Appendix 4E – Preliminary Final Report

(ASX Listing rule 4.2A)

Company Name:	Collaborate Corporation Limited (the **Company**)
ABN:	60 066 153 982
Reporting Period:	Financial year ended 30 June 2016
Previous Reporting Period:	Financial year ended 30 June 2015

Result for Announcement to the Market

The results of Collaborate Corporation Limited for the year ended 30 June 2016 are as follows:

Revenue	Up	46.44%	to	613,588
Loss from continuing operations	Up	13.15%	to	(1,925,702)
Net loss for the period attributable to members	Down	3.83%	to	(1,925,702)

Brief explanation of figures reported above

Collaborate Corporation Limited recorded operating revenue of $613,588 for the year ended 30 June 2016 (2015: $419,010), being an increase of 46.4%. Loss from continuing operations for the year was $1,925,702 (2015: $1,701,959), net loss for the period attributable to members was $1,925,702 (2015: $2,002,370). Total loss for the year was reduced by 14.5% to $1,925,702 (2015: $2,252,049).

For further details on the current year results, refer to the Review of Operations contained within this document.

Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Net Tangible Assets per Share

	2016	2015
Net Tangible Assets	$ 123,798	$ 569,229
Shares (Number)	370,173,748	308,605,647
Net Tangible Assets per Share (cents)	0.03	0.18

Loss per Share

	2016	2015
Basic and diluted loss per share (cents)	(0.55)	(0.62)
Basic and diluted loss per share from continuing operations (cents)	(0.55)	(0.53)

Status of Audit of Accounts

This Appendix 4E is based on accounts which have been audited. The audit report is included within the financial report which accompanies this Appendix 4E.

Collaborate Corporation Limited

COLLABORATE CORPORATION LIMITED

ACN 066 153 982

2016 ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS

Mr Chris Noone – Chief Executive Officer/ Executive Director

Mr Adrian Bunter – Non-Executive Director

Mr Jim Landau – Non-Executive Director (appointed 18 May 2016)

Mr Domenic Carosa – Non-Executive Director (resigned on 18 May 2016)

COMPANY SECRETARY

Ms Karen Logan

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1.01
Level 1, 2-14 Kings Cross Road
Potts Point NSW 2011
Telephone: +61 2 8889 3641
Email: shareholder@collaboratecorp.com
www.collaboratecorp.com

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

BANKERS

NAB
Level 1, 1238 Hay Street
West Perth WA 6005

SHARE REGISTRAR

Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000
Telephone: 1300 737 760
Facsimile: +61 2 9279 0664

SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
ASX Codes
CL8, CL8O

CONTENTS PAGE

The Directors present their report together with the financial report of Collaborate Corporation Limited, (the **Company** or **Parent Entity**) being the Company and its controlled entities (the **Group**), for the year ended 30 June 2016 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, Mr Noone 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. Mr Noone 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 including mergers and acquisitions, divestments of businesses, debt/equity raisings and strategy development and execution. He is an executive director of Venture Advisory, one of Australia's leading specialist technology, media and telecommunications financial advisory firms. 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. Mr Bunter 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 Jim Landau

Non-Executive Director - appointed 18 May 2016
Alternate Non-Executive Director for Mr Domenic Carosa – from 1 October to 17 May 2016

Mr Landau holds Fellowships of the Australian Society of Certified Practicing Accountants, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors. He is also currently a chairman for the international CEO group, The Executive Connection (TEC) and a non-executive director of the Leading Technology Group, Life Research Pty Ltd, elisakit.com Pty Ltd, Magnus Medical Software, Financial Synergy and AquaConneXions Pty Ltd. In addition, he is a member of the advisory boards of Billing Bureau Pty Ltd, a supplier of hosted billing services and Adept Turnkey a leading provider of industrial camera systems and services. In recent years he was also a director of the manufacturing services and 3D printer supplier company, Formero Pty. Ltd., the ePayments business, Centricom Pty. Ltd., the digital media and entertainment business, destra Corporation Limited and the IT services business, Sonnet Corporation Limited.

Mr Domenic Carosa

Non-Executive Director – resigned 18 May 2016

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 and 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 was a non-executive director of the listed company Shoply Limited (now known as Harris Technology Group Limited) having been appointed 18 June 2013 and ceasing to be a director on 19 July 2016. Mr Carosa is an Executive Director of Crowd Mobile Limited having been appointed on 13 January 2015.

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 of Australia, 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:

	Board Meetings		Nomination and Remuneration Committee Meetings		Audit and Risk Committee Meetings	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr Chris Noone	12	12	N/A	N/A	N/A	N/A
Mr Adrian Bunter	12	12	-	-	3	3
Mr Jim Landau[1]	2	2	-	-	-	-
Mr Domenic Carosa[2]	10	4	-	-	3	2
Mr Jim Landau (acting as alternate director for Mr Carosa)[3]	6	6	-	-	1	1

[1.] Appointed non-executive director on 18 May 2016.

[2.] Resigned as non-executive director on 18 May 2016.

[3.] Mr Landau acted as alternate director to Mr Carosa from 1 October 2015 to 17 May 2016.

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 Jim Landau[1] (Chairman)	Mr Adrian Bunter (Chairman)
Mr Adrian Bunter	Mr Jim Landau[1]
Mr Domenic Carosa[1]	Mr Domenic Carosa[1]

[1] Denotes director did not serve for the full year.

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]	850,000	6,800,000	-
Mr Adrian Bunter[2]	3,500,000	2,913,738	489,368
Mr Jim Landau	-	-	-

1. Mr Noone has an entitlement of up to 6,800,000 options with varying exercise prices, vesting conditions and expiry dates pursuant to the terms of the Executive Services Agreement he has with the Company and issues as approved by shareholders.
2. Mr Bunter has an entitlement to 2,913,738 options with varying exercise prices and expiry dates pursuant to listed options and options approved by shareholders. He also 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. Mr Domenic Carosa resigned on 18 May 2016.

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

The start of the 2016 financial year marked the beginning of Collaborate's dedicated focus on peer-to-peer opportunities, following the divestment of the Marketboomer group of companies on 30 June 2015. The reduced complexity of the corporate structure enabled all management effort and capital to be devoted to the growth of the business, the benefits of which are being reflected in increasing revenue and decreasing losses. The divestment enabled the Company to devote all of its resources to opportunities in the sharing economy; a sector that PwC predicts will generate global revenues of $335 billion by 2025.

Governments in Australia took an increasingly favourable interest in the peer-to-peer or sharing economy, accelerating in 2016 with the NSW Government launching its 'Collaborative Economy Position Paper' which actively encourages individuals and NSW Government departments to embrace sharing economy principles to better obtain access to assets and monetise idle assets. One of the most visible signs of Government support for the sharing economy has been the announcement of the legalisation of ride sharing in the ACT, NSW, Victoria, Queensland and Western Australia.

