Collaborate

CORPORATION LIMITED

ACN 066 153 982

2018 ANNUAL REPORT

Collaborate
CORPORATION LIMITED

CORPORATE DIRECTORY

Directors

Mr Chris Noone - Chief Executive Officer and Executive Director

Mr Adrian Bunter - Non-Executive Director

Mr Jim Landau - Non-Executive Director

Company Secretary

Ms Karen Logan

Registered Office and Principal Place of Business

Suite 3, Level 7

189 Kent Street

Sydney NSW 2000

Telephone: +61 2 8889 3641

Email: shareholder@collaboratecorp.com

Website: www.collaboratecorp.com

Share Registry

Automic Registry Services

Suite 310, 3rd Floor

50 Holt Street

Surry Hills NSW 2010

Telephone: 1300 288 664 / (02) 9698 5414

Facsimile: (02) 8583 3040

Website: www.automic.com.au

Stock Exchange

Collaborate Corporation Limited is listed

on the Australian Stock Exchange.

ASX Code: CL8

Auditor

HLB Mann Judd

Level 4, 130 Stirling Street

Perth WA 6000

Bankers

National Australia Bank

Level 1, 1232 Hay Street

West Perth WA 6005

Collaborate
CORPORATION LIMITED

CONTENTS

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 2018 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 7 August 2014

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

Mr Adrian Bunter

Non-Executive Director - appointed 19 February 2014

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

In the 3 years immediately before the end of the financial year, Adrian also served and continues to serve as a Non-Executive Director of 8common Limited.

Mr Jim Landau

Non-Executive Director - appointed 18 May 2016

Jim 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 mentoring and coaching group, The Executive Connection Pty Ltd (TEC) and a non-executive Director of the Leading Technology Group, Life Research Pty Ltd, elisakit.com Pty Ltd, Cardiobase and AquaConneXions Holdings Pty Ltd. In addition, he is a member of the advisory boards of Adept Turnkey a leading provider of industrial camera systems and services.

COMPANY SECRETARY

Ms Karen Logan

Appointed 27 October 2009

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

DIRECTORS' MEETINGS

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

Director	Board Meetings		Nomination and Remuneration Committee Meetings		Audit and Risk Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr Chris Noone	12	12	N/A	N/A	N/A	N/A
Mr Adrian Bunter	12	12	1	1	2	2
Mr Jim Landau	12	12	1	1	2	2

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 (Chairman)	Mr Adrian Bunter (Chairman)
Mr Adrian Bunter	Mr Jim Landau

DIRECTORS' INTERESTS

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

Director	Shares	Options[1]					
		Executive A	Executive B	Officer	Director	Officer A	Officer B
Mr Chris Noone	1,350,000	2,150,000	2,650,000	1,500,000	-	3,500,000	7,000,000
Mr Adrian Bunter	5,200,000	-	-	1,500,000	1,000,000	1,500,000	1,500,000
Mr Jim Landau	-	-	-	-	-	1,500,000	1,500,000

[1.] Refer to Note 13 for details of the terms and conditions of Options.

PRINCIPAL ACTIVITY

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

REVIEW OF OPERATIONS

Operating review

Collaborate significantly expanded its operational footprint, launched new products and increased revenue for the fourth consecutive period in the 2018 financial year (FY18). With funding secured from the 100% exercise of the CL8O listed options and strategic investment from RACV in April 2017, Collaborate increased investment in key management personnel, the Collaborate Sharing Platform and new products to provide a solid foundation for future growth. Key highlights include the launch of RACV DriveMyCar, the upgraded version of the Collaborate Sharing Platform featuring Mobilise, largest ever corporate fleet additions from Subaru and Peugeot, introduction of accident replacement rentals for Uber and RACV Insurance and expansion of the ManageMyCar service in Melbourne.

FY18 revenue increased by 31% and gross profit increased by 35% versus FY17, the majority of which was attributable to the DriveMyCar business unit which exploited multiple new opportunities in the mobility industry. The net loss after tax increased by 43% compared to FY17 as a result of substantially increased investment in personnel, product development and other growth drivers which are likely to contribute more substantially to revenue in future periods. This investment phase has now been completed and new product development expenses are not expected to increase further as the business continues to grow. The Group remains debt-free.

Collaborate continued to deliver on its peer-to-peer strategy and strengthened its focus on rapidly developing opportunities in the mobility segment, which DriveMyCar is especially well suited to exploit. Expanding from an initial focus on medium to long term rentals of privately owned vehicles DriveMyCar has broadened its supply and demand channels to take advantage of developing mobility opportunities while strengthening its competitive position versus traditional car rental companies.

Rideshare rentals for Uber drivers was the first significant new demand opportunity to be addressed by DriveMyCar and gross revenue from this channel increased 61% compared to FY17. New registration requirements were introduced for rideshare vehicles in New South Wales, Victoria and Queensland during FY18. Due to poorly drafted legislation and resultant inefficient application processes in Victoria and Queensland, some vehicle owners experienced delays in securing the rideshare registration for their vehicles which resulted in lost sales revenue from the need to cancel a number of rentals. This reduced the growth experienced by the business during FY18. Post year end, all vehicle owners have now successfully registered their vehicles in Victoria however difficulties are still being experienced in Queensland. Despite the short term impact on revenue, the introduction of the legislation is seen as positive for the long term as it provides regulatory clarity which is important for innovative business models. In comparison to other similar sharing sectors such as short term accommodation and the gig economy, which are facing the potential of negative regulatory impacts, the sectors that Collaborate operates in are already well recognised by, and compliant with, government regulations. At the request of Uber, a short term rental product was created for Uber drivers who required access to rideshare vehicles whilst their own vehicle was being serviced or repaired. The development of this product provided the foundation for the launch of 2+ day car rentals (previously 7 day minimum) and the accident replacement rental product for RACV Insurance customers impacted by the December 2017 hailstorm.

Following the strategic investment from RACV in April 2017, RACV DriveMyCar launched in September 2017. Under this relationship DriveMyCar is marketed as a co-branded proposition in Victoria, leveraging opportunities to engage with RACV's 2.1 million members and RACV's position as one of the most trusted brands in Victoria, to attract new customers. The Collaborate Sharing Platform underwent extensive RACV security and penetration tests before launch which confirmed its status as a robust, enterprise grade platform capable of meeting the requirements for integration with large sophisticated corporations. Marketing campaign expenditure for the RACV DriveMyCar initiative is funded by RACV. Digital campaign activity, directed to non-RACV members was originally managed by RACV and was transferred to DriveMyCar in May 2018 due to the original externally-managed campaign not achieving expectations. The transfer of management of the marketing enabled RACV DriveMyCar to take advantage of DriveMyCar's experience in attracting new customers to peer-to-peer propositions. Campaign return on investment increased following this change. RACV continues to manage marketing directed towards existing members and the proposition continues to evolve to achieve the best balance between activating RACV members and attracting new customers in Victoria. The accident replacement rental product developed exclusively for RACV to provide rental vehicles for RACV Insurance customers while their vehicles were being repaired benefited from integration between RACV systems and Collaborate's PeerPass verification platform to enable rapid onboarding of RACV customers. The streamlined onboarding process ensured a higher conversion rate and provided a superior customer experience. The success of this proposition opens up the potential for the launch of further accident replacement rental products which is a large market currently impacted by significant market inefficiencies that DriveMyCar can play a major role in solving.

The Subaru relationship that delivered the Impreza experiential marketing campaign that was hailed by Mumbrella as 'one of the five most eye-catching launch campaigns of 2017' was extended in September 2017 with the addition of 105 Subaru XV to the fleet. These vehicles were largely used to satisfy increasing demand from Uber drivers and further developed the experiential marketing campaign proposition which delivered increased brand awareness for Subaru through on-road presence and thousands of Uber passengers each month who experienced rides in the vehicles, akin to a chauffeured test-drive. The XV were eagerly adopted by Uber drivers and revenue from this important supply and demand channel contributed to DriveMyCar achieving its strongest ever results in the December 2017 Quarter and 62% increase in Rental Transaction Value versus the December 2016 Quarter. Peugeot was the next manufacturer to leverage DriveMyCar's experiential marketing capability and access to the Uber channel with the addition of 115 vehicles including the 208, 2008 and 3008 SUV and the luxury 508. Full utilisation of the vehicles was delayed due to external issues affecting registration of the vehicles and this impacted results in Q3 and Q4 of FY18. High utilisation is now being achieved, particularly following the launch of unlimited kilometres which enables DriveMyCar to compete on a like for like feature basis with large traditional car rental companies. The experience delivered by DriveMyCar for Subaru and Peugeot is resulting in increasing interest in the DriveMyCar proposition by a number of parties.

