Apply Direct Pty Ltd
Financial Statements
as at 30 June 2015

ABN 29 123 129 162

APPLY DIRECT PTY LTD
ABN 29 123 129 162

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Revenue and other income			
Revenue	3	648,258	449,208
Other income	3	242,654	140,713
Total revenue and other income		890,912	589,921
Expenses			
Employee benefits expense		670,805	628,895
Share based payment – ESOP		357,356	18,249
Share based payment – Other		-	800,000
Rent		71,067	63,771
Depreciation		5,803	7,268
Advertising		427,748	545,432
Software/Information technology		344,502	164,090
Consulting		48,000	72,000
Accountancy		30,708	22,776
Travel		66,809	45,039
Other expenses		149,089	152,395
Total expenses		2,171,887	2,519,915
Loss before income tax		(1,280,975)	(1,929,994)
Income tax benefit		-	-
Total comprehensive loss for the year		(1,280,975)	(1,929,994)

APPLY DIRECT PTY LTD
ABN 29 123 129 162

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	78,236	153,032
Receivables	7	440,287	289,150
TOTAL CURRENT ASSETS		518,523	442,182
NON-CURRENT ASSETS			
Receivables	7	16,500	16,500
Plant & Equipment		11,927	13,052
TOTAL NON-CURRENT ASSETS		28,427	29,552
TOTAL ASSETS		546,950	471,734
LIABILITIES			
CURRENT LIABILITIES			
Payables	8	278,023	146,888
Unearned revenue	9	155,649	207,431
Employee provisions	10	30,650	26,649
Interest-bearing liabilities	11	250,000	-
TOTAL CURRENT LIABILITIES		714,322	380,968
TOTAL NON-CURRENT LIABILITIES			
Employee provisions	10	24,675	13,194
TOTAL NON-CURRENT LIABILITIES		24,675	13,194
TOTAL LIABILITIES		738,997	394,162
NET ASSETS		(192,047)	77,572
EQUITY			
Issued capital	12	5,607,414	4,953,414
Reserves	12	1,311,620	954,264
Accumulated losses		(7,111,081)	(5,830,106)
		(192,047)	77,572

APPLY DIRECT PTY LTD
ABN 29 123 129 162

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

2014	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Opening Balance	2,700,124	(3,900,112)	1,300,211	100,223
Transactions with owners recorded directly in equity:				
Share based payments – equity raising costs	(169,439)	-	169,439	-
Share based payments – ESOP	-	-	18,249	18,249
Share based payments – other	800,000	-	-	800,000
Shares issued	723,208	-	-	723,208
Shares issued – options exercised	365,886	-	-	365,886
Options exercised – transfer amount from options reserve	89,439	-	(89,439)	-
Options forfeited – transfer amount from options reserve	444,196	-	(444,196)	-
Total comprehensive loss for the year	-	(1,929,994)	-	(1,929,994)
Balance at 30 June 2014	4,953,414	(5,830,106)	954,264	77,572

2015	Issued Capital $	Retained Earnings $	Reserves $	Total $
Opening Balance	4,953,414	(5,830,106)	954,264	77,572
Transactions with owners recorded directly in equity:				
Share based payments – ESOP	-	-	357,356	357,356
Shares issued	654,000	-	-	654,000
Total comprehensive loss for the year	-	(1,280,975)	-	(1,280,975)
Balance at 30 June 2015	5,607,414	(7,111,081)	1,311,620	(192,047)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Apply Direct Pty Ltd (the "Company").

(a) Basis of Preparation

(i) Special purpose financial report
In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of meeting the requirements of the directors and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Apply Direct Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis.

(iii) New and amended standards adopted by the Company
The Company has applied all mandatory standards that are applicable as at reporting date. The accounting policies set out below have been applied consistently to all periods presented in this financial report.

(iv) New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Company. The Company has assessed these standards will not have a material effect on the Company. There are no other standards that are not yet effective and that are expected to have a material impact.

(v) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the financial year the Company made a loss of $1,280,975 (2014: $1,929,994) and had net cash outflows from operating activities of $974,118 (2014: $1,575,062). At 30 June 2015 the Company had negative net assets of $192,047 and an excess of current liabilities over current assets of $195,799 (2014: $61,214).