FY16 revenue grew by 46.4% versus FY15, largely due to growth in the DriveMyCar business unit. Total loss declined by 14.5%, as a result of increasing revenues and reduced costs. The loan to Future Capital Development Fund was repaid on the due date, in full and the Group is now debt-free.

A key component of the success of a peer-to-peer marketplace is its ability to create 'trust' between customers and reduce risk. Collaborate believes that a highly trusted customer base creates a sustainable competitive advantage and the ability to generate higher margins. Accordingly, Collaborate developed and launched its own trust platform, PeerPass® to verify customers before a transaction occurs and measure trustworthiness after each transaction. As Collaborate operates a number of peer-to-peer marketplaces, the benefits of a central platform to verify customers once and enable transactions across multiple platforms is evident in terms of cost reduction and revenue generation. PeerPass® is proving invaluable in providing a level of confidence in the marketplaces that is facilitating growth in the acquisition of consumers and corporate customers and suppliers. PeerPass® has also been instrumental in assisting DriveMyCar to achieve the maximum possible Claims Experience Discount from its motor fleet insurance policy due to reductions in insurance claims for accidental damage. Collaborate is also looking to utilise PeerPass® in additional sectors beyond the existing marketplaces.

Collaborate broadened its focus during the year by applying the benefits of peer-to-peer marketplaces to companies, in addition to the traditional user base of individual consumers. DriveMyCar Business was launched to provide rental car services specifically targeted to corporate customers. Supply agreements were also concluded with large fleet owners including leasing companies, automotive dealers and vehicle manufacturers to monetise idle vehicles through the DriveMyCar platform. Car rental pick up locations were launched at Sydney, Melbourne and Brisbane airports and the first rental services provided from automotive dealer premises were launched for LDV vans, in association with Ateco.

Collaborate gained exposure to opportunities in the booming fintech industry through an 8.33% investment in online cashflow financing platform, FundX and secured an option to participate in an additional capital raising at the same valuation as the initial investment. To date, FundX has loaned over $1.7 million to Australian small businesses.

The MyCaravan business, while still minor in comparison to DriveMyCar, displayed accelerating growth in listings and revenue, whilst incurring minimal costs. Management has identified prospects for the Rentoid platform beyond its current positioning and is presently planning a substantial re-launch of the business to facilitate opportunities for the monetisation of private and company-owned assets.

In June 2016, Collaborate secured two new agreements that provide a solid foundation for ongoing growth in FY17 and beyond. Firstly, DriveMyCar signed an agreement with Uber to enable the rental of vehicles to UberX drivers, delivering a key new revenue stream for which DriveMyCar is uniquely positioned to supply vehicles provided by its corporate fleet providers.

Secondly, on 28 June 2016, Collaborate announced a $2.25 million equity facility with a number of existing shareholders that enables the Company to draw on funds as and when required to support its growth whilst minimising potential dilution for all shareholders and enabling the company to capture benefits from future increases in the share price.

Collaborate enters FY17 with certainty of funding, no debt, lower corporate costs and solid growth potential for its DriveMyCar, MyCaravan and Rentoid businesses supported by the PeerPass® platform.

Financial review

The Group revenue from continuing operations increased by $194,578, or 46%, to $613,588 during the year. The Group incurred a loss of $1,925,702 for the year, a reduction of $326,347 or 14% compared to a loss in the 2015 financial year of $2,252,049. The improved result was due to an increase in revenue and a reduction in costs during the 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 decreased by $599,028 to a deficit of $45,289 during the year.

On 30 June 2015, the Group divested Marketboomer Holdings Pty Ltd, the holding company for the Marketboomer business. This disposal was completed 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. The Financial Statements for the 2015 financial year include the cash flows of the Marketboomer business whilst the results segregate the loss from discontinued operations in the Statement of Profit or Loss and Other Comprehensive Income. There are no assets or liabilities included for the Marketboomer business as the business disposal was completed on 30 June 2015. Refer to the Discontinued Operation note (Note 30) 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 $575,473 to $2,341,538 during the financial year. Movement in net assets principally comprised:

(a) a decrease in current borrowings of $121,694;
(b) a decrease in intangible assets of $130,042;
(c) a decrease in cash and cash equivalents of $363,820; and
(d) a decrease in trade and other receivables of $355,715.

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

(a) 25,000,000 fully paid ordinary shares by placement at $0.02 per share;
(b) 2,925,244 fully paid ordinary shares by exercise of options at $0.02 per share;
(c) 28,142,857 fully paid ordinary shares by placement at $0.021 per share; and
(d) 5,500,000 fully paid ordinary shares by placement at $0.018 per share.

There were 370,173,748 shares on issue at 30 June 2016.

RESULTS

The Group recorded a loss of $1,925,702 (2015: loss of $2,252,049) 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 31 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 following options were issued during the period:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30 April 2017	$0.02	21,880,952
Officer Options	30 November 2018	$0.035	5,000,000
Facility Options	31 May 2019	$0.03	2,800,000

A further 1,700,000 Facility Options were issued on 12 August 2016 following shareholder approval. There are a total of 4,500,000 Facility Options on issue as at the date of this report.

The following options were exercised during the financial year:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30 April 2017	$0.02	2,925,244

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	165,758,796
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
Officer Options	30 November 2018	$0.035	5,000,000
Facility Options	31 May 2019	$0.03	2,800,000

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

The Company has not insured its Directors, the Company Secretary and executive officers for the financial year ended 30 June 2016.

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 10 to 15 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 16 and forms part of this Directors' Report for the year ended 30 June 2016.

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	
Mr Adrian Bunter	Non-Executive Director	
Mr Jim Landau	Non-Executive Director	Appointed 18 May 2016
Mr Domenic Carosa	Non-Executive Director	Resigned 18 May 2016

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 Jim Landau	$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 $35,000 for Mr Noone was agreed in June 2016 (2015: a STI payment of $30,000 was made to the CEO, Mr Noone). This was 58% 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 2016 and 2015 financial years as part of his employment agreement and as approved by shareholders. These are detailed below.

No shares were issued as LTI during the 2016 financial year (2015: 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 2015 Annual General Meeting

The Company received 96.17% of "yes" votes on its remuneration report for the 2015 financial year. The Company excluded 16.52% 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:

	2016	2015	2014	2013	2012
Net profit/(loss) for the year	($1,925,702)	($2,252,049)	($1,448,293)	$533,409	($737,134)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	0.10 cents	0.10 cents[1]	Nil	(0.10 cents)	(0.20 cents)
Share price at beginning of the period	2.1 cents	0.20 cents	0.20 cents	0.30 cents	0.50 cents
Share price at end of the period	2.2 cents	2.10 cents[1]	0.20 cents	0.20 cents	0.30 cents
Earnings/(loss) per share for loss from continuing operations					
Basic loss per share	(0.55 cents)	(0.53 cents) [1]	(0.66 cents) [1]	(0.23 cents)	(0.11 cents)
Diluted loss per share	(0.55 cents)	(0.53 cents) [1]	(0.66 cents) [1]	(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 2016 financial year, an STI payment of $35,000 for Mr Noone was agreed (2015: a STI payment of $30,000 was made to the CEO, Mr Noone).