DriveMyCar's operational footprint expanded with the re-launch of the ManageMyCar service in Melbourne in association with Busy Beaver, an RACV partner. This relationship provides near airport pick up for car rentals at prices that are very competitive with traditional car rental companies and a fully managed service for car owners who may be travelling for extended periods and wish to have vehicle handover and storage managed on their behalf.

MyCaravan continued to gain traction in the 2018 financial year with a 56% increase in active listings and a 230% increase in renter registrations driven by improvements in marketing efficiency and brand awareness. Promotional offers in the Travel & Leisure and Member Discounts sections of the RACV website commenced in April 2018, enabling MyCaravan to present propositions to a highly relevant target market of caravan owners and renters. Limited resources were allocated to MyCaravan during the FY18 year, as the focus continued to remain on DriveMyCar.

The latest version of the Collaborate Sharing Platform launched in October 2017 with the debut of Mobilise. This significant platform upgrade includes hosting via Amazon Web Services (AWS), offering strengthened security, reliability and efficiency features, an API layer allowing addition of new services and a content management system enabling real time update of content and messaging. DriveMyCar will be the next marketplace to benefit from migration to this platform with AWS hosting to go live in September 2018. Following launch, Mobilise quickly secured listing of over 3,700 assets focused on the building and construction market. Through the relationship with Aon, cross promotions were conducted with the Housing Industry Association and HIA Insurance Services targeted at builders, construction managers and tradesmen. Despite highly developed and effective functionality, Mobilise has not yet identified the optimum product/market fit. Management continues to explore the growth potential in the building and construction market and research new opportunities in other product categories. As with the launch of many new offerings, it often takes some time for the business to achieve product/market fit with the balancing the cost effective allocation of resources and management continue to monitor the performance of the business.

Following a period of development and investment, Collaborate concluded the 2018 financial year with the benefit of a significantly upgraded technology platform supporting three marketplaces, a broad range of corporate relationships including Uber, Subaru, Peugeot, RACV, Aon, Interleasing and Orix along with numerous other business development activities ongoing, improved marketing capability and an experienced management team covering all key roles. As the 2019 financial year commences Collaborate has strengthened its focus on rapidly evolving opportunities in the mobility industry and is now leveraging recently launched features for additional growth including short term rentals, unlimited kilometre options, expanded fleet of new vehicles, accident replacement rentals and online referral program for Uber drivers. Before the end of the 2018 calendar year Collaborate is expecting to launch the Apartment Car Share pilot in association with our largest shareholder Hishenk, Australia's first comprehensive car subscription product featuring the ability to switch cars as well as an online referral program for caravan owners.

Financial review

The Group revenue from continuing operations increased by $284,403, or 31%, to $1,207,134 during the year (2017: $922,731). The Group incurred a loss of $2,991,370 for the year (2017:$2,093,175).

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 Group's net assets are $2,685,898 (2017: $5,417,161) and the Group has cash reserves of $801,667 (2017: $3,637,813).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as set out in this report, there were no significant changes in the state of affairs of the Group during the year.

RESULTS

The Group recorded a loss of $2,991,370 (2017: loss of $2,093,175) 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.

MATERIAL BUSINESS RISKS

The proposed future activities of the Group are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Group and cannot be mitigated. An investment in the Group is not risk free and should be considered speculative.

This section provides a non-exhaustive list of the risks faced by the Group or by investors in the Group. The risks should be considered in connection with forward looking statements in this Annual Report. Actual events may be materially different to those described and may therefore affect the Group in a different way.

Investors should be aware that the performance of the Group may be affected by these risk factors and the value of Collaborate's Shares may rise or fall over any given period. None of the Directors or any person associated with the Group guarantee the Group's performance.

Material business risk	Mitigating actions
Level of demand and supply for assets featured in the online marketplaces Group revenues depend upon attracting demand and supply for its online marketplaces. The success of the online marketplaces is influenced by the number of new users, the number of asset owners and renters, the number of assets and listings and other factors that affect the amount of revenues. A decline in supply or demand could lead to a decline in the number of owners and renters and volume of rental transactions which in turn could impact the financial results of the Group.	Management deploys various paid and unpaid strategies to acquire supply and demand, both independently and in conjunction with strategic partners, to increase demand for rentals and grow the number of asset listings on the Group's online marketplaces. Management monitors and regularly optimises customer acquisition and conversion activities based on strategic partnership opportunities and anticipated demand and asset availability and seasonality.
Innovation risk The Group's ability to retain, increase, and engage its users and address their evolving needs and to increase revenues will depend heavily on management's ability to successfully create, launch and grow demand for new products, both independently and in conjunction with strategic partners. While the Group dedicates significant resources to understanding its owners and renters needs and upgrading its product offering and sharing economy platform to remain innovative and in tune with trends, the Group's owners and renters may not be satisfied with its offerings or perceive that its offerings do not cater to their needs. Remaining innovative and developing new and unique product offerings require investment and configuration that requires monetary and internal resource investment which may erode the Group's competitive position and adversely affect the growth and profitability of the Group.	The Group presently fosters a culture that encourages management to quickly develop and launch new and innovative products and introduce improvements to existing products. Management monitors and regularly assesses its products and adjusts resources deployed to and expended upon the various initiatives based on the feedback from its users and strategic partners and the Group's ability to successfully monetise its products offerings.
Growth risk The Group's ability to increase revenues will depend heavily on management's ability to successfully retain, increase and engage its users and grow demand for its products both independently and in conjunction with strategic partners. The Group currently prioritises user engagement and strategic partnerships over short-term financial results, and management may make product decisions that may reduce the Group's short-term revenue or	Management of growth is critical to the business but places pressure on resourcing, innovation and evolution of the businesses. The Board, together with management, continue to implement initiatives that it believes will deliver value to the Group by meeting customer needs and effectively utilising available financial resources

Material business risk	Mitigating actions
profitability if management believes that the decisions are consistent with current priorities of the businesses and benefit owners and renters and will thereby improve Group's financial performance over the medium to long term. These decisions may not produce the long-term benefits that management expects, in which case user growth and engagement, relationships with strategic partners and results of operations could be harmed.	
Insurance risk The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with the Company's operations is not always available and where available the costs may be prohibitive.	The DriveMyCar business has a fleet insurance policy to cover owners and drivers of vehicles used for rental contracts created via the DriveMyCar online marketplace. The insurance policy requires DriveMyCar to cover an initial component of claims, some or all of which may be recovered from the renter of the vehicle. From time to time, DriveMyCar makes economic decisions which may result in DriveMyCar not claiming on its fleet insurance policy and covering claims itself where it believes it is beneficial to do so. DriveMyCar's business plan takes into account the payment of the first component of claims and settlement of some other damages claims. DriveMyCar has maintained a policy with the same insurer since inception. The claims paid out by the insurer are less than the cumulative premiums paid by DriveMyCar. DriveMyCar continues to monitor its insurance position with a view to ensuring ongoing insurance coverage and with the experience developed has undertaken discussions with possible alternative insurance providers. DriveMyCar does not expect there to be an issue in relation to obtaining insurance, however there can be no guarantee that the current insurer will continue to offer insurance coverage that is commercially acceptable to DriveMyCar and no guarantee that alternative insurance can be obtained on terms that may be commercially acceptable to DriveMyCar.
Regulatory risks The introduction of new policies or legislation or amendments to existing policies or legislation and the failure by governments to act promptly to introduce	In conjunction with its strategic partners, management monitors the policies and regulations

