8common Limited and its Controlled Entities

Annual Report for the Period Ended 30 June 2014

ACN 168 232 577

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ANNUAL REPORT

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting 8common Limited and its controlled entities for the financial period ended 30 June 2014. The information in the review of operations forms part of this directors' report for the financial period from incorporation (25 February 2014) to 30 June 2014 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of 8common Limited during or since the end of the financial period up to the date of this report:

Grant McCarthy – Non Executive Chairman (appointed 31 March 2014)

Kah Wui "Nic" Lim – Managing Director (appointed 25 February 2014)

Zoran Grujic – Executive Director (appointed 25 February 2014)

Adrian Bunter – Non Executive Director (appointed 6 June 2014)

Nyap Liou "Larry" Gan – Non Executive Director (appointed 31 March 2014)

Lachlan Sutherland – Non Executive Director (appointed 25 February 2014 resigned 31 March 2014)

Particulars of each director's experience and qualifications are set out later in this report.

Principal Activities

The 8common Group's primary business is in the development and distribution of two established software solutions: Expense8 and Realtors8. The solutions help companies, their employees and professionals control costs, boost productivity and in the case of Realtors8, generate leads.

Operating Results and Review of Operations

Over this period (25 February 2014 to 30 June 2014), the Group achieved revenue of $1,147,501 and profit after providing for income tax amounted to $127,933. The results included the expensing of a range of costs associated with the acquisition of the Expense8 business and certain costs preparing for the IPO, which occurred following the period end. The Realtors8 business delivered growth in both revenue and profit whereas the Expense8 results were in line with previous year results.

During the period to 30 June 2014 there was $68,813 in depreciation and amortisation costs as well as $162,793 in one-off acquisition and listing related costs and approximately $65,000 in head office costs that were not incurred while they were stand alone entities.

Ownership transition has been smooth with both businesses and synergies being achieved in the areas of product development, systems architecture, design and strategy. 8common's market leading productivity and business software solutions, together with a scalable and profitable business model, ensures we are well positioned to capitalise on the significant growth opportunities available to us.

Financial Position

The net assets of the Group are $3,395,485. The main asset is the Intangible assets of $5,581,690 consisting of:

- Goodwill $3,777,422
- Intellectual Property $1,804,268

The major liability of the Group is the convertible notes, which were $1,836,000 including accrued interest at balance date.

Not withstanding the deficiency in current assets at balance date of $1,791,573, after considering the capital funds raised from the successful IPO post balance date, the Directors believe that the Group is in a strong and stable financial position to expand and grow its operations.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

Events after Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

Subsequent to period end the company successfully listed on the ASX on 27 August 2014, raising a total of $3,500,000 (before share issue costs), being 14,000,000 shares at an issue price of $0.25. The shares under the IPO were allotted on 15 August 2014.

Subsequent to period end on 2 September 2014, the company repaid the balance of the convertible notes (including interest) amounting to $1,852,964 from the proceeds of the Initial Public Offering as disclosed in the replacement prospectus dated 26 June 2014.

Per the sale agreement for Business Information Services (NSW) Pty Limited the second tranche payment of the earn out was made. The resultant payment of $80,033 was $219,967 lower than the anticipated amount. This reduction has been reflected in the reduced carrying value of goodwill as at 30 June 2014.

Future Developments, Prospects and Business Strategies

In the coming year we will be focusing on improving our technology & integrations with other suppliers.

In addition to our technology and product enhancements in 2015, we intend to increase the marketing of our brands in all of the countries that we are currently and also to expand the business into Asia.

Environmental Issues

The company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the consolidated entity has no legal obligation to take corrective action in respect of any environmental matter. The consolidated entity's operations are not subject to significant environmental regulations.

Dividends Paid or Recommended

No dividend has been paid or declared in relation to the financial period ended 30 June 2014.

Indemnifying and insurance of officers

The company has indemnified all current and previous directors of the consolidated entity, the company secretary and certain members of senior management against all liabilities or loss (other than to the company or a related body corporate) that may arise from their position as officers of the company and its controlled entities, except where the liabilities arise out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the company.