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 2016 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 5,300,000 options scheduled as follows: (a) 2,650,000 options with an exercise price of $0.02 each to acquire 2,650,000 ordinary shares in the Company (A Options); the A Options will vest as follows: • 883,334 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 • 883,333 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 • 883,333 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) 2,650,000 options with an exercise price of $0.03 each to acquire 2,650,000 ordinary shares in the Company (B Options); the B Options will vest as follows: • 883,334 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 • 883,333 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 • 883,333 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. Further, during the year 1,500,000 options with an exercise price of $0.035 each to acquire 1,500,000 ordinary shares in the Company (Officer 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 2016

	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[1]	25,000	-	-	-	-	25,350	50,350	50.3%
Mr A Bunter	30,000	-	-	-	-	25,350	55,350	45.8%
Mr J Landau[1]	5,000	-	-	-	-	-	5,000	-
Total	60,000	-	-	-	-	50,700	110,700	N/A
Executive directors:								
Mr C Noone	200,000	35,000	-	19,000	-	53,586	307,586	17.4%
Total	200,000	35,000	-	19,000	-	53,586	279,350	N/A
Total KMP	**260,000**	**35,000**	**-**	**19,000**	**-**	**104,286**	**390,050**	N/A

Table 2: 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] Denotes director did not serve for the full year

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

(i) Fully paid ordinary shares

2016 Director	Held at 1 July 2015	Held at date of appointment	(Sale)/ Purchases	Granted as remuneration	Other changes	Held at date of resignation	Held at 30 June 2016
Mr Noone	600,000	-	250,000	-	-	N/A	850,000
Mr Bunter	3,000,000	-	500,000	-	-	N/A	3,500,000
Mr Landau[3]	N/A	-	-	-	-	N/A	-
Mr Carosa[1,2,6]	38,596,546	-	-	-	(22,339,127)	16,257,419	N/A

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

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

(ii) Share options

2016 Director	Held at 1 July 2015	Held at date of appointment	Purchases	Granted as remuneration	Other changes	Held at date of resignation	Held at 30 June 2016
Mr Noone[5]	5,300,000	-	-	1,500,000	-	-	6,800,000
Mr Bunter[1,4,5]	1,413,738	-	-	1,500,000	-	-	2,913,738
Mr Landau[3]	N/A	-	-	-	-	N/A	-
Mr Carosa[1,2,6]	11,714,155	-	-	1,500,000	(2,925,245)	10,288,910	N/A

2015 Director	Held at 1 July 2014	Held at date of appointment	Purchases	Granted as remuneration	Other changes/Option consolidation[6]	Held at date of resignation	Held at 30 June 2015
Mr Noone	N/A	-	-	5,300,000	-	N/A	5,300,000
Mr Carosa[1,2,5]	N/A	94,641,548	1,250,000	1,000,000	(85,177,393)	N/A	11,714,155
Mr Bunter[1,4,5]	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	-	-	-	-	-

On 11 December 2014, the Company completed a consolidation of capital to consolidate every 10 options into 1 option. The option holdings at 1 July 2014 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 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.
2. Mr Carosa resigned as a director on 18 May 2016.
3. Mr Landau was appointed as a director on 18 May 2016.
4. Options held by Mr Bunter on 1 July 2014 emanated from the Bonus Issue to all shareholders on 11 June 2014.
5. Mr Noone, Mr Carosa and Mr Bunter were issued options by resolution at the annual general meeting during the year.
6. On 2 September 2014 Future Capital Development Fund Pty Ltd (Future Capital) (an entity related to Mr Carosa) exercised 2,925,245 options at $0.02 and converted these into shares. On the same day, Future Capital undertook an in specie distribution of 32,177,690 shares to its underlying investors. Mr Carosa received 6,913,319 of these shares. The net result of these transactions was a reduction of 22,339,127 shares related to Mr Carosa, however this was not a disposal of shares directly by Mr Carosa.

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.

The aggregate amount 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 2016 $	2015 $
Mr C Noone	Consultancy fees	1	-	18,250
Mr D Carosa	Placement fees	2	-	20,000
Mr A Bunter	Taxation services	3	1,640	-

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 the spouse of Mr Bunter provided taxation services to the Company. The 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 2016 or 2015 financial years.

SHARE BASED COMPENSATION

On 30 November 2015, the Company issued 5,000,000 options to the Directors and the Company Secretary as a cost effective and efficient reward and incentive for services provided to the Company.

At the annual general meeting on 30 November 2015 approval was given for the issue of options to the CEO / Executive Director, Mr Noone, the Non-Executive Directors, Mr Carosa and Mr Bunter, and the Company Secretary, Ms Logan.

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 31st day of August 2016.

Signed in accordance with a resolution of the Directors:

Chris Noone
Chief Executive Officer/ Executive Director

AUDITOR'S INDEPENDENCE DECLARATION

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 2016, 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
31 August 2016

N G Neill
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

Collaborate Corporation Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	Consolidated Group 2016 $	2015 $
Revenue from continuing operations	3	613,588	419,010
Cost of sales		(199,041)	(222,078)
Gross profit		414,547	196,932
Corporate and administrative expenses	4	(2,230,472)	(1,668,728)
Technical expenses		(7,179)	(2,368)
Research and development expenses		(302,837)	(359,467)
Results from continuing activities		(2,125,941)	(1,833,631)
Finance income	5	20,509	7,575
Finance costs	5	(11,629)	(47,685)
Net financing costs		8,880	(40,110)
Loss before income tax		(2,117,061)	(1,873,741)
Income tax benefit	7	191,359	171,782
Loss from continuing operations		**(1,925,702)**	**(1,701,959)**
Discontinued operations			
Loss from discontinued operations	30	-	(550,090)
Loss for the period		**(1,925,702)**	**(2,252,049)**
Other comprehensive loss			
Items which may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		-	38,568
Reclassification adjustments:			
Exchange differences reclassified on disposal of foreign operations		-	406,109
Other comprehensive loss for the year, net of tax		-	444,677
Total comprehensive result for the period		**(1,925,702)**	**(1,807,372)**
Loss for the period is attributable to:			
Non-controlling interest		-	(249,679)
Owners of the parent	19	(1,925,702)	(2,002,370)
		(1,925,702)	**(2,252,049)**
Total comprehensive result for the period is attributable to:			
Non-controlling interest		-	(249,679)
Owners of the parent	19	(1,925,702)	(1,557,693)
		(1,925,702)	**(1,807,372)**
Basic and diluted loss per share (cents)	25	(0.55)	(0.62)
Basic and diluted loss per share from continuing operations (cents)	25	(0.55)	(0.53)