Material business risk	Mitigating actions
new or amend existing policies or legislation that governs Group operations or contractual obligations, could impact adversely on the operations and, ultimately, the financial performance of the Group.	that apply to Group operations and regularly engages and consults with government agencies.
Privacy and cyber security risks The Group collects, transmits and stores commercial and financial information. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in the Group's failure or inability to adequately protect its commercially sensitive information or against a disruption to the Group's online marketplaces. The Group relies upon the availability of its online marketplaces to provide services to its clients. Hackers could render the online marketplaces unavailable through a denial of service or other disruptive attacks. Although the Group has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the online marketplaces could lead to a loss of revenues whilst the Group is unable to provide its product offerings and services. Further, it could hinder the Group's abilities to retain existing users or attract new users, which would have a material adverse impact on growth of the businesses.	The Group has established measures and systems to minimise the likelihood of security breaches and these systems are regularly monitored for development or improvement. Network security and penetration testing assessments are conducted by third party auditors on Group systems.
Finance risk There is no certainty regarding the ability of the Group to raise sufficient funds to meet its needs into the future. The Group's future capital requirements depend on a number of factors including its ability to generate sufficient income from its operations. The Group might need to raise additional capital from equity or debt sources due to unforeseen circumstances. There can be no assurance that the Group will be able to raise such capital on favourable terms or at all. If adequate funds are not available on acceptable terms the Group may not be able to develop its business to the desired level or at all, and this may have an adverse impact on the Group's operations.	The Board regularly assesses the financial position of the Group and continues to assess all funding alternatives available to ensure that it can continue to make good progress on all strategic growth areas and maintain focus on growing both demand for and supply of assets.

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 requirements under environmental regulations and are not aware of any breach of those regulations 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 for stakeholders and enhances investor confidence.

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

EVENTS SUBSEQUENT TO REPORTING DATE

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

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are as follows. Refer to the Remuneration Report for further details of options outstanding held by Key Management Personnel (**KMP**).

Class	Expiry Date	Exercise Price $	Number of Options
Executive A Options	28 November 2018	0.0200	383,334
Executive A Options	28 November 2019	0.0200	883,333
Executive A Options	28 November 2020	0.0200	883,333
Executive B Options	28 November 2018	0.0300	883,334
Executive B Options	28 November 2019	0.0300	883,333
Executive B Options	28 November 2020	0.0300	883,333
Director Options	28 November 2018	0.0300	2,000,000
Facility Options	31 May 2019	0.0300	4,500,000
Officer Options	30 November 2018	0.0350	5,000,000
Employee Options	1 September 2019	0.0225	1,634,797
Employee Options	1 March 2020	0.0250	316,622
New A Options	24 April 2020	0.0310	8,333,333
New B Options	24 April 2020	0.0500	3,333,333
Employee Options	1 May 2020	0.0400	159,272
Management options	1 May 2020	0.0360	1,000,000
Employee Options	1 September 2020	0.0388	2,924,954
Officer A Options	23 November 2020	0.0496	7,000,000
Officer B Options	23 November 2020	0.0794	10,500,000

Shares issued during or since the end of the year as a result of exercise of options

During the financial year, no options to acquire ordinary shares in the Group were exercised.

The following options expired during the financial year:

Class	Expiry Date	Exercise Price	Number of Options
Caramavan Options[1]	1 October 2017	$ 0.020	5,000,000
Caramavan Options[1]	1 October 2017	$ 0.030	2,500,000

The following options lapsed during the financial year:

Class	Expiry Date	Exercise Price	Number of Options
Employee Options	1 January 2020	$ 0.0250	226,904
Employee Options	1 September 2020	$0.0388	398,825

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 paid a premium, during the year in respect of a Director and officer liability insurance policy, insuring the Directors of the Group, the Company Secretary, and executive officers of the Group against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Director's and officers' liability and legal expenses' insurance contracts as such disclosure is prohibited under the terms of the contract.

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 15 to 21 and forms part of the Directors' Report.

[1] Options issued in connection with acquisition of Caramavan (i.e. rebranded to MyCaravan) in October 2014.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report. The Independence Declaration is set out on page 22 and forms part of this Directors' Report for the year ended 30 June 2018.

AUDITOR

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

REMUNERATION REPORT

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

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 are 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 $12,000 for Mr Noone was awarded in 2018 (2017: $45,000) which represented 15% of the maximum amount payable (2017: 75%).

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.

During the year, a total of 16,500,000 options were awarded to Directors as LTI (2017: nil). These options were granted following shareholder approval at the Company's 2017 Annual General Meeting. Details of these options are set out below:

			Number of Options		
Class	**Expiry Date**	**Exercise Price**	**C Noone**	**A Bunter**	**J Landau**
Officer A Options	23 Nov 2020	$0.0496	3,500,000	1,500,000	1,500,000
Officer B Options	23 Nov 2020	$0.0794	7,000,000	1,500,000	1,500,000

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 2017 Annual General Meeting

The Company received 88.95% of "yes" votes on its remuneration report for the 2017 financial year. The Company excluded 0.85% 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:

	2018	**2017**	**2016**	**2015**	**2014**
Net profit/(loss) for the year	(2,991,370)	(2,093,175)	(1,925,702)	(2,252,049)	(1,448,293)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	(1.8 cents)	1.2 cents	0.1 cents	0.1 cents[1]	Nil
Share price at beginning of the period	3.4 cents	2.2 cents	2.1 cents	0.2 cents	0.2 cents
Share price at end of the period	1.6 cents	3.4 cents	2.2 cents	2.1 cents[1]	0.2 cents
Earnings/(loss) per share for loss from continuing operations					
Basic loss per share	(0.48 cents)	(0.48 cents)	(0.55 cents)	(0.53 cents)[1]	(0.66 cents)[1]
Diluted loss per share	(0.48 cents)	(0.48 cents)	(0.55 cents)	(0.53 cents)[1]	(0.66 cents)[1]

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 2018 financial year Mr Noone was paid a $12,000 performance related payment (2017: $45,000) in accordance with the terms of his employment agreement.

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 2018 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:	$225,000 per annum, plus statutory superannuation effective from 1 July 2017 (Previous base salary: $200,000 plus statutory superannuation)
Short term incentive:	Up to $80,000 per annum effective from 1 July 2017 (Previous STI: $60,000)
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 2016 year 1,500,000 options with an exercise price of $0.035 each (officer options) to acquire 1,500,000 ordinary shares in the Company were issued with shareholder approval.

During 2018, 3,500,000 options with an exercise price of $0.0496 each (officer A options) and 7,000,000 options with an exercise price of $0.0794 each (office B options) to acquire in total 10,500,000 ordinary shares in the Company were issued with shareholder approval.

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

Remuneration for the year ended 30 June 2018

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2018	**Cash salary and fees**	**Bonus**	**Other benefits**	**Superannuation**	**Long service leave**	**Options**	**Total**	**Proportion of remuneration performance related**
	$	**$**	**$**	**$**	**$**	**$**	**$**	
Non-Executive Directors:								
Mr A Bunter	30,000	-	-	-	-	37,691	67,691	N/A
Mr J Landau	30,000	-	-	-	-	37,691	67,691	N/A
Total Non-Executive Directors	**60,000**	**-**	**-**	**-**	**-**	**75,382**	**135,382**	**N/A**
Executive Directors:								
Mr C Noone	225,000	12,000	-	22,515	-	124,863	384,378	35.60%
Total Executive Directors	**225,000**	**12,000**	**-**	**22,515**	**-**	**124,863**	**384,378**	**N/A**
Total KMP	**285,000**	**12,000**	**-**	**22,515**	**-**	**200,245**	**519,760**	

Remuneration for the year ended 30 June 2017

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2017	**Cash salary and fees**	**Bonus**	**Other benefits**	**Superannuation**	**Long service leave**	**Options**	**Total**	**Proportion of remuneration performance related**
	$	**$**	**$**	**$**	**$**	**$**	**$**	
Non-Executive Directors:								
Mr A Bunter	30,000	-	-	-	-	-	30,000	N/A
Mr J Landau	30,000	-	-	-	-	-	30,000	N/A
Total Non-Executive Directors	**60,000**	**-**	**-**	**-**	**-**	**-**	**60,000**	**N/A**
Executive Directors:								
Mr C Noone	200,000	45,000	-	22,325	-	12,653	279,978	20.60%
Total Executive Directors	**200,000**	**45,000**	**-**	**22,325**	**-**	**12,653**	**279,978**	**N/A**
Total KMP	**260,000**	**45,000**	**-**	**22,325**	**-**	**12,653**	**339,978**	