In September 2015 the Company raised an additional $1,400,000 which was utilised to repay a director related loan with the balance contributed to fund working capital commitments. Based on this capital raising and the historical operating cash outflows of the Company the Company will have sufficient funds to pay its debts as and when they fall due until around May 2016 without additional capital raising.

Notwithstanding the circumstances above the directors are confident that the Company will be able to continue as a going concern given they believe they will be able to raise additional funds in future periods as required, based on the demonstrated ability to raise funds in the past. This ability has been demonstrated as follows:

- The raising of $1,089,094 of capital in the financial year ending 30 June 2014
- The raising of $904,000 of capital in the financial year ending 30 June 2015
- The raising of $1,400,000 of capital subsequent to reporting date

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation (CONTINUED)

(v) Going Concern (CONTINUED)

Should the Company be unable to raise further funds there would be a significant uncertainty regarding the ability of the Company to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities other than in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(b) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency"). The financial statements are presented in Australian dollars, which is Apply Direct Pty Ltd's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowances. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Company's primary sources of revenue are detailed below:

(i) Revenue from services – Subscription revenue, Website Use
Timing of recognition
Revenue from subscription services is recognised on a straight line basis over the accounting period in which the services are rendered. When amounts have been receipted but services not delivered at balance date the amount is recognised in unearned income.

Measurement of revenue
Subscription revenue is measured based on the underlying subscription agreement.

(ii) Revenue from services – Other
Timing of recognition
Revenue from other services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue
Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Government grants

The research and development ("R&D") tax offset ("R&D tax offset"), also known as the R&D Tax Incentive, replaced the R&D Tax Concession for research and development expenditure incurred in income years commencing on or after 1 July 2011. It provides for a 45% refundable tax offset for eligible R&D entities with an aggregated turnover of less than $20 million per annum that are not controlled by exempt entities ("refundable R&D credit"), or a non-refundable 40% tax offset for all other eligible companies.

For financial reporting purposes, the R&D tax offset can be analogised as a government grant or an income tax item. General practice is that refundable R&D credits are accounted for as government grants.

The directors have considered AASB 112 *Income Taxes* ("AASB 112") and AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* ("AASB 120"). Given the above the directors have determined to recognise the R&D amount in accordance with AASB 120.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

(f) Operating leases

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

(g) Impairment of assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

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

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(j) Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Plant and equipment is depreciated utilising the diminishing cost method at a rate of 10% to 67%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(k) Intangible assets

(i) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over the period of expected benefit from the related project.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

(n) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee Benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations
Liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits. They are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. 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 end of the reporting period of government bonds with terms that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments
Share-based compensation benefits are provided to employees via the Apply Direct Pty Ltd Employee Share Option Plan ("ESOP") in addition to this other share based payments are undertaken for certain goods and services provided to the Company. Information in relation to share based payments is provided in Note 13.

The fair value of options granted under the ESOP is recognised as an employee benefits expense with a corresponding increase in equity (other share based payments are recognised in the statement of profit or loss and other comprehensive income or directly in equity depending upon the goods or services received). The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(p) Contributed equity

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

(q) Goods and Services Tax (GST)

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

(i) Significant estimates and judgements
The areas involving significant estimates or judgements are as follows:

Deferred tax assets
The Company has not recognised deferred tax assets relating to carried forward tax losses of $1,274,738 (2014: $1,079,685) or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 and the fact the Company has not previously generated taxable income.

Intangible assets
Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a project has reached a defined milestone according to an established project management model.

Share based payments
The determination of the fair value of options granted requires the utilisation of numerous variables. The fair value at grant date was independently determined using a binomial or Black-Scholes option pricing model.

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

NOTE 2: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Company's policies and processes for managing these risks are described below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and other price risk. The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's market risk is managed by the chief executive officer.

(i) Currency risk

The Company is not exposed to material currency risk arising from any financial assets or financial liabilities as all material transactions are denominated in Australian dollars.

(ii) Interest rate risk

The Company's cash and cash equivalents, expose it to a risk of change in their fair value or future cash flows due to changes in interest rates. The specific interest rate exposures are disclosed in the relevant notes to the financial statements.

The Company does not have a formal interest rate risk management strategy as the directors have assessed that exposure to fluctuations in interest rates is not a significant risk for the Company.