The above consolidated statement of profit or 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 2016

		Consolidated Group	
		2016	2015
	Notes	$	$
CURRENT ASSETS			
Cash and cash equivalents	8	116,911	480,731
Trade and other receivables	9	205,333	561,048
Other current assets	10	15,550	16,798
Total Current Assets		337,794	1,058,577
NON CURRENT ASSETS			
Other financial assets	11	150,000	-
Property, plant & equipment	12	19,087	15,490
Goodwill	13	2,079,699	2,079,699
Intangible assets	13	138,041	268,083
Total Non-Current Assets		2,386,827	2,363,272
TOTAL ASSETS		**2,724,621**	**3,421,849**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	321,121	329,514
Other current liabilities	15	61,962	53,630
Borrowings	16	-	121,694
Total Current Liabilities		383,083	504,838
TOTAL LIABILITIES		**383,083**	**504,838**
NET ASSETS		**2,341,538**	**2,917,011**
EQUITY			
Issued capital	17	26,569,770	25,332,277
Reserves	18	878,319	765,583
Accumulated losses	19	(25,106,551)	(23,180,849)
TOTAL EQUITY		**2,341,538**	**2,917,011**

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 2016

Consolidated	Issued Capital $	Reserves $	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 2015	25,332,277	765,583	-	(23,180,849)	2,917,011	-	2,917,011
Loss for the period	-	-	-	(1,925,702)	(1,925,702)	-	(1,925,702)
Total comprehensive income for the period	-	-	-	(1,925,702)	(1,925,702)	-	(1,925,702)
Issue of share capital	1,248,505	-	-	-	1,248,505	-	1,248,505
Share issue costs	(11,012)	-	-	-	(11,012)	-	(11,012)
Share based payments	-	112,736	-	-	112,736	-	112,736
Balance as at 30 June 2016	**26,569,770**	**878,319**	**-**	**(25,106,551)**	**2,341,538**	**-**	**2,341,538**

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 2016

	Notes	Consolidated Group 2016 $	Consolidated Group 2015 $
Cash flows from operating activities			
Receipts from customers		1,579,325	1,121,674
Payments to suppliers and employees		(3,364,743)	(3,000,445)
Interest received		6,306	7,575
Finance costs		(36,777)	(47,685)
Research and development income tax incentive		192,934	91,616
Net cash (used in) discontinued operations		-	(382,597)
Net cash used in operating activities	**26**	(1,622,955)	(2,209,862)
Cash flows from investing activities			
Purchases of property, plant and equipment		(6,665)	(1,805)
Purchases of intangible assets		-	(52,114)
Proceeds from disposal of business, net of cash disposed of		-	(338,129)
Loans repaid by unrelated entities		300,000	-
Payment for purchases of equity investments		(150,000)	-
Net cash (used in) discontinued operations		-	(24,733)
Net cash provided by/(used in) investing activities		143,335	(416,781)
Cash flows from financing activities			
Proceeds from issues of shares		1,248,506	3,119,919
Payment of share issue costs		(11,012)	(186,231)
Repayment of borrowings		(121,694)	(400,000)
Net cash provided by discontinued operations		-	325,000
Net cash provided by financing activities		1,115,800	2,858,688
NET (DECREASE)/ INCREASE IN CASH HELD		(363,820)	232,045
Cash and cash equivalents at the beginning of the financial year		480,731	220,343
Effect of exchange rate fluctuations		-	28,343
Cash and cash equivalents at the end of the financial year	**8**	**116,911**	**480,731**

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 2016 were authorised for issue in accordance with a resolution of the Directors on 31 August 2016.

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 2016 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 $1,925,702 from continuing operations during the financial year (2015: $1,701,959), in addition to the net current liability position of $45,289.

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 Company has secured an equity facility of $2,250,000 and in August 2016 received $250,000 in equity from placements announced during the year;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress; and
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results.

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.

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 22) 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.

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; and
- 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 ($).

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.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the categories of Financial assets at fair value through profit or loss, Held-to-maturity investments, or Loans and receivables. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

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.

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	Domain names and trademarks	Development costs
Useful lives	Indefinite	Finite
Amortisation method used	No amortisation	Amortised over the period of expected future benefit from the related project on a straight-line basis
Internally generated or acquired	Acquired	Internally generated/Acquired
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.

Domain names and trademarks can be renewed for nominal value to maintain ownership, therefore domain names and trademarks are assumed to have an indefinite life. Domains acquired for a material sum are capitalised and tested for impairments as part of normal impairment testing. 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.

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.

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.

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.

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 2016, 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. See details in the following table.

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 2016 and therefore have not been adopted by the Group for the 2016 annual report.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 9	Financial Instruments	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows. b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) • the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • classification and measurement of financial liabilities; and • derecognition requirements for financial assets and liabilities AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.	1 January 2018	minimal	1 July 2018
AASB 15	Revenue from Contracts with Customers	AASB 15 − replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations − establishes a new revenue recognition model − changes the basis for deciding whether revenue is to be recognised over time or at a point in time − provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) − expands and improves disclosures about revenue	1 January 2018	not yet assessed	1 July 2018

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should: 1 - Apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not re-measured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and 2 - Provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.	1 January 2016	minimal	1 July 2016
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances: 1 - The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or 2 - When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.	1 January 2016	minimal	1 July 2016
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.	1 January 2016	minimal	1 July 2016

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments: • clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy	1 January 2016	not yet assessed	1 July 2016
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.	1 January 2017	minimal	1 July 2017

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 27.

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.

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

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.

Interest rate risk

The Group's exposure to interest rates primarily relates to the Group's cash holdings. Interest rate risk is minimal. The Group has no debt at year end and is therefore not exposed to risks on interest borrowings.

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.

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 adjusts the capital structure to take advantage of favourable costs of capital or high return on assets. Capital structure is predominantly driven by the capital requirements of the Group.

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 no outstanding borrowings at 30 June 2016 (2015: $121,694).