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

(i) Fully paid ordinary shares

Director	Held at 1 July 2017	Held at date of appointment	Purchases/ (Sales)	Granted as remuneration	Other changes/ Options conversions	Held at date of resignation	Held at 30 June 2018
Mr Noone	1,350,000	N/A	-	-	-	N/A	1,350,000
Mr Bunter	3,913,738	N/A	1,286,262	-	-	N/A	5,200,000
Mr Landau	-	N/A	-	-	-	N/A	-
	Held at 1 July 2016	**Held at date of appointment**	**Purchases/ (Sales)**	**Granted as remuneration**	**Other changes/options conversions**	**Held at date of resignation**	**Held at 30 June 2017**
Mr Noone	850,000	N/A	-	-	500,000	N/A	1,350,000
Mr Bunter	3,500,000	N/A	-	-	413,738	N/A	3,913,738
Mr Landau	-	N/A	-	-	-	N/A	-

(ii) Share options

Director	Held at 1 July 2017	Held at date of appointment	Purchases/ (Sales)	Granted as remuneration	Other changes/ Options conversions	Held at date of resignation	Held at 30 June 2018
Mr Noone	6,300,000	N/A	-	10,500,000	-	N/A	16,800,000
Mr Bunter	2,500,000	N/A	-	3,000,000	-	N/A	5,550,000
Mr Landau	-	N/A	-	3,000,000	-	N/A	3,000,000
	Held at 1 July 2016	**Held at date of appointment**	**Purchases/ (Sales)**	**Granted as remuneration**	**Other changes/ Options conversions**	**Held at date of resignation**	**Held at 30 June 2017**
Mr Noone	6,800,000	N/A	-	-	(500,000)	N/A	6,300,000
Mr Bunter	2,913,738	N/A	-	-	(413,738)	N/A	2,500,000
Mr Landau	-	N/A	-	-	-	N/A	-

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.

One 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:

		Transactions value for the year	
Director	**Transaction**	**2018**	**2017**
Mr A Bunter[1]	Taxation services	2,635	1,760

Notes in relation to the table of related party transactions

[1.] 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 2018 or 2017 financial years.

SHARE BASED COMPENSATION

On 23 November 2017, following shareholder approval at the annual general meeting held that same day, the Company issued 16,500,000 options to the Directors as a cost effective and efficient reward and incentive for services provided to the Company.

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

Grant date	Expiry date	Exercise Price ($)	Balance at the start of the year	Granted	Exercised	Vested	Balance at the end of the year
23-Nov-17	23-Nov-20	0.0496	-	6,500,000	-	6,500,000	6,500,000
23-Nov-17	23-Nov-20	0.0794	-	10,000,000	-	10,000,000	10,000,000

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The fair value of the equity-settled share options granted under the Executive options are estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The valuation model inputs used to determine the fair value at grant dates 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 ($)
23-Nov-17	23-Nov-20	0.040	0.0496	76.00%	0.00%	2.15%	94,765
23-Nov-17	23-Nov-20	0.040	0.0794	76.00%	0.00%	2.15%	105,480

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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 August 2018

Signed in accordance with a resolution of the Directors:

Chris Noone
Chief Executive Officer/ Executive Director

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Collaborate Corporation Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in 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 2018

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Collaborate
CORPORATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Notes	Consolidated Group 2018 $	2017 $
Revenue from continuing operations	2	1,207,134	922,731
Cost of sales		(424,883)	(342,633)
Gross profit		782,251	580,098
Corporate and administrative expenses	3	(3,366,476)	(2,147,752)
Research and development expenses		(784,008)	(636,851)
Impairment expenses		-	(150,000)
Results from continuing activities		(4,150,484)	(2,354,505)
Finance income	3	43,151	2,461
Finance costs	3	-	(26,289)
Net financing costs		43,151	(23,828)
Loss before income tax		(3,325,082)	(2,378,333)
Income tax benefit	4	333,712	285,158
Loss from continuing operations		**(2,991,370)**	**(2,093,175)**
Total comprehensive result for the period		**(2,991,370)**	**(2,093,175)**
Loss for the period is attributable to:			
Non-controlling interest		-	-
Owners of the parent		(2,991,370)	(2,093,175)
		(2,991,370)	**(2,093,175)**
Total comprehensive result for the period is attributable to:			
Non-controlling interest		-	-
Owners of the parent		(2,991,370)	(2,093,175)
		(2,991,370)	**(2,093,175)**
Basic and diluted loss per share (cents)	5	(0.48)	(0.48)
Basic and diluted loss per share from continuing operations (cents)	5	(0.48)	(0.48)

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 2018

	Notes	Consolidated Group 2018 $	Consolidated Group 2017 $
CURRENT ASSETS			
Cash and cash equivalents	6	801,667	3,637,813
Trade and other receivables	7	427,373	351,439
Other current assets	8	74,092	45,650
Total Current Assets		1,303,132	4,034,902
NON-CURRENT ASSETS			
Property, plant & equipment	9	42,193	22,943
Goodwill	10	2,079,699	2,079,699
Intangible assets	10	70,670	100,210
Total Non-Current Assets		2,192,562	2,202,852
TOTAL ASSETS		**3,495,694**	**6,237,754**
CURRENT LIABILITIES			
Trade and other payables	11	665,930	751,681
Other current liabilities	12	143,866	68,912
Total Current Liabilities		809,796	820,593
TOTAL LIABILITIES		**809,796**	**820,593**
NET ASSETS		**2,685,898**	**5,417,161**
EQUITY			
Issued capital	13	31,669,303	31,671,053
Reserves	14	1,179,681	945,834
Accumulated losses	15	(30,163,086)	(27,199,726)
TOTAL EQUITY		**2,685,898**	**5,417,161**

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 2018

Consolidated Group	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance as at 1 July 2016	26,569,770	878,309	(25,106,551)	2,341,538
Loss for the period	-	-	(2,093,175)	(2,093,175)
Total comprehensive loss for the period	-	-	**(2,093,175)**	**(2,093,175)**
Issue of share capital	5,273,883	(7,000)	-	5,266,883
Share issue costs	(172,600)	-	-	(172,600)
Share based payments	-	74,515	-	74,515
Balance as at 30 June 2017	**31,671,053**	**945,834**	**(27,199,726)**	**5,417,161**
Balance as at 1 July 2017	31,671,053	945,834	(27,199,726)	5,417,161
Loss for the period	-	-	(2,991,370)	(2,991,370)
Total comprehensive loss for the period	-	-	**(2,991,370)**	**(2,991,370)**
Issue of share capital	-	-	-	-
Share issue costs	(1,750)	-	-	(1,750)
Share based payments	-	261,857	-	261,857
Transfer from reserves	-	(28,010)	28,010	-
Balance as at 30 June 2018	**31,669,303**	**1,179,681**	**(30,163,086)**	**2,685,898**

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 2018

		Consolidated Group	
		2018	2017
	Notes	$	$
Cash flows from operating activities			
Receipts from customers		2,985,708	2,461,388
Payments to suppliers and employees		(6,051,751)	(4,161,691)
Interest received		43,151	2,406
Finance costs		-	(25,302)
Research and development income tax incentive		267,023	183,178
Net cash used inoperating activities	**20**	(2,755,869)	(1,540,021)
Cash flows from investing activities			
Purchases of property, plant and equipment		(17,391)	(7,990)
Proceeds from release of rental guarantee		26,876	-
Increase in rental bonds		(66,257)	(29,071)
Payment of software development and domain costs		-	(6,047)
Net cash used in investing activities		(56,772)	(43,108)
Cash flows from financing activities			
Proceeds from issues of shares		-	4,786,769
Payment of share issue costs		(23,505)	(137,738)
Repayment of borrowings		-	(45,000)
Proceeds from borrowings		-	500,000
Net cash used infinancing activities		(23,505)	5,104,031
NET (DECREASE)/ INCREASE IN CASH HELD		(2,836,146)	3,520,902
Cash and cash equivalents at the beginning of the financial year		3,637,813	116,911
Cash and cash equivalents at the end of the financial year	**6**	**801,667**	**3,637,813**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

These consolidated financial statements of Collaborate Corporation Limited for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 31 August 2018.