The Company's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

NOTE 2: FINANCIAL RISK MANAGEMENT (CONTINUED)

	2015 $	2014 $
Instruments with cash flow risk:		
Cash at bank	78,236	153,032

Sensitivity of profit or loss to movements in market interest rates for instruments with cash flow risk:

- Market interest rates changed by ± 50 basis points	±391	±765

(iii) Price risk

The Company is not exposed to price risk arising from any financial assets or financial liabilities.

(b) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Company by failing to discharge an obligation. The Company is exposed to credit risk through the financial assets listed below. The table also details the maximum exposure to credit risk for each class of financial instrument.

Cash at bank	78,236	153,032
Receivables	440,287	289,150
Maximum exposure to credit risk	518,523	442,182

The Company manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

NOTE 2: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Company monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. The chief executive officer monitors cash flows.

The maturity of financial liabilities at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows.

	Less than 12 months	1 -5 years	Total contractual cash flows	Carrying Amount liabilities
	$	$	$	$
2014				
Liabilities				
Trade and other payables	146,888	-	146,888	146,888
Interest bearing liabilities	-	-	-	-
Total	146,888	-	146,888	146,888

	Less than 12 months	1 -5 years	Total contractual cash flows	Carrying Amount liabilities
	$	$	$	$
2015				
Liabilities				
Trade and other payables	278,023	-	278,023	278,023
Interest bearing liabilities	250,000	-	250,000	250,000
Total	528,023	-	528,023	258,023

Fair value

Hierarchy

The following information classifies financial instruments recognised in the statement of financial position at fair value according to the hierarchy stipulated in AASB 7 *Financial Instruments: Disclosure* ("AASB 7") that reflects the subjectivity of the inputs used in making the measurements as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities; or
- Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (i.e. unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the directors. The directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

There are no financial instruments held at fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
NOTE 3: REVENUE AND OTHER INCOME			
Revenue:			
Website revenue		648,258	449,208
Total revenue		648,258	449,208
Other income:			
Research and development income		215,381	140,713
Management fee		27,273	-
Total other income		242,654	140,713
Total revenue and other income		890,912	589,921

NOTE 4: EXPENSES

Loss before income tax expense includes the following expenses:			
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss		-	-
Superannuation contributions – defined contribution plan		55,258	50,707
Rental expense – minimum lease payments		71,067	63,771

	Note	2015	2014
		$	$
NOTE 5: INCOME TAX BENEFIT			
(a) Franking account			
Balance of franking account at year end		-	-
(b) Current tax liabilities			
Income tax payable		-	-
(c) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised, potential tax benefit @ 30%		1,274,738	1,079,685

NOTE 6: CASH AND CASH EQUIVALENTS

	2015	2014
Cash and cash equivalents	78,236	153,032

Cash carries a weighted average effective interest rate of 0% (2014: 0%).

	2015 $	2014 $
NOTE 7: RECEIVABLES		
CURRENT		
Trade receivables	224,907	148,437
Other receivables	215,380	140,713
	440,287	289,150
NON CURRENT		
Other receivables	16,500	16,500

Receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value. The Company reviews all receivables for impairment. Any receivables which are doubtful have been provided for. Based on past experience all receivables where no impairment has been recognised are not considered to be impaired. No other class of financial asset is past due.

NOTE 8: PAYABLES

	2015 $	2014 $
CURRENT		
Unsecured liabilities:		
Sundry creditors and accruals	278,023	146,888

Payables are non-interest bearing. There are no payables where the fair value would be materially different from the current carrying value.

NOTE 9: UNEARNED REVENUE

	2015 $	2014 $
CURRENT		
Unearned website subscription revenue	155,649	207,431

NOTE 10: EMPLOYEE PROVISIONS

	2015 $	2014 $
CURRENT		
Annual Leave	30,650	26,649
NON CURRENT		
Long Service Leave	24,675	13,194

	2015 $	2014 $

NOTE 11: INTEREST BEARING LIABILITIES

	2015 $	2014 $
CURRENT:		
Loan from director	250,000	-

The loan was provided to the Company by a director related entity at an interest rate of 5%. The loan was repaid subsequent to year end.