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 2016 $	2015 $
3. REVENUE FROM CONTINUING OPERATIONS		
Rendering of services	610,776	419,010
Other income	2,812	-
	613,588	419,010

4. OTHER INCOME AND EXPENSES	2016 $	2015 $
(a) Expenses included in statement of profit or loss and other comprehensive income		
Depreciation	3,067	1,864
Amortisation	130,042	122,531
Rental expense on operating leases – minimum lease payments	60,853	58,750
Share-based payments	112,736	54,824
(b) Employee benefits expense		
Salaries and wages	957,983	639,644
Other associated personnel expenses	-	51,203
Superannuation costs	90,771	60,766
(Decrease)/increase in liability for leave	(5,589)	32,899
	1,043,165	784,512
(c) Amortisation costs included in discontinued operations		
Amortisation	-	83,364

5. FINANCE INCOME AND COSTS	2016 $	2015 $
(a) Finance income		
Interest income	20,509	7,575
(b) Finance costs		
Interest expense	(11,629)	(47,685)

6. AUDITORS' REMUNERATION	2016 $	2015 $
Audit and half year review services:		
- audit and half year review of financial reports (HLB Mann Judd (WA) Partnership)	41,500	91,771
	41,500	91,771

	Consolidated 2016 $	2015 $
7. INCOME TAX		
(a) Income tax benefit		
The major components of income tax benefit are:		
Current income tax		
Current R&D Tax offset	170,901	171,782
Under provision in prior year	20,458	-
Income tax benefit reported in the statement of profit or loss and other comprehensive income	**191,359**	**171,782**
(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:		
Accounting loss before income tax	(2,117,061)	(2,837,708)
At the Parent Entity's statutory income tax rate of 28.5% (2015: 30%)	(603,362)	(851,312)
Non-deductible expenses	41,568	561,896
Non-assessable income	-	(60,637)
Share based payments	32,130	16,447
Other deferred tax assets and tax liabilities not recognised	529,664	424,414
Research and development tax incentive	(170,901)	(676,467)
(Under) / over provision in prior year	(20,458)	-
Total income tax (benefit)/expense for the year	**(191,359)**	**(585,659)**
Income tax (benefit) attributable to discontinued operations	-	(413,877)
Income tax (benefit) attributable to continuing operations	(191,359)	(171,782)
Total income tax (benefit)/expense for the year	**(191,359)**	**(585,659)**
(c) Current tax liabilities		
Income tax payable attributable to:		
Subsidiaries	-	-
(d) Unrecognised deferred tax balances		
The following deferred tax assets have not been brought to account:		
Losses available for offset against future taxable income	934,134	376,593
Accrued expenses and liabilities	32,689	215,738
Unrecognised deferred tax assets	966,823	592,331

Deferred tax assets arising from tax losses are, to the extent noted above, not recognised at reporting date as realisation of the benefit is not regarded as probable. This deferred income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation is complied with, including Continuity of Ownership and/or Same Business Tests; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

Tax rates

The potential tax benefit at 30 June 2016 in respect of tax losses not brought to account has been calculated at 30% (2015: 30%) for Australian entities.

		Consolidated	
8.	**CASH AND CASH EQUIVALENTS**	**2016**	**2015 $**
	Cash at bank and on hand	116,911	480,731
		116,911	**480,731**

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 27.

		Consolidated	
9.	**TRADE AND OTHER RECEIVABLES**	**2016 $**	**2015 $**
	Current		
	Trade receivables	34,432	25,085
	Allowance for impairment loss	-	-
		34,432	25,085
	Other receivables	-	2,300
	Loan to Marketboomer Holdings Pty Ltd	-	361,871
	Research and Development Tax Incentive	170,901	171,782
		205,333	**561,048**

The Group's exposure to credit risk and impairment losses relating to trade and other receivables is disclosed in Note 27.

		Consolidated	
10.	**OTHER ASSETS**	**2016 $**	**2015 $**
	Prepayments	15,550	16,798

		Consolidated	
11.	**OTHER FINANCIAL ASSETS**	**2016 $**	**2015 $**
	Investment in Global Invoice Exchange Pty Ltd	150,000	-

The Group made an investment in Global Invoice Exchange Pty Ltd (which trades as FundX). The investment has been classified as an Available-For-Sale financial asset upon initial recognition.

12. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
At 1 July	15,490	47,888
Additions	6,664	26,539
Disposal of Marketboomer	-	(24,327)
Exchange differences	-	(7,324)
Depreciation charge for the year	(3,067)	(27,286)
At 30 June, net of accumulated depreciation	**19,087**	**15,490**
At 30 June		
Cost	391,201	384,537
Accumulated depreciation	(372,114)	(369,047)
Net carrying amount	**19,087**	**15,490**

Impairment of property, plant and equipment

There was no impairment loss relating to property, plant and equipment during the 2016 financial year (2015: nil).

13. GOODWILL AND INTANGIBLE ASSETS

	Software Development and Domain costs $	Patents and Trademarks $	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 2015	262,914	5,169	2,079,699	2,347,782
Amortisation charge for the year	(130,042)	-	-	(130,042)
At 30 June 2016, net of accumulated depreciation	**132,872**	**5,169**	**2,079,699**	**2,217,740**
At 30 June 2016				
Cost (gross carrying amount)	722,803	5,169	2,079,699	2,807,671
Accumulated amortisation	(589,931)	-	-	(589,931)
Net carrying amount	**132,872**	**5,169**	**2,079,699**	**2,217,740**

(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 and Trademarks

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. Patents were disposed of as part of the sale of the Marketboomer business on 30 June 2015. Remaining items are trademarks which are recorded at the cost associated with registering the trademarks for the Group.

(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).

(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 2015. 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 MyCaravan (formerly caramavan.com) was assessed as having a fair value of $120,167 on 2 October 2014. The value remaining to be amortised is $67,594.

(c) Impairment tests for goodwill

No impairment loss was recognised for continuing operations in the 2016 financial year, and no impairment loss was recognised in the 2015 financial year.

Goodwill acquired through business combinations and patents and licences had been allocated to a single cash generating unit (CGU) for impairment testing.

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 13.0% (2015: 14.7 %) and cash flows beyond the 2021 financial year are extrapolated using a 3% nominal growth rate (2015: 3%) projected to perpetuity.

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

	Collaborative Consumption	
	2016	**2015**
	$	**$**
Carrying amount of other identifiable intangibles	5,169	5,169
Carrying amount of domain names	46,944	46,945
Carrying amount of software development costs	85,928	215,969
Carrying amount of goodwill	2,079,699	2,079,699
Total intangibles	2,217,740	2,347,782

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	
14. TRADE AND OTHER PAYABLES	**2016 $**	**2015 $**
Trade creditors (i)	56,155	73,422
Other creditors and accruals	264,966	256,092
	321,121	**329,514**

(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 27.

	Consolidated	
15. OTHER LIABILITIES	**2016 $**	**2015 $**
Current		
Employee entitlement liabilities	48,040	53,630
Deferred income	13,922	-
	61,962	**53,630**

16. 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 27.

	Consolidated	
	2016 $	**2015 $**
Current		
Secured loan	-	121,694
	-	**121,694**

Terms of borrowings

Secured loan

The Secured loan classified as current in the prior year bore interest at a rate of 10% pa. The loan was secured against the assets of DriveMyCar. Pursuant to the terms of the loan agreement loan was repaid on 19 February 2016.

