.02	5,000,000	1
Vendor Options	2 October 2017	$0.03	2,500,000	1
Executive A Options	28 November 2018	$0.02	883,334	1
Executive A Options	28 November 2019	$0.02	883,333	1
Executive A Options	28 November 2020	$0.02	883,333	1
Executive B Options	28 November 2018	$0.03	883,334	1
Executive B Options	28 November 2019	$0.03	883,333	1
Executive A Options	28 November 2020	$0.03	883,333	1
Director Options	28 November 2018	$0.03	2,000,000	2

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
Hishenk Pty Ltd and associated entities	30,625,297

Voluntary escrow

Fully paid ordinary shares

Number of Shares	Escrow Period
2,500,000	Restricted securities until 2 October 2015

Approved issue of securities

The issue of deferred consideration of 260,000,000 fully paid ordinary shares (**Deferred Consideration Shares**) was approved by shareholders on 10 January 2014 for the purpose of Item 7 of section 611 of the Corporations Act. The issue of Deferred Consideration Shares has not yet been completed.

The issue of Deferred Consideration Shares is subject to Drive My Car Rentals Pty Ltd achieving an audited annual net profit before tax of at least $500,000 in any consecutive 12 month period in the 36 months following settlement of the acquisition which occurred on 19 February 2014.

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 20,833 as at 21 September 2015):

Holders	Units
585	2,519,389

Voting Rights

The voting rights attaching to ordinary shares are:

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

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.