Indemnifying and insurance of auditor

The company's insurance contract does not provide cover for the independent auditors of the company or of a related body corporate of the company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

Non-audit Services (continued)

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable by 8common Limited for non-audit services provided by an entity related to the audit firm during the period ended 30 June 2014:

	$
Taxation services	42,090

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2014 has been received and can be found on page 13 of the financial report.

Options

At the date of this report, there are no options over ordinary shares.

Information Relating to Directors and Company Secretary

Grant McCarthy	–	Non-Independent Non-Executive Chairman
Qualifications	–	Bachelor of Business (University of Newcastle)
Experience	–	Grant's career has spanned across the technology sector, finance and corporate advisory in strategic consulting and merger and acquisitions with extensive experience covering many aspects of business across Australia and Asian markets. He is a Co-Founder and Partner at Asia Pacific Growth Management working on multiple engagements in the TMT sectors across the Asia Pacific helping multinational companies achieve strategic growth. Grant spent 8 years with yahoo Inc. in Australia and throughout South East Asia, developing various regional business units and strategic planning initiatives. These included the South East Asia lead for Yahoo Search and Asia-Pacific lead for Yahoo Mobile (FIFA World Cup).
Interest in Shares and Options	–	500,000 ordinary shares in 8common Limited.
Special Responsibilities	–	Member of the Remuneration Committee and member of the Audit Committee
Directorships held in other listed entities during the three periods prior to the current period	–	None

Kah Wui "Nic" Lim	–	Managing Director and Chief Executive Officer
Qualifications	–	Bachelor of Commerce (University of Western Sydney) and Bachelor of Law (University of Technology, Sydney)

Information Relating to Directors and Company Secretary (continued)

Experience	–	Founder of 8common, investor and Board member of various technology companies over the last 15 years. Co-Founded Catcha.com in 1999, Nic left an operational role in 2003 and remained on the Board member of various subsidiaries until 2010. Nic established a career in finance and advisory until 2012 and was most recently attached to the Fixed Income Sales team within the Investment Bank of Morgan Stanley in Singapore. He was also previously with UBS and Credit Suisse in Hong Kong.
Interest in Shares and Options	–	11,232,219 ordinary shares in 8common Limited.
Special Responsibilities	–	None
Directorships held in other listed entities during the three periods prior to the current period	–	None

Zoran Grujic	–	Executive Director, Chief Financial Officer & Company Secretary
Qualifications	–	Bachelor of Commerce (Accounting), University of Western Sydney. Member of the Institute of Chartered Accountants in Australia.
Experience	–	Zoran spent over a decade at leading Australian accounting firms before launching Corporate Result Group, a successful accounting practice that was later sold. He has also held senior finance roles in a variety of industries, including Moraitis Group, one of the largest fresh produce suppliers to Woolworths and Coles; a peak training organisation, the Australian Institute of Management (AIM); and more recently in Couriers Please Pty Limited, one of the leading freight distribution businesses in Australia.
Interest in Shares and Options	–	1,240,000 ordinary shares in 8common Limited.
Special Responsibilities	–	None
Directorships held in other listed entities during the three periods prior to the current period	–	None

Nyap Liou “Larry’ Gan	–	Non-Independent, Non-Executive Director
Qualifications	–	Fellow of Association of Certified Chartered Accountants and Certified Management Consultant
Experience	–	During his 26 years at Accenture he held many global leadership roles. He was the Accenture Managing Partner of ASEAN from 1993 to 1996, Accenture Managing Partner of Asia from 1997 to 1999 and Accenture Managing Partner of Corporate Development, Asia Pacific from 1999 to 2002. It was then that he managed the company’s multi-billion dollar Venture Fund for the Asia Pacific region. He was a member of the Accenture Global Management Council from 1997 to 2004 and sat on many global management committees, governing partner admission, rewards and compensation.