	Consolidated 2016 $	Consolidated 2015 $
17. ISSUED CAPITAL		
370,173,748 (30 June 2015: 308,605,647) fully paid ordinary shares	**26,569,770**	**25,332,277**

(a) Ordinary shares

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

	2016 Number of Shares	2016 $	2015 Number of Shares	2015 $
Balance at beginning of year	308,605,647	25,332,277	2,261,599,600	23,566,939
Issue of shares at entitlement issue	-	-	357,209,251	714,419
Issued as per consultant agreement	-	-	17,875,000	35,750
Issue of shares at $0.002 each as part consideration for acquisition of Caramavan	-	-	50,000,000	100,000
Issue of shares at $0.002 each as shortfall from entitlement issue	-	-	50,000,000	100,000
Issue of shares at $0.002 each by share placement	-	-	375,000,000	750,000
Issued as per share purchase plan	-	-	47,750,000	95,500
Share consolidation[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)
Issue of shares at $0.02 each by share placement	25,000,000	500,000	-	-
Issue of shares at $0.02 each by exercise of options	2,925,244	58,505	-	-
Issue of shares at $0.021 each by share placement	28,142,857	591,000	-	-
Issue of shares at $0.018 each by share placement	5,500,000	99,000	-	-
Less share issue costs	-	(11,012)	-	(270,823)
Balance at end of year	**370,173,748**	**26,569,770**	**308,605,647**	**25,332,277**

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 presents 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

The following options were issued during the period:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30-Apr-17	$0.02	21,880,952
Facility Options	31-May-19	$0.03	2,800,000
Officer Options	30-Nov-18	$0.035	5,000,000

At 30 June 2016 unissued ordinary shares of the Company under options were:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options	30-Apr-17	$0.02	165,758,796
Vendor Options[(1)]	02-Oct-17	$0.02	5,000,000
Vendor Options[(1)]	02-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
Facility Options[(1)]	31-May-19	$0.03	2,800,000
Officer Options[(1)]	30-Nov-18	$0.035	5,000,000

(1) Vendor Options, Executive Options, Director Options, Facility Options and Officer Options are not quoted. Executive Options are subject to vesting obligations. Vendor Options are subject to performance criteria.

(c) Capital management

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

	Consolidated 2016 $	Consolidated 2015 $
18. RESERVES		
Foreign currency translation reserve		
Balance at beginning of the year	-	(444,677)
Currency translation differences	-	38,568
Exchange differences reclassified on disposal of foreign operations	-	406,109
Balance at the end of the year	-	-
Share-based payments reserve		
Balance at beginning of the year	765,583	614,982
Options	112,736	159,583
Entitlement unissued Share Funds	-	(8,982)
Balance at the end of the year	878,319	765,583
TOTAL RESERVES	**878,319**	**765,583**

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

(i) This reserve is used to record the value of share- based payments made, other than those recorded directly in issued capital. Opening balance

The value of options and deferred share entitlements previously issued.

(ii) Options

Non-listed options were valued using the Black-Scholes option pricing model with the assumptions as outlined in Note 20.

19. ACCUMULATED LOSSES	Consolidated 2016 $	2015 $
Accumulated losses at beginning of year	**(23,180,849)**	(21,178,479)
Loss for the year	(1,925,702)	(2,002,370)
Accumulated losses at end of year	**(25,106,551)**	**(23,180,849)**

20. SHARE-BASED PAYMENTS

On 30 November 2015, at the annual general meeting, shareholders approved the issue of options (**Officer Options**) to the CEO/ Executive Director, Mr Noone, the Non-Executive Directors, Mr Carosa and Mr Bunter, and the Company Secretary, Ms Logan as a cost effective and efficient reward and incentive for services provided to the Company. The options were issued on 30 November 2015.

On 20 August 2014, the Company issued 1,785,000 fully paid ordinary shares (17,850,000 fully paid ordinary shares on a pre-consolidation basis) in lieu of cash payment for services rendered by a consultant.

Set out below are summaries of options granted to Directors and vested during the year:

Grant date	Expiry date	Balance at the start of the year	Exercise Price	Granted	Exercised	Vested	Balance at the end of the year
30 Nov 15	30 Nov 18	-	$0.035	5,000,000	-	5,000,000	5,000,000

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are outlined below.

Grant date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility (%)	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
30 Nov 15	30 Nov 18	$0.024	$0.035	132%	-	2.11%	84,500

In the prior year, the Group issued shares for the acquisition of MyCaravan. Refer to note 29 for more information

21. KEY MANAGEMENT PERSONNEL	2016 $	2015 $
Key management personnel compensation		
Short-term benefits	295,000	459,440
Long-term benefits	-	3,200
Post-employment benefits	19,000	36,607
Share based payment	104,286	54,824
Total compensation	**418,286**	**554,071**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 10 to 15.

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.

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 2016 $	2015 $
Mr C Noone	Consultancy fees	1	-	18,250
Mr D Carosa	Underwriting fees	2	-	20,000
Mr A Bunter	Taxation services	3	1,640	-

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 capital raising since 30 April 2015. From this date, an entity associated with Mr Carosa owned a 6.4% interest in DJ Carmichael Pty Limited. Terms for such services were based on market rates, and amounts were payable on normal commercial terms.
3. A company associated with the spouse of Mr Bunter provided taxation services to the Company. The 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 2016 or 2015 financial years.

22. 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 2016 %	Equity Interest 2015 %
Drive My Car Rentals Pty Ltd	Australia	5 September 2009	100	100
Drive My Fleet Pty Ltd	Australia	15 December 2010	100	100
Rentoid Group Pty Ltd	Australia	28 April 2014	100	100
My Caravan Pty Ltd	Australia	3 September 2014	100	100

(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 21.

(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 above.

	Parent Entity 2016 $	2015 $
Non-Current		
Loans to subsidiaries	2,673,726	1,512,406

No dividends were received from the subsidiaries in the 2016 or 2015 financial years.

(e) Loans from related parties

	Parent Entity	
	2016	**2015**
	$	**$**
Current		
Secured Loan	-	121,694

The secured loan had been provided by Future Capital Development Fund Pty Ltd (an entity related to Mr Carosa). Interest paid in 2016 was $26,643 which related to interest accrued in the 2016 financial year relating to the loan to the date of repayment 19 February 2016 of $9,108 (interest accrued in relation to the loan to 30 June 2015 was $17,535).

23. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

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

Remuneration commitments

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

	2016	**2015**
	$	**$**
Within one year	100,000	100,000
After one year but not more than five years	-	-
	100,000	100,000

Contingencies

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

24. SEGMENT INFORMATION

The Group had one reportable segment at the end of the period being the collaborative consumption business segment. 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.