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 2018 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.

(b) 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 during the financial year of $2,991,370 (2017: $2,093,175).

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 Group held cash and cash equivalents of $801,667 as at 30 June 2018
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results; and
- The Group is able to access various capital raising mechanisms within a relatively short time frame from existing shareholders of the Group and potential new shareholders, due to its improved performance and traction over the years and the demonstrated ability to raise new capital over recent years as and when required.

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. Should the Group not be successful in generating sufficient funds from the above initiatives, there will exist a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Significant accounting policies

Below are the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Collaborate Corporation Limited and its subsidiaries.

(c) 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 10.

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 9.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in note 16.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Collaborate Corporation Limited and its subsidiaries (as outlined in note 23) as at the year 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 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.

(e) 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.

(f) Foreign currency translation

Functional and presentation currency

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

(g) 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.

(h) 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.

(i) 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:

Property 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.

(j) 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.

(k) 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 10.

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 – acquired separately or in a business combination

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. The amount recognized for internally intangibles is the sum of the expenses incurred from the date when the intangible first meets the recognition criteria.

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.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.

(l) 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.

(m) 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

- *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.

- *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.

(n) 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.

(o) Share based payments

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

(p) 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.

Revenues 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.

(q) 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.

(r) 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.

(s) 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.

(t) Comparative figures

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

(u) Changes in accounting policies on initial application of Accounting Standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, the Directors reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations issued but not yet adopted

The Directors have also reviewed all Standards and Interpretations, issued and not yet adopted for the year ended 30 June 2018. As a result of this review, the Directors have determined that the Standards and Interpretations issued, not yet adopted on the Group will have the following effect on Group accounting policies in future financial periods. The Group has elected not to early adopt these Standards and Interpretations at 30 June 2018:

Title	Nature of change	Impact	Application date
AASB 16 *Leases*	AASB 16 was issued in February 2016 and replaces AASB 17 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases-Incentives and Interpretation* 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 removes the classification of leases as either operating or finance leases, for the lessee. This will result in most leases being capitalised on the balance sheet by recognising a lease liability for the present value obligation and a 'right-of-use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. The only exceptions are short term and low-value leases. Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases. A lessee can choose to apply the standard using a full retrospective or a modified retrospective approach.	The standard will affect the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $419,091 (see note 18), relating to office and warehouse commercial leases for office and warehouse. The Group commenced the process of evaluating the impact of the new lease standard and expects a decrease in reported profit before tax of approximately $4,595 due to application of the new AASB 16. In the first year of adoption, the impact on profit and loss is an expense of $171,974 (being interest expense on lease payment $14,830 and depreciation from the right-to-use asset of $157,144) instead of $167,379 rental expense under the former AASB17. There will also be an increase in carrying value of the right-to-use assets of $209,525 and a corresponding increase in lease liability of $221,629 resulting in a negative net impact of $12,103 on net assets at recognition, based on current lease arrangements in place. This will however be dependent on lease arrangements in place when the Group adopts the new standard.	AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. The Group intends to early adopt the standard from 1 July 2018, before its effective date. The Group intends to adopt AASB 16 using a modified retrospective approach, with the cumulative effect of initially applying the standard recognised in retained earnings at the date of initial application.
AASB 15 *Revenue from Contracts with Customers*	AASB 15 is a new standard for the recognition of revenue. This replaces AASB 118 which covers revenue arising from the sale of goods and the rendering of services, AASB 111 which covers construction contracts and AASB 1004 Contributions.	The Group has performed the assessment of the impact of AASB 15 and expects that the impact will be insignificant. The Group applies the 'agency principle' consideration in AASB 15 para B34-B38 and considers the performance obligation of entities in the Group is satisfied when renters and	AASB 15 applies to annual periods beginning on or after 1 January 2018, with early adoption permitted.

	The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks and rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	owners enter into rental arrangements. Revenue is recognised when amounts are earned in exchange for arranging transactions between owners and renters.	The Group will adopt the standard from the initial application date, i.e. from 1 July 2018 onwards. If there is an impact that needs to be adjusted, the Group plans to adopt AASB 15 using a modified retrospective approach, with the cumulative effect of initially applying this standard recognised in retained earnings at the date of initial application. As a result, the Group will not restate the comparatives for the effects of AASB 15 Revenue from Contracts with Customers.
AASB 9 *Financial Instruments*	AASB 9 was published in December 2014 and replaces the existing guidance AASB 9 (2009), AASB 9 (2010) and AASB 139 *Financial Instruments: Recognition and Measurement* The new standard results in changes to accounting policies relating to classification and measurement of financial assets and liabilities. It eliminates the existing AASB 139 category of 'held to maturity' and 'available for sale' and allows classification of these investments at fair value through comprehensive income. AASB 9 introduces new rules for hedge accounting and a new impairment model based on forward-looking 'expected loss' to assess impairment of financial assets, and if needed are adjusted against gross carrying values of financial assets. The standard permits retrospective application and restatement of prior period is not expected, however, permitted if information is available without the use of hindsight.	The Group does not expect any material impact to the classification and measurement of its financial assets and liabilities as a result of AASB 9. However, any potential impact will be dependent on financial assets and liabilities of the Group at the time it adopts the new standard. The Group does not expect that the new impairment model prescribed by AASB 9 is likely to have a material impact on the carrying value of financial assets of the Group. However, any potential impact will also be dependent on financial assets of the Group at the time it adopts the new standard.	AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group will apply the standard retrospectively on applicable instruments that exist at the date of the initial application of the standard, i.e. from 1 July 2018 onwards.

	Consolidated	
	2018	2017
NOTE 2: REVENUE FROM CONTINUING OPERATIONS	$	$
Rendering of services	1,207,134	922,731
	1,207,134	922,731

NOTE 3: MATERIAL PROFIT AND LOSS ITEMS

	2018 $	2017 $
(a) Corporate and administrative expenses		
Depreciation	18,466	4,134
Amortisation	30,042	43,878
Rental expense on operating leases – minimum lease payments	218,016	123,980
Share-based payments	261,857	74,515
Salaries and wages	1,628,166	1,175,185
Superannuation costs	157,702	110,692
Employee leave entitlements	68,855	8,162
Audit fees	36,000	28,299
Other corporate and administrative expenses	947,372	578,907
	3,366,476	2,147,752
(b) Finance income and costs		
Interest income	43,151	2,461
Interest expense	-	(26,289)

	Consolidated	
	2018	2017
NOTE 4: INCOME TAX	$	$
(a) Income tax benefit		
The major components of income tax benefit are:		
Current income tax		
Current R&D Tax offset	341,043	274,354
Under/(over) provision in prior year	(7,331)	10,804
Income tax benefit	**333,712**	**285,158**
(b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	(3,325,082)	(2,378,333)
Income tax expense calculated at 27.5% (2017: 27.5%)	(914,398)	(654,042)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	256,117	186,646
Share based payments	72,011	20,492
Other deferred tax assets and tax liabilities not recognised	586,270	405,654
Research and development tax incentive	(341,043)	(274,354)
(Under) / over provision in prior year	7,331	(10,204)
Impairment expenses	-	41,250
Total Income tax benefit for the year	**(333,712)**	**(285,158)**
(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	1,893,281	1,307,011
Accrued expenses and liabilities	91,440	48,714
Unrecognised deferred tax assets	1,984,721	1,355,725

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.

NOTE 4: INCOME TAX (cont'd)

(e) Tax rates

The potential tax benefit at 30 June 2018 in respect of tax losses not brought to account has been calculated at 27.5% for Australian entities. The rate applied for the year ended 30 June 2017 was 27.5%. There has been no change in this tax rate since the previous reporting period.

NOTE 5: LOSS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2018 was based on the loss attributable to ordinary shareholders of $2,991,370 (2017 loss: $2,093,175) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 of 619,117,857 (2017: 439,744,456) calculated as follows:

Loss attributable to ordinary shareholders (basic)	**2018 $**	**2017 $**
Loss attributable to the ordinary shareholders	(2,991,370)	(2,093,175)

	2018 Number	**2017 Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	619,117,857	439,744,456
Weighted average number of ordinary shares for the purpose of diluted earnings per share	-	-

	2018	**2017**
Basic and diluted loss per share from continuing operations (cents per share)	(0.48)	(0.48)

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank and on hand	801,667	3,637,813
	801,667	**3,637,813**

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 21.