NOTE 12: CONTRIBUTED EQUITY

(a) Share capital

		2015 $	2014 $
Ordinary shares fully paid: 38,323,941 (2014: 36,870,605)	(i)	5,607,414	4,953,414

(i) Movements in ordinary share capital

	2015 Shares	2015 $	2014 Shares	2014 $
Opening balance	36,870,605	4,953,414	32,551,969	2,700,124
Share based payments – equity raising costs	-	-	-	(169,439)
Share based payments – ESOP	-	-	-	-
Shares issued	1,453,336	654,000	1,505,556	723,208
Share issued – options exercised (share based payment – other)	-	-	2,000,000	800,000
Shares issued – options exercised			813,080	365,886
813,080 options exercised – transfer amount from options reserve	-	-	-	89,439
2,166,912 options forfeited – transfer amount from options reserve	-	-	-	444,196
Closing balance	38,323,941	5,607,414	36,870,605	4,953,414

(ii) Ordinary shares

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

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

		2015	2014
		$	$

NOTE 12: CONTRIBUTED EQUITY (CONTINUED)

(b) Share based payment reserve

		2015	2014
Share based payment reserve	(i)	1,311,620	954,264

(i) Movements in share based payment reserve

	2015	2014
Opening balance	954,264	1,300,211
Share based payments – equity raising	-	169,439
Share based payments – ESOP	357,356	18,249
Share based payments – other	-	-
Shares issued	-	-
Options exercised – transfer amount to issued capital	-	(89,439)
Options forfeited – transfer amount to issued capital	-	(444,196)
Closing balance	1,311,620	954,264

(ii) Share-based payments

The share-based payments reserve is used to recognise:

- The grant date fair value of options issued to employees but not exercised
- The grant date fair value of options issued for goods or services received but not exercised

(iii) Options

Information relating to the Apply Direct Pty Ltd employee share option plan ("ESOP"), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 13.

(c) Risk management

The Company's objectives when managing capital are to:

- Safeguard the ability to continue as a going concern, so the Company can continue to provide returns for shareholders and benefits for other stakeholders, and;
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares.

NOTE 13: SHARE BASED PAYMENTS

(a) Employee Option Plan

The Apply Direct Pty Ltd employee share option plan ("ESOP") is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Under the plan, participants are granted options. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

(b) Share Based Payments – Capital Raising

In addition to the ESOP, options have also been granted to certain individuals in relation to certain goods or services provided in relation to specific capital raising activities.

(c) Options granted under the ESOP and Capital Raising activities:

	2015 Average Exercise Price Per Option	2015 Number of Options	2014 Average Exercise Price Per Option	2014 Number of Options
Opening balance	$0.41	3,826,823	$0.28	7,528,799
Granted during the year	$0.87	6,135,000	$0.49	1,278,016
Exercised during the year	-	-	$0.41	(2,813,080)
Forfeited during the year	-	-	$0.40	(2,166,912)
Closing balance	$0.69	9,961,823	$0.41	3,826,823

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

(d) Options outstanding and fair value of options granted

Share options outstanding at the end of the year have the following expiry date and exercise prices. The following variables were utilised in the determination of the fair value of options granted, which are currently outstanding at balance date (all options were granted at nil value). The fair value at grant date is independently determined using a binomial or Black-Scholes option pricing model:

No. of Options	Issue Date	Exercise Price ($)	Vesting Period	Expiry Date	Expected Volatility	Risk Free Rate	Value per Option ($)	Total Value ($)
77,922	6/07/2011	$0.20	None	Jun-18	57.23%	4.865%	$0.067	5,220
77,922	19/07/2011	$0.20	None	Jun-18	57.23%	4.465%	$0.066	5,142
77,922	6/03/2012	$0.20	None	Jun-18	55.84%	3.640%	$0.330	25,714
155,844	26/06/2012	$0.20	None	Jun-18	55.84%	2.405%	$0.321	50,027
275,058	27/07/2012	$0.34	12 months	Jul-18	55.84%	2.545%	$0.198	54,461
550,116	27/07/2012	$0.34	12 months	Jul-18	55.84%	2.545%	$0.197	108,373
147,103	27/07/2012	$0.34	12 months	Jun-17	55.84%	2.545%	$0.194	28,538
400,000	31/10/2012	$0.25	None	Jun-18	55.15%	2.710%	$0.301	120,400
400,000	31/10/2012	$0.25	None	Jun-18	55.15%	2.710%	$0.301	120,400
1,200,000	31/10/2012	$0.25	None	Jun-18	55.15%	2.710%	$0.301	361,200
64,936	24/09/2013	$1.00	12 months	Sep-18	39.84%	3.335%	$0.093	6,039
200,000	16/12/2013	$0.50	None	Dec-18	39.84%	3.345%	$0.200	40,000
200,000	16/12/2013	$0.50	None	Dec-18	39.84%	3.345%	$0.200	40,000
3,826,823	**Balance at 30 June 2014**							
5,000,000	28/04/2015	$0.84	Upon Listing	Apr-20	40.05%	2.200%	$0.069	345,000
500,000	30/04/2015	$1.00	12 months	Apr-20	40.05%	2.100%	$0.056	28,000
500,000	30/04/2015	$1.00	12 months	Apr-20	40.05%	2.100%	$0.056	28,000
50,000	30/04/2015	$1.00	12 months	Apr-20	40.05%	2.100%	$0.056	2,800
50,000	30/04/2015	$1.00	12 months	Apr-20	40.05%	2.100%	$0.056	2,800
35,000	30/04/2015	$1.00	12 months	Apr-20	40.05%	2.100%	$0.056	1,960
9,961,823	**Balance at 30 June 2015**							