25. LOSS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of $1,925,702 (2015 loss: $2,002,370) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 347,602,111 (2015: 321,702,390) calculated as follows:

	2016			2015		
Loss attributable to ordinary shareholders (basic)	**Continuing Operations**	**Discontinued Operations**	**Total**	**Continuing Operations**	**Discontinued Operations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Loss attributable to the ordinary shareholders	(1,925,702)	-	(1,925,702)	(1,701,959)	(300,411)	(2,002,370)

Weighted average number of ordinary shares	2016 Number	2015 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	347,602,111	321,702,390
Weighted average number of ordinary shares for the purpose of diluted earnings per share	-	-

	2016	2015
Basic and diluted loss per share from continuing operations (cents per share)	(0.55)	(0.53)

26. CASH FLOW STATEMENT RECONCILIATION

	2016 $	2015 $
(a) Reconciliation of net loss after tax to net cash used in operating activities		
Net loss after income tax	(1,925,702)	(2,252,049)
Adjustments for:		
Depreciation	3,067	27,286
Amortisation	130,042	206,303
Foreign exchange loss	-	(16,882)
Other non-cash items (including share based payments, discontinued operations adjustments and exchange reserves reclassified to profit and loss on disposal of foreign entities)	112,736	250,564
Operating profit/(loss) before changes in working capital and provisions	(1,679,857)	(1,784,778)
Changes in operating assets and liabilities:		
Change in trade and other receivables	55,715	(345,752)
Change in prepayments	1,248	(4,700)
Change in trade and other payables	(8,393)	(156,354)
Change in other liability	8,332	120,470
Change in borrowing	-	(38,748)
Net cash used in operating activities	(1,622,955)	(2,209,862)

(b) Non-cash investing and financing activities

See Note 20 - Share Based Payments for information.

27. 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	
	2016 $	2015 $
Cash and cash equivalents	116,861	480,731
Trade and other receivables - current	205,333	561,048
Trade and other receivables - non-current	-	-
	322,194	1,041,779

The credit quality is assessed and monitored as follows:

	Equivalent S&P rating[1]	Internally rated[2]		
	A+ and above $	New customers $	Closely monitored customers $	Total $
At 30 June 2016				
Cash and cash equivalents	116,911	-	-	116,911
Trade receivables - current	170,901	-	34,432	205,333
	287,812	-	34,432	322,244

	Equivalent S&P rating[1]	Internally rated[2]		
	A+ and above $	New customers $	Closely monitored 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

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 (2015: Nil). 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.

Allowance for impairment loss (Continued)

Movements in the provision for impairment loss were as follows:

	Consolidated Carrying Amount 2016 $	Consolidated Carrying Amount 2015 $
At 1 July	-	77,080
Charge/(write back) for the year	-	143,478
Amounts written off	-	(16,670)
Disposal of Marketboomer Holdings	-	(203,888)
At 30 June	-	-

The ageing analysis of trade receivables at reporting date was:

	2016 $	2015 $
0-30 days	9,663	6,022
31-60 days	-	195
61-120 days	4,196	265
More than 121 days	20,573	18,603
	34,432	25,085

Receivables past due but not considered impaired are $20,573 (2015: $18,603). 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 $	Total $
At 30 June 2016					
Trade creditors	321,121	(321,121)	(321,121)	-	(321,121)
Other Creditors and accruals	48,040	(48,040)	-	(48,040)	(48,040)
	369,161	(369,161)	(321,121)	(48,040)	(369,161)

	Carrying amount $	Contractual cash flows $	≤ 6 months $	6-12 months $	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)
Secured loan – current	121,694	(121,694)	-	(121,694)	(121,694)
	426,083	(426,083)	(304,389)	(121,694)	(426,083)

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	
	2016 $	2015 $	2016 $	2015 $
GBP	-	0.5307	-	0.4885
EUR	-	0.6963	-	0.6866
SGD	-	1.0956	-	1.0340
CNY	-	5.1837	-	4.7661
AED	-	3.0775	-	2.8205
THB	-	27.3600	-	25.9400

Interest rate risk

Profile

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

	Consolidated Carrying Amount	
	2016 $	2015 $
Fixed rate instruments		
Financial liabilities		
Secured loan	-	(121,694)
	-	(121,694)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	116,861	480,731
Net exposure	116,861	359,037

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 2016	100 bp increase	100 bp decrease
Variable rate instruments	1,169	(1,169)
30 June 2015		
Variable rate instruments	4,807	(4,807)

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 2016 and 30 June 2015 are classified as level 3.

28. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Collaborate Corporation Limited, at 30 June 2016. The information presented has been prepared using accounting policies as disclosed in Note 1.

(a) Statement of financial position

	2016 $	2015 $
CURRENT ASSETS		
Cash and cash equivalents	78,117	465,868
Trade and other receivables	1,833	3,358
Loan to Marketboomer	-	361,871
Total Current Assets	79,950	831,097
NON CURRENT ASSETS		
Investment in other financial assets	150,000	-
Investments in subsidiaries	4,758,896	3,597,577
Total Non-Current Assets	4,908,896	3,597,577
TOTAL ASSETS	**4,988,846**	**4,428,674**
CURRENT LIABILITIES		
Trade and other payables	76,415	144,813
Total Current Liabilities	76,415	144,813
TOTAL LIABILITIES	**76,415**	**144,813**
NET ASSETS	**4,912,431**	**4,283,861**
EQUITY		
Issued capital	26,569,769	25,332,277
Reserves	878,319	765,583
Accumulated losses	(22,535,657)	(21,813,999)
TOTAL EQUITY	**4,912,431**	**4,283,861**

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

	Parent Entity	
	2016	**2015**
	$	**$**
Net loss for the year	(721,659)	(645,860)
Profit of sale of discontinued operation	-	202,124
Total comprehensive loss for the year	**(721,659)**	**(443,736)**

The Parent Entity incurred a loss of $721,659, up from a loss of $443,736 in the 2015 financial year.

(c) Commitments and contingencies

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

Contingencies

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

29. ACQUISITION OF SUBSIDIARY

There were no acquisitions during the year.

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.

30. DISCONTINUED OPERATION

There was no change during the current year.

In relation to the prior year, 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 owned the Marketboomer business. The transaction involved 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** **$**
Loss after tax from discontinued operations (iv)	(550,090)
Loss on disposal (i)	-
	(550,090)

30. DISCONTINUED OPERATION (continued)

(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

	2015
The carrying amounts of assets and liabilities as at the date of sale in June 2015 were:	**$**
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 inflow on disposal

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

(iv) Financial performance and cash flow information	**Year ended 30 June 2015**
	$
Financial performance from discontinued operation	
Revenue	3,492,278
Expenses	(4,456,245)
Profit/(loss) before tax from discontinued operations	(963,967)
Income tax expense	413,877
Profit/(loss) after tax from discontinued operations	**(550,090)**
Cash flows from discontinued operation	
Net cash flow from operating activities	(382,597)
Net cash flow from investing activities	(24,733)
Net cash flow from financing activities	325,000
	(82,330)

31. EVENTS SUBSEQUENT TO REPORTING DATE

Equity facilities

On 28 June 2016, the Company announced the execution of agreements with existing sophisticated shareholders of the Company for flexible equity facilities totalling up to $2.25 million. Initial drawdown notices were issued following the year end for a total of $270,000 based on a share price of $0.0188 per share to issue a total of 14,361,702 fully paid ordinary shares.