Information Relating to Directors and Company Secretary (continued)

Interest in Shares and Options	–	4,195,119 ordinary shares in 8common Limited.
Special Responsibilities	–	Member of the Remuneration Committee and member of the Audit Committee
Directorships held in other listed entities during the three periods prior to the current period	–	Since 1 August 2013, Larry has been the Group Chief Executive Officer and Managing Director of Omesti Berhad. He is a current Board member of Tanjong Plc, AmBank (M) Bhd, Catcha Media Bhd, Cuscapi Bhd, Tropicana Corporation Bhd, Graphene Nanochem Plc
Adrian Bunter	–	Independent, Non-Executive Director
Qualifications	–	Bachelor of Business (University of Technology, Sydney) and a Graduate Diploma in Applied Finance. Member of the Institute of Chartered Accountants in Australia.
Experience	–	Adrian has 19 years experience in accounting, audit, finance and a broad range of corporate advisory roles ranging from debt/equity raisings, mergers and acquisitions, divestments of business and strategy development and execution, including over 16 years with PricewaterhouseCoopers. Adrian is an executive director of Venture Advisory, a boutique technology, media and telco corporate advisory business and an executive committee member of Australia's leading angel investing group, Sydney Angels Inc.
Interest in Shares and Options	–	Nil ordinary shares in 8common Limited.
Special Responsibilities	–	Member of the Remuneration Committee and member of the Audit Committee
Directorships held in other listed entities during the three periods prior to the current period	–	Non-Executive Director of Qanda Technology Limited (ASX: QNA)

Meetings of Directors

During the financial period, 3 meetings of directors (including committees of directors) were held. Attendances by each director during the period were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Grant McCarthy	2	2	1	1	-	-
Kah Wui "Nic" Lim	2	2	-	-	-	-
Zoran Grujic	2	2	-	-	-	-
Nyap Liou "Larry' Gan	2	2	1	1	-	-
Adrian Bunter	2	2	1	1	-	-

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Group for FY2014. The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

These disclosures have been audited, as required by section 308(3c) of the Corporations Act 2001.

Role of the remuneration committee

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- to ensure 8common's remuneration structures are equitable and aligned with the long- term interests of 8common and its Shareholders. The Remuneration Committee will have regard to relevant company policies in attracting and retaining skilled executives, and structuring short and long-term incentives that are challenging and linked to the creation of sustainable Shareholder returns.

In relation to remuneration matters, the committee's responsibilities are to ensure that 8common:

- has coherent remuneration policies and practices which enable 8common to attract and retain executives and Directors who will create value for Shareholders;
- fairly and responsibly remunerates Directors and executives, having regard to the performance of 8common, the performance of the executives and the general remuneration environment; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet 8common's needs.

The Corporate Governance Statement provides further information on the role of this committee.

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

A. Principles used to determine the nature and amount of remuneration

The performance of the Group depends on the quality of its Directors and executives.

To prosper, the Group must attract, motivate and retain highly skilled Directors and executives. To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to shareholder value;
- ensure that a significant portion of executive remuneration is 'at risk', and therefore dependent on meeting pre-determined performance benchmarks; and
- establish appropriate performance hurdles in relation to variable executive remuneration.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with the corporate governance principles and recommendation, the structure of Non-Executive Director and senior manager remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, while incurring costs that are acceptable to shareholders.

Structure

Each Non-Executive Director will receive a fixed fee for being a Director of the Group after the successful listing of the Group on the ASX.

The constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fixed fees paid to Directors are reviewed annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Executive remuneration

Objective

The Company aims to reward key management personnel with a level and mix or remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process. The Remuneration Committee recommends to the Board the level of fixed remuneration each year based on the performance of individuals.

Structure

A policy of the Board is to establish employment or consulting contracts with the chairman, chief executive officer and other senior executives. At the time of this report there are employment agreements are in place for the members of the Board and Senior Management.

Current remuneration agreements only consist of fixed remuneration. The Board and Senior Management are reviewing the remuneration agreements with the view of incorporating long-term equity-based incentives that are subject to satisfaction of performance conditions. The equity-based incentives are intended to retain key executives and reward performance against agreed performance objectives.