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated 2018 $	Consolidated 2017 $
Current		
Trade receivables	53,860	48,788
Other receivables	32,470	28,297
Research and Development Tax Incentive	341,043	274,354
	427,373	**351,439**

The Group's exposure to credit risk and impairment losses relating to trade and other receivables is disclosed in Note 21.

NOTE 8: OTHER ASSETS

	Consolidated 2018 $	Consolidated 2017 $
Current		
Prepayments	1,099	1,024
Prepaid insurance	5,550	-
Rental Deposit	49,693	26,876
Other deposits	17,750	17,750
	74,092	**45,650**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	**Property Plant & Equipment $**	**Furniture and Fittings $**	**Leasehold Improvements $**	**Total $**
Cost		55,664	41,874	97,538
Accumulated depreciation	-	(36,594)	(18,751)	(55,345)
Net book value at 30 June 2018	**-**	**19,070**	**23,123**	**42,193**
Cost	77,333	43,958	15,864	137,155
Accumulated depreciation	(77,333)	(30,974)	(5,905)	(114,212)
Net book value at 30 June 2017	-	12,984	9,959	22,943

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (cont'd)

The reconciliation of the carrying amounts of each class of property, plant and equipment and leasehold improvements at the beginning and the end of the reporting period:

	Property Plant & Equipment $	Furniture and Fittings $	Leasehold Improvements $	Total $
2018				
Opening net book value at 1 July 2017	-	12,984	9,959	22,943
Additions during the year	-	11,706	26,010	37,717
Disposals during the year	-	-	-	-
Depreciation expense	-	(5,620)	(12,846)	(18,466)
Closing net book value at 30 June 2018	**-**	**19,070**	**23,123**	**42,193**

	Property Plant & Equipment $	Furniture and Fittings $	Leasehold Improvements $	Total $
2017				
Opening net book value at 1 July 2016	77,333	43,958	15,864	137,155
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Depreciation expense	(77,333)	(30,974)	(5,905)	(114,212)
Closing net book value at 30 June 2017	**-**	**12,984**	**9,959**	**22,943**

There was no impairment loss relating to property, plant and equipment during the 2018 financial year (2017: nil).

NOTE 10: GOODWILL AND INTANGIBLE ASSETS

The reconciliation of the carrying amounts of goodwill and each class of intangibles at the beginning and the end of the reporting period:

	Software Development and Domain costs $	Trademarks $	Goodwill $	Total $
Cost	728,849	5,169	2,079,699	2,813,717
Accumulated Amortisation	(663,348)	-	-	(663,348)
Carrying value at 30 June 2018	65,501	5,169	2,079,699	2,150,369
Cost	728,850	5,169	2,079,699	2,813,718
Accumulated Amortisation	(633,809)	-		(633,809)
Carrying value at 30 June 2017	95,041	5,169	2,079,699	2,179,909

NOTE 10: GOODWILL AND INTANGIBLE ASSETS (cont'd)

		Software Development and Domain costs	Trademarks	Goodwill	Total
		$	$	$	$
2018					
	Carrying value at 1 July 2017	95,041	5,169	2,079,699	2,179,909
	Additions	-	-	-	-
	Amortisation charge	(29,540)	-	-	(29,540)
	Carrying value at 30 June 2018	65,501	5,169	2,079,699	2,150,369
2017					
	Carrying value at 1 July 2016	132,872	5,169	2,079,699	2,217,740
	Additions	6,047	-	-	6,047
	Amortisation charge	(43,878)	-	-	(43,878)
	Carrying value at 30 June 2017	95,041	5,169	2,079,699	2,179,909

(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 software development intangible assets and MyCaravan's software development intangible assets were assessed as having a finite life of 2.5 years and 4 years respectively 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". 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.

Development costs acquired as part of the acquisition of DriveMyCar were assessed as having a fair value of $250,000 upon acquisition in the year ended 30 June 2014. This has been fully amortised by the end of the prior financial year.

Development cost acquired as part of 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 $7,511 (2017: $37,553).

(ii) Trademarks

Trademarks were acquired through acquisition and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having an infinite life and therefore is not amortised however is subject to impairment testing on an annual basis or whenever there is an indication of impairment. 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.

NOTE 10: GOODWILL AND INTANGIBLE ASSETS (cont'd)

(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 (b) of this note).

(b) Impairment tests for goodwill

No impairment loss was recognised for continuing operations in the 2018 financial year, and no impairment loss was recognised in the 2017 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 for five years, based on financial budgets approved by senior management.

The discount rate applied to cash flow projections is 12.7 % (2017: 13.3 %) and cash flows beyond the 2023 financial year are extrapolated using a 2.5 % nominal growth rate (2017: 2.5%) projected to perpetuity.

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

	Collaborative Consumption	
	2018	**2017**
	$	**$**
Carrying amount of trademarks	5,169	5,169
Carrying amount of domain names	46,944	46,944
Carrying amount of software development costs	18,557	48,097
Carrying amount of goodwill	2,079,699	2,079,699
Total intangibles	2,150,369	2,179,909

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 2.5 % 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.

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated 2018 $	2017 $
Trade creditors [(i)]	155,847	291,076
Other creditors and accruals	510,083	460,605
	665,930	**751,681**

[(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 21.

NOTE 12: OTHER LIABILITIES

	Consolidated 2018 $	2017 $
Current		
Employee entitlement liabilities	125,057	56,202
Deferred income	18,809	12,710
	143,866	**68,912**

NOTE 13: ISSUED CAPITAL

	2018 $	2017 $
619,117,857 (2017: 619,117,857) fully paid ordinary shares	**31,669,303**	**31,671,053**

(a) Ordinary shares

There is a small movement in the ordinary share capital of the Company occurred during the year.

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

Details of options issued during the year:

Class	ExpiryDate	Exercise Price	Number of Options
Employee Options	01-Sep-2020	$0.0388	3,323,780
Officer A Options	23-Nov-2020	$0.0496	7,000,000
Officer B Options	23-Nov-2020	$0.0794	10,500,000

No options were exercised during the year. There were 5,000,000 unlisted options with exercise price of $0.02 and 2,500,000 unlisted options with exercise price of $0.03 which expired during the year. Further 226,904 employee options with exercise price of $0.025 and 398,825 employee options with exercise price of $0.0388 lapsed during the year.

At 30 June 2018 unissued ordinary shares of the Company under option were:

Class	Expiry Date	Exercise Price	Number of Options
Executive A Options	28 November 2018	0.0200	383,334
Executive A Options	28 November 2019	0.0200	883,333
Executive A Options	28 November 2020	0.0200	883,333
Executive B Options	28 November 2018	0.0300	883,334
Executive B Options	28 November 2019	0.0300	883,333
Executive B Options	28 November 2020	0.0300	883,333
Director Options	28 November 2018	0.0300	2,000,000
Facility Options	31 May 2019	0.0300	4,500,000
Officer Options	30 November 2018	0.0350	5,000,000
Employee Options	1 September 2019	0.0225	1,634,797
Employee Options	1 March 2020	0.0250	316,622
New A Options	24 April 2020	0.0310	8,333,333
New B Options	24 April 2020	0.0500	3,333,333
Employee Options	1 May 2020	0.0400	159,272
Management options	1 May 2020	0.0360	1,000,000
Employee Options	1 September 2020	0.0388	2,924,954
Officer A Options	23 November 2020	0.0496	7,000,000
Officer B Options	23 November 2020	0.0794	10,500,000

None of these options are quoted. Executive A and Executive B Options are subject to vesting obligations.

(c) Capital management

The Group's objectives when managing capital are disclosed in note 21.

NOTE 14: SHARE BASED PAYMENTS RESERVES	Consolidated 2018 $	2017 $
Balance at beginning of the year	945,834	878,319
Options issued	261,857	74,515
Transfer to Accumulated Losses (options lapsed & expired)	(28,010)	-
Entitlement unissued Share Funds	-	(7,000)
Balance at the end of the year	**1,179,681**	**945,834**

Nature and purpose of reserves

Share based payment reserve

This reserve records the value of options issued including the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 16 for further details on these plans.