Interim funding facility

On 5 July 2016, the Company announced the execution of an agreement with Dominet Digital Investment for an interim funding facility of up to $250,000 as an advance on funds previously committed by Dominet for placements. The interim funding facility has been negotiated on a short-term but interest-free basis. Shareholders approved the issue of shares and the loan has been settled via the issue of the approved placement shares

Result of General Meeting

A general meeting took place on 10 August 2016 and all resolutions were carried by a show of hands.

Second tranche of placements

On 12 August 2016, the Company issued 13,492,063 fully paid ordinary shares and 4,497,355 free attaching listed options (exercisable at $0.02 and expiring in April 2017) to raise $250,000 for working capital. These shares and options were issued to an entity associated with a former Director, Mr Carosa, pursuant to shareholder approval granted on 10 August 2016.

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 2016 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 2016.

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 31st day of August 2016.

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 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising 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 gives a true and fair view and 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*, the consolidated financial statements comply 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 about 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 of the financial report that gives a true and fair view 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 the company's and its controlled entities' 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*.

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

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 2016 and 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 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
31 August 2016

Details of securities as at 26 August 2016:

Top holders

The 20 largest registered holders of each class of quoted security as at 26 August 2016 were:

Fully paid ordinary shares

	Name	No. of Shares	%
1.	HISHENK PTY LTD	64,500,000	16.42
2.	MR BRADLEY PARTRIDGE	18,352,608	4.67
3.	DOMINET DIGITAL CORPORATION PTY LTD <THE CAROSA FAMILY A/C>	13,492,063	3.44
4.	BELLITE PTY LTD <MEYER FAMILY BTML A/C>	12,144,679	3.09
5.	JMT INVESTMENT GROUP VIC PTY LTD	10,000,000	2.55
6.	MR ANDREW RUDOLPH SYPKES & MRS ELIZABETH ANNE PETRUSMA <R & E SYPKES FAMILY SF A/C>	7,442,921	1.90
7.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	7,000,000	1.78
8.	DSAH HOLDINGS PTY LTD	6,913,320	1.76
9.	PROTO INVESTMENT PARTNERS PTY LTD	6,744,167	1.72
10.	ASTROMESEOGIOS OVERSEAS LTD <THE TAMBURLAINE A/C>	5,155,201	1.31
11.	JMT INVESTMENT GROUP VIC PTY LTD <JOHN TURNER SUPER FUND A/C>	5,000,000	1.27
12.	MR BRENTLEIGH GRANT MEZGER <BRENT MEZGER FAMILY A/C>	5,000,000	1.27
13.	MR TEDDY TJANDRAMULIA	4,708,362	1.20
14.	K & C HOLLOWAY PTY LTD	4,500,000	1.15
15.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INVESTMENTS S/F A/C>	4,465,243	1.14
16.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL ALL A/C>	4,361,702	1.11
17.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	3,681,995	0.94
18.	MR ANDREW OWEN & MRS JENNIFER OWEN	3,500,000	0.89
19.	MR GEORGE POLITES	3,225,000	0.82
20.	TORONTO COVE PTY LTD <TORONTO COVE SUPER FUND A/C>	3,000,000	0.76
		193,187,261	**49.19**

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>	28,674,857	16.66
2.	MR DARREN WAYNE STOCKMAN & MRS ANNETTE STOCKMAN	13,000,001	7.55
3.	HISHENK PTY LTD	11,535,714	6.70
4.	MR AYNGARAN KAILAINATHAN	8,400,000	4.88
5.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	7,000,000	4.07
6.	AJ HOLIDAYS PTY LTD <OWEN AR & JSY S/F A/C>	4,527,273	2.63
7.	DOMINET DIGITAL CORPORATION PTY LTD <THE CAROSA FAMILY A/C>	4,497,355	2.61
8.	MR AYNGARAN KAILAINATHAN	4,200,000	2.44
9.	MR JASON PLEHN	4,000,000	2.32
10.	MR BENJAMIN JOHN SCHUMACHER	2,500,000	1.45
11.	18 KNOT VENTURES PTY LTD <GREEN ARROWS A/C>	2,500,000	1.45
12.	MR HARRY HOHOLIS	2,497,512	1.45
13.	MR ANDREW OWEN & MRS JENNIFER OWEN	2,400,000	1.39
14.	MRS GAIL ALISON SCHUMACHER	2,235,396	1.30
15.	MR WAYNE MARCH <MARCH FAMILY A/C>	2,130,000	1.24
16.	FIRST INVESTMENT PARTNERS PTY LTD	2,000,000	1.16
17.	NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL LTC A/C>	1,850,000	1.08
18.	MR GIUSEPPE SURACE & MRS GIOVANNA MARIA SURACE	1,840,000	1.07
19.	MR KYLE JOHN CLARKE	1,825,000	1.06
20.	MR BERWICK WILHELM LOURENSZ & MRS BEVERLEY JILLIAN LOURENSZ <LOURENSZ SUPERFUND A/C>	1,800,000	1.05
		109,413,108	**63.56**

Distribution schedule

A distribution schedule of each class of equity security as at 26 August 2016:

Fully paid ordinary shares

Range	Holders	Units	%
1 - 1,000	238	108,746	0.03
1,001 - 5,000	218	586,956	0.15
5,001 - 10,000	57	434,361	0.11
10,001 - 100,000	384	17,577,144	4.47
100,001 - Over	327	374,001,157	95.24
Total	**1,224**	**392,708,364**	**100.00**

Options exercisable at $0.02 on or before 30 April 2017

Range	Holders	Units	%
1 - 1,000	494	115,043	0.07
1,001 - 5,000	81	199,901	0.12
5,001 - 10,000	19	142,125	0.08
10,001 - 100,000	58	2,695,100	1.56
100,001 - Over	128	168,937,315	98.17
Total	**780**	**172,089,484**	**100.00**

Unlisted securities

Class	Expiry Date	Exercise Price	Number of Options	Number of holders
Vendor Options	1 October 2017	$0.02	5,000,000	1
Vendor Options	1 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 B Options	28 November 2020	$0.03	883,333	1
Director Options	28 November 2018	$0.03	2,000,000	2
Officer Options	30 November 2018	$0.035	5,000,000	4
Facility Options	31 May 2019	$0.03	4,500,000	4

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest are set out below:

Substantial shareholder	Number of Shares
Hishenk Pty Ltd and associated entities	64,500,000

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 26,316 as at 26 August 2016):

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.