Fixed remuneration

The level of fixed remuneration is set as to provide a base level of remuneration that is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary, superannuation and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or other benefits.

Remuneration Policy and Performance

The Company is in the early stages of its business plan following listing on the Australian Securities Exchange (ASX) on 27 August 2014. Accordingly the Company is currently reviewing the remuneration policies applicable to the CEO and CFO, general manager and other senior personnel of the Company in relation to KPI's and extent of remuneration, which is 'at risk'.

The review will assist the Company to better structure remuneration policies in accordance with current trends and practices in corporate remuneration.

Relationship between remuneration policy and company performance

The Company is currently reviewing its remuneration policies as indicated above

Details of the remuneration of the Directors and other key management personnel (as defined in AASB 124 Related Party Disclosures) of 8common Limited are set out in the following tables.

B. Details of remuneration (audited)

	Short Term Benefits	Post-Employment Benefits			
Name	**Cash salary and fees**	**Superannuation**	**Share based payments**	**Total**	**Performance related**
2014	**$**	**$**	**$**	**$**	**%**
Non-executive directors					
Grant McCarthy	-	-	2,000	2,000	-
Nyap Liou "Larry" Gan	-	-	2,000	2,000	-
Adrian Bunter	-	-	-	-	-
Total non-executive directors	-	-	4,000	4,000	-
Executive directors					
Kah Wui "Nic" Lim	30,000	-	-	30,000	-
Zoran Grujic	39,021	3,609	1,988	44,618	-
Total executive directors & key management	69,021	3,609	1,988	74,618	-
Total	69,021	3,609	5,988	78,618	-

C. Service agreements

8common has appointed Kah Wui “Nic” Lim as Chief Executive Officer, based in Singapore, reporting to the Board by way of an executive service agreement. The appointment of Nic is for an unspecified term. Either 8common or Nic may terminate the appointment with 6 months’ notice or alternatively in 8common’s case, payment in lieu of notice. Upon the termination of Nic’s employment contract, he will be subject to a restraint of trade period of up to 12 months. The enforceability of the restraint clause is subject to all usual legal requirements. The fixed remuneration payable to Nic comprises base remuneration of $120,000 per annum.

8common has appointed Zoran Grujic as Chief Financial Officer reporting to the Board by way of an executive service agreement. The appointment of Zoran is for an unspecified term. Either 8common or Zoran may terminate the appointment with 6 months’ notice or alternatively in 8common’s case, payment in lieu of notice. Upon the termination of Zoran’s employment contract, he will be subject to a restraint of trade period of up to 12 months. The enforceability of the restraint clause is subject to all usual legal requirements. The remuneration payable to Zoran comprises base remuneration having a total cost to 8common of $180,000 per annum, inclusive of mandatory superannuation contributions.

D. Share-based compensation (audited)

Description of options/rights issued and remuneration

No options were granted as remuneration in the financial period ended 30 June 2014.

Loans to directors and executives

There were no loans to Directors or executives during or since the end of the year.

Share holdings of key management personnel.

	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
Directors and key management personnel of 8common Limited ordinary shares	**No**	**No**	**No**	**No**
2014				
Grant McCarthy	-	-	**500,000**	**500,000**
Nyap Liou “Larry” Gan	-	-	**4,195,119**	**4,195,119**
Adrian Bunter	-	-	-	-
Kah Wui “Nic” Lim	-	-	**11,232,219**	**11,232,219**
Zoran Grujic			**1,240,000**	**1,240,000**
Total	-	-	**17,167,338**	**17,167,338**

Options on issue

At the date of this report, there were no options on issue.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

END OF REMUNERATION REPORT

This Director's report, incorporating the Remuneration report, is signed in accordance with a resolution of the Board of Directors.

Nic Lim
Managing Director

30 September 2014
Kuala Lumpur

Walker Wayland NSW
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF 8COMMON LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2014 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Grant Allsopp
Partner

Dated this 30th day of September 2014, Sydney

CORPORATE GOVERNANCE

The principal features of the Company's Corporate Governance policies and practices of 8common are summarized below.