NOTE 15: ACCUMULATED LOSSES	Consolidated 2018 $	2017 $
Movement in retained earnings were as follows		
Accumulated losses at beginning of the year	(27,199,726)	(25,106,551)
Transfer from reserves	28,010	-
Loss for the period	(2,991,370)	(2,093,175)
Accumulated losses at end of the year	**(30,163,086)**	**(27,199,726)**

NOTE 16: SHARE-BASED PAYMENTS

On 1 September 2017, the Company granted 3,323,780 options to employees under the Incentive Option Plan approved by shareholders on 30 November 2015 (**Employee Options**). During the year 398,825 options issued on 1 September 2017 and 226,904 options issued to employees under incentive Option plan on 6 January 2017 lapsed, following cessation of employment.

On 23 November 2017, at the annual general meeting, shareholders approved the issue of options to the CEO/ Executive Director, Mr Noone, the Non-Executive Directors, Mr Landau 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 Officer A and Officer B Options were granted on 23 November 2017.

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

Grant date	Expiry date	Exercise Price ($)	Balance at the start of the year	Granted	Exercised/ lapsed	Vested	Balance at the end of the year
1-Sep-17	1-Sep-20	0.0388	-	3,323,780	(398,825)	2,924,954	2,924,954
23-Nov-17	23-Nov-20	0.0496	-	7,000,000	-	7,000,000	7,000,000
23-Nov-17	23-Nov-20	0.0794	-	10,500,000	-	10,500,000	10,500,000

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The fair value of the equity-settled share options granted under both the Executive options and Employee Incentive Plan Options are estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The valuation model inputs used to determine the fair value at grant dates 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 ($)
01-Sep-17	01-Sep-20	0.030	0.0388	76.00%	0.00%	2.15%	46,180
23-Nov-17	23-Nov-20	0.040	0.0496	76.00%	0.00%	2.15%	102,051
23-Nov-17	23-Nov-20	0.040	0.0794	76.00%	0.00%	2.15%	110,756
							258,987

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Movements during the year

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2018		2017	
	Number	WAEP $	Number	WAEP $
Outstanding at the beginning of year	15,137,597		12,300,002	
Options granted				
employee options T1			1,634,797	$0.0225
employee options T2			226,904	$0.0250
employee options T3			316,622	$0.0250
employee options T4			159,272	$0.0400
employee options T5	3,323,780	$0.0388		
management options			1,000,000	$0.0360
executive options	7,000,000	$0.0496		
executive options	10,500,000	$0.0794		
Forfeited/Lapsed during the year				
employee options	(398,825)	$0.0388		
employee options	(226,904)	$0.0250		
Exercised during the year				
executive options			(500,000)	$0.0200 [a]
Outstanding at the end of year	**35,335,648**		15,137,597	
Exercisable at the end of year	35,335,648 [b]		15,137,597 [b]	

a. The weighted average share price at the date of exercise of the options was $0.026
b. The weighted average exercise price for options outstanding at the end of the year was $0.02 to $0.0496 (2017: $0.02 to $0.04)

NOTE 17: RELATED PARTY DISCLOSURES

The Group's related parties include key management, associates and other described below:

	Consolidated	
	2018 $	2017 $
(a) Key management personnel compensation		
Short-term benefits	297,000	305,000
Post-employment benefits	22,515	22,325
Share based payment	200,245	12,653
Total compensation	**519,760**	**339,978**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 15 to 21.

(b) 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.

One 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 2018 $	2017 $	Balance outstanding as at 30 June 2018 $	2017 $
Mr A Bunter[1]	Taxation services		2,635	1,760	-	-

Notes in relation to the table of related party transactions

[1] 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 2018 or 2017 financial years.

(c) Transactions with subsidiaries

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Details of transactions between the Group and other related entities are disclosed below:

Loans to related parties

Loans are made by the Parent Entity, Collaborate Corporation Limited, to its wholly owned subsidiaries for capital purchases and working capital purposes. The loans outstanding between the Parent Entity and its subsidiaries have no fixed date of repayment and are non-interest bearing. Details of the Parent Entity's interest in its subsidiaries are set out in Note 23.

	Parent Entity 2018 $	2017 $
Non-Current		
Loans to subsidiaries	**6,131,199**	3,759,895

No dividends were received from the subsidiaries in the 2018 or 2017 financial years.

NOTE 18: COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – Group as lessee

The Group has entered into commercial leases for its office (3-year term) and warehouse (2-year term). These leases each have options to renew for a further one-year term.

	Consolidated 2018 $	2017 $
Within one year	202,344	80,083
After one year but not more than five years	216,747	39,783
Later than five years	-	-
	419,091	119,866

(b) Contingencies

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

NOTE 19: 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.

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

	Consolidated	
	2018	2017
NOTE 20: CASH FLOW STATEMENT RECONCILIATION	$	$
(a) Reconciliation of net loss after tax to net cash flow from operating activities		
Net loss after income tax	(2,991,370)	(2,093,175)
Adjustments for:		
Depreciation	18,466	4,134
Amortisation	30,042	43,878
Doubtful debt	96,778	-
Impairment investment in FundX	-	150,000
Other non-cash items (including share-based payments)	261,857	74,515
Other non-operating items (rental deposit applied)	16,564	-
Changes in operating assets and liabilities:		
Change in trade and other receivables	(75,952)	(146,106)
Change in prepayments	(5,624)	(30,100)
Change in trade and other payables	(90,634)	449,883
Change in other liability	(15,996)	6,950
Net cash flows from operating activities	**(2,755,869)**	(1,540,021)

(b) Non-cash investing and financing activities

During the year, the Company granted 3,323,780 options to employees to assist the recruitment, reward, retention and motivation of employees of the Group. A total of 17,500,000 options were granted to the CEO, Mr Noone, the Non-Executive Directors, Mr Landau and Mr Bunter, and the Company Secretary, Ms Logan as a cost effective and efficient reward and incentive for services provided to the Company.

These transactions are not reflected in the statement of cash flows.

NOTE 21: FINANCIAL INSTRUMENTS DISCLOSURE

(a) Overview

The Group's principal financial assets and liabilities include trade and other receivables, cash and short-term deposits and trade payables derived directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. This note presents information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

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's 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.

(b) 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.

(c) 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.

(i) 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.

NOTE 21: FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

(c) 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	
	2018 $	2017 $
Cash and cash equivalents	801,667	3,637,813
Trade and other receivables and deposits - current	494,816	360,900
	1,296,483	3,998,713

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	No default customers	Total
30 June 2018	$	$	$		$
Cash and cash equivalents	801,667	-	-	-	801,667
Trade receivables - current	-	5,297	25,654	22,909	53,860
Other receivables and deposits	373,513	67,443	-	-	440,956
	1,175,180	**72,740**	**25,654**	**22,909**	**1,296,483**

	Equivalent S&P rating[1]	Internally rated[2]			
	A+ and above	New customers	Closely monitored customers	No default customers	Total
30 June 2017	$	$	$		$
Cash and cash equivalents	3,637,813	-	-	-	3,637,813
Trade receivables - current	249,426	24,583	31,154	55,737	360,900
	3,887,239	24,583	31,154	55,737	3,998,713

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.

NOTE 21: FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

(ii) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. In the current year, the Group recognised an impairment loss of $96,778 (2017: Nil).

The ageing analysis of trade receivables at reporting date was:

	2018 $	2017 $
0-30 days	31,155	17,672
31-60 days	4,859	4,894
61-120 days	9,530	2,957
More than 121 days	8,316	30,214
	53,860	55,737

Receivables past due but not considered impaired are $22,705 (2017: $38,065). 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.

(d) 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.

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.

NOTE 21: FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

	Carrying amount $	Contractual cash flows $	≤ 6 months $	6-12 months $	Total $
At 30 June 2018					
Trade creditors	665,930	(665,930)	(665,930)	-	(665,930)
Other creditors and accruals	125,657	(125,657)	-	(125,657)	(125,657)
	791,587	**(791,587)**	**(665,930)**	**(125,657)**	**(791,587)**
At 30 June 2017					
Trade creditors	751,681	(751,681)	(751,681)	-	(751,681)
Other creditors and accruals	56,202	(56,202)	-	(56,202)	(56,202)
	807,883	(807,883)	(751,681)	(56,202)	(807,883)

(e) 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.