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

(e) Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows. In addition to the above an additional share based payment of $Nil (2014: $169,439) directly related to capital raising activities was recognised directly in equity.

	2015 $	2014 $
Options issued under the ESOP	357,356	18,249
Options issued – other	-	800,000
Total expense from share based payment transactions	357,356	818,249

NOTE 14: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the year (2014: $Nil).

NOTE 15: SUBSEQUENT EVENTS

The following subsequent events have occurred subsequent to 30 June 2015:

- 2,800,000 shares were issued at $0.50 per share, raising $1,400,000 cash, of which 200,000 shares were issued to a related party of Drew Ilsley
- Broker fees of $50,000 (plus GST) relating to capital raising were paid by way of an allotment of shares (100,000 shares at $0.50 per share) and have been recognised directly in equity
- Proceeds from the capital raising were used to repay a loan from a related party of Drew Ilsley amounting to $250,000
- Unpaid Director fees owing to Drew Ilsley of $100,000 (plus GST) ($88,000 of which was accrued at 30 June 2015) was paid by way of an allotment of shares (200,000 shares at $0.50) to a related party of Drew Ilsley
- An issue in September 2015 of 250,000 share options with a strike price of $1.00 and an expiry date of 28 September 2020

Apart from the above there has been no other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected the operations of the entity, the results of those operations or the state of affairs of the entity in future years.

NOTE 16: COMPANY DETAILS

The registered office and the principal place of business of the Company is:

Unit 3
3 Wellington St
Kew VIC 3101

APPLY DIRECT PTY LTD
ABN 62 126 975 282

DIRECTORS' DECLARATION

As stated in note 1 to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the directors reporting requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the directors' opinion:

(a) The financial statements and notes present fairly the financial position and performance of the Company for the year ended 30 June 2015 in accordance with the Accounting Standards and mandatory professional reporting requirements as detailed above;

(b) In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:

Bryan Petereit
Director

Melbourne, 8th November 2015

Daniel Allison & Associates
Chartered Accountants and Tax Lawyers

Independent Auditor's Report to the members of Apply Direct Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Apply Direct Pty Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report are appropriate to meet the needs of the members. The directors' responsibility also includes such internal controls as the directors determine is necessary to ensure the preparation of a financial report that is fairly presented and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Daniel Allison & Associates Assurance | ABN 38 475 497 714
35 Market Street, South Melbourne, VIC, 3205
PO Box 7425, Melbourne, VIC, 3004 | P 03 9006 5400 | F 03 9006 5499

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Apply Direct Pty Ltd as at 30 June 2015 and its financial performance for the year then ended in accordance with the accounting policies as described in Note 1 to the financial statements.

Material Uncertainty Regarding the Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1 of the financial report which indicates that the Company has incurred a loss of $1,280,975 (2014: $1,929,994) and had net cash outflows from operating activities of $974,118 (2014: $1,575,062). At 30 June 2015 the Company had negative net assets of $192,047 and an excess of current liabilities over current assets of $195,799 (2014: $61,214).

These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to satisfy the financial reporting requirements of the members. As a result, the financial report may not be suitable for another purpose.

Daniel Allison & Associates Assurance

DANIEL ALLISON & ASSOCIATES ASSURANCE
Chartered Accountants

Paul Carr
Partner
Melbourne, 8th November 2015