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

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.

Profile

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

	Consolidated	
	2018 $	2017 $
Variable rate instruments		
Financial assets		
Cash and cash equivalents	801,667	3,637,813
Net exposure	**801,667**	3,637,813

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.

NOTE 21: FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

	Profit or loss	
30 June 2018	**100 bp increase**	**100 bp decrease**
Variable rate instruments	**8,017**	(8,017)
30 June 2017		
Variable rate instruments	36,378	(36,378)

(f) 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).

NOTE 22: 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 2018 (2017: nil).

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.

NOTE 23: INTEREST IN SUBSIDIARIES

(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 2018 %	Equity Interest 2017 %
Drive My Car Rentals Pty Ltd	Australia	September 2009	100	100
Drive My Fleet Pty Ltd	Australia	5 December 2010	100	100
Mobilise Global Pty Ltd	Australia	8 April 2014	100	100
My Caravan Pty Ltd	Australia	September 2014	100	100

(b) Ultimate parent

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

NOTE 24: PARENT ENTITY INFORMATION

The following details information related to the parent entity, Collaborate Corporation Limited, at 30 June 2018. The information presented has been prepared using accounting policies disclosed in Note 1.

(a) Statement of financial position

	2018 $	2017 $
CURRENT ASSETS		
Cash and cash equivalents	693,676	3,574,477
Trade and other receivables	341,043	274,354
Other current assets	50,792	27,900
Total Current Assets	1,085,510	3,876,731
NON CURRENT ASSETS		
Investments in subsidiaries	8,216,369	5,845,065
Total Non-Current Assets	8,216,369	5,845,065
TOTAL ASSETS	**9,301,880**	**9,721,796**
CURRENT LIABILITIES		
Trade and other payables	70,147	119,924
Total Current Liabilities	70,147	119,924
TOTAL LIABILITIES	**70,147**	**119,924**
NET ASSETS	**9,231,732**	**9,601,872**
EQUITY		
Issued capital	31,669,302	31,671,052
Reserves	1,179,681	945,834
Accumulated losses	(23,617,251)	(23,015,014)
TOTAL EQUITY	**9,231,732**	**9,601,872**

NOTE 24: PARENT ENTITY INFORMATION (CONTINUED)

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

	Parent Entity	
	2018	2017
	$	$
Net loss for the year	(630,260)	(646,594)
Total comprehensive loss for the year	**(630,260)**	(646,594)

(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.

NOTE 25: AUDITORS' REMUNERATION

	Consolidated	
	2018	2017
	$	$
Audit and half year review of financial reports (HLB Mann Judd (WA) Partnership)	**36,000**	34,500

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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 2018 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 2018.

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 August 2018.

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
To the Members of Collaborate Corporation Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Collaborate Corporation Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

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

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	How our audit addressed the key audit matter
Risk of fraud in revenue recognition Refer to note 1 (p) - Revenue Recognition	
Revenue is comprised of fees received from rendering of services within the peer-to-peer sharing industry. We determined this to be a key area of focus for the audit due to: (i) the high volume of transactions; and (ii) the inherent risk involved in the manual calculation of the service revenues.	Our procedures included, but were not limited to: - evaluating management's processes and key controls regarding accounting for sales revenues; - testing a sample of fee calculations, including re-performance; - conducting analytical review procedures over revenue; - testing the completeness of revenue; and - ensuring that revenue was recognised in accordance with the Group's accounting policies.
Valuation of Goodwill Refer to note 10 - Goodwill and Intangible Assets	
As outlined in Note 10, the balance of goodwill is $2,079,699. We determined this to be a key area of focus of the audit due to: (i) the material balance of the goodwill; and (ii) the high level of judgement required in assessing the significant assumptions and judgements used in management's assessment of impairment. The impairment assessment includes significant assumptions relating to growth rates and discount rates applied to forecasted future cash flows.	Our procedures included, but were not limited to: - considering the methodology and principles applied to the value in use impairment model; - considering the determination of the cash generating unit; - considering the basis for management's cash flow forecasts including consideration of the historical accuracy of previous estimates; - comparing the discount rate, growth rates and other economic assumptions to available internal and external data; and - performing sensitivity analysis, to ensure compliance with Australian Accounting Standard AASB 136 Impairment of Assets. Additionally, we considered the adequacy of the financial report disclosures.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 21 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Collaborate Corporation Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 August 2018

Norman Glad

N G Neill
Partner

Collaborate
CORPORATION LIMITED

SHAREHOLDER INFORMATION

Details of securities as at 27 August 2018:

Top holders

The 20 largest registered holders of each class of quoted security as at 27 August 2018 were:

Fully paid ordinary shares

	Name	No. of Shares	%
1.	HISHENK PTY LTD	94,500,000	15.26
2.	RACV INVESTMENT HOLDINGS PTY LTD	33,333,333	5.38
3.	MR BRADLEY PARTRIDGE	22,059,037	3.56
4.	BELLITE PTY LTD <MEYER FAMILY BTML A/C>	19,459,147	3.14
5.	JMT INVESTMENT GROUP VIC PTY LTD <JOHN TURNER SUPER FUND A/C>	17,577,320	2.84
6.	MYOLA (WA) PTY LTD <BRENT MEZGER FAMILY A/C>	15,265,076	2.47
7.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	14,488,652	2.34
8.	MR TEDDY TJANDRAMULIA	13,727,812	2.22
9.	JMT INVESTMENT GROUP VIC PTY LTD	13,000,000	2.10
10.	MRS SHARON TRACY JEFFRIES	10,634,000	1.72
11.	LUNAIR PTY LTD	10,454,825	1.69
12.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	10,000,000	1.62
13.	AJ HOLIDAYS PTY LTD <OWEN AR & JSY S/F A/C>	8,183,989	1.32
14.	KR CAPITAL INVESTMENTS PTY LTD <KJ & RA CHAMBERS FAMILY A/C>	7,556,868	1.22
15.	RADIATA INVESTMENTS PTY LTD <RUDIE SYPKES FAMILY A/C>	7,442,921	1.20
16.	D S A H HOLDINGS PTY LTD	6,913,320	1.12
17.	MR MICHAEL MIHRAN ABOLAKIAN & MRS NAIRY ABOLAKIAN & MR STEPHEN ABOLAKIAN <HISHENK PTY LTD SF A/C>	5,250,000	0.85
18.	ASTROMESEOGIOS OVERSEAS LTD <THE TAMBURLAINE A/C>	5,155,201	0.83
19.	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	5,000,000	0.81
20.	DAVID THOMAS SUPERANNUATION FUND PTY LIMITED <DAVID THOMAS SUPER FUND A/C>	4,500,000	0.73
		324,501,501	**52.41**

Distribution schedule

A distribution schedule of each class of equity security as at 27 August 2018:

Fully paid ordinary shares

Range		Holders	Units	%
1	- 1,000	243	103,604	0.02
1,001	- 5,000	217	576,390	0.09
5,001	- 10,000	56	430,509	0.07
10,001	- 100,000	676	30,802,730	4.98
100,001	- Over	465	587,204,624	94.84
Total		**1,657**	**619,117,857**	**100.00**

Unlisted securities

Class	Expiry Date	Exercise Price	Number of Options	Number of holders
Executive A Options	28 November 2018	$0.02	383,334	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
New A Options	24 April 2020	$0.031	8,333,333	1
New B Options	24 April 2020	$0.05	3,333,333	1
Management Options	1 May 2020	$0.036	1,000,000	1
Employee Options	1 September 2019	$0.0225	1,634,797	4
Employee Options	1 March 2020	$0.025	316,622	1
Employee Options	1 May 2020	$0.040	159,272	1
Employee Options	1 September 2020	$0.0388	2,924,954	6
Officer A Options	23 November 2020	$0.0496	7,000,000	4
Officer B Options	23 November 2020	$0.0794	10,500,000	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, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
HISHENK PTY LTD	94,500,000
RACV INVESTMENT HOLDINGS PTY LTD	33,333,333

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 29,412 as at 27 August 2018):

Holders	Units
775	6,285,421

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.