The Company has adopted a comprehensive system of control and accountability as the basis for the administration of corporate governance.

The Board is responsible to Shareholders for the overall management of the Company's business and affairs. The Directors' overriding objective is to increase Shareholder value within an appropriate framework, which protects the rights and interests of Shareholders and ensures the Company is properly managed.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles (2nd edition) ("**Principles**") as published by ASX Corporate Governance Council (ASX CGC).

The Company's corporate governance principles and policies are structured with reference to the ASXCGC's Corporate Governance Principles (2nd edition), which are as follows:

Recommendation 1	Lay solid foundations for management and oversight;
Recommendation 2	Structure the Board to add value;
Recommendation 3	Promote ethical and responsible decision making;
Recommendation 4	Safeguard integrity in financial reporting;
Recommendation 5	Make timely and balanced disclosures;
Recommendation 6	Respect the rights of shareholders;
Recommendation 7	Recognise and manage risk;
Recommendation 8	Remunerate fairly and responsibly;

In accordance with recommendations of the ASX, information published on the Company's web site includes charters of Board and its subcommittees, codes of conduct and other policies and procedures relating to the Board and its responsibilities. A copy of the Company's Corporate Governance Statement can be found on the Company's website www.8common.com under the Corporate Governance Section.

The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient as the Company's activities develop in size, nature and scope. 8common Limited's corporate governance practices were in place for the year ending 30 June 2014 and other than outlined below the corporate governance practices of 8common Limited were compliant with the Council's recommendations during the year.

Board Structure

The directors in office at the date of this statement and their respective terms in office are as follows:

Name	Position	Term in Office
Mr Grant McCarthy	Independent Non-Executive Chairman	Since 31 March 2014
Kah Wui "Nic" Lim	Managing Director and Chief Executive Officer	Since incorporation
Zoran Grujic	Executive Director, Chief Financial Officer & Company Secretary	Since incorporation
Nyap Liou "Larry" Gan	Non-Independent Non-Executive Director	Since 31 March 2014
Adrian Bunter	Independent Non-Executive Director	Since 6 June 2014

Each of the other abovementioned directors denominated as independent are considered independent by virtue of the fact that each individual is not a member of management, is not a substantial shareholder of the Company and is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with – the independent exercise of their judgment.

When assessing the independence of directors, the ASX recommendations refer to materiality thresholds throughout the independence criteria, specifically in reference to evaluating what may constitute a material relationship.

The Board has adopted the following quantitative thresholds to be used as a guide when considering amounts in context of determining the materiality of certain relationships:

(i) an amount which is equal to or greater than 10% of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary;

(ii) an amount which is equal to or less than 5% of the appropriate base amount may be presumed not to be material, unless there is evidence, or convincing argument to the contrary.

The Board consist of two independent director and three directors who are not independent, including the Chairman. While this is not in accord with the ASXCGC principles, the directors believe it is currently appropriate given the current manner of the operations of the Company.

As part of discharging its obligations as directors of the Company, the Directors will, from time to time need to seek independent professional advice at the expense of the Company. Accordingly, the Board has agreed that where issues or matters arise in relation to the running of the Company, that in the opinion of the directors require independent professional advice to assist in the decision making surrounding the resolution of these issues, the Board may engage such professional advice providing it is on standard commercial terms for advice of its nature.

Please refer to pages 4-6 of the 2014 Annual Financial Report for the relevant skills and experience of each of the directors.

Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the appropriate governance systems and processes for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Zoran Grujic CA.

Committees to the Board

To assist in the execution of its corporate governance responsibilities, the Board has two committees, the Audit Committee and the Remuneration Committee. When appropriate special board committees may be appointed to address specific issues. The Board reviews requirements for Board committees regularly. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

Audit Committee

The Board has established an Audit Committee that operates under a charter approved by the Board. It is the Board's responsibility to ensure that an appropriate and effective internal control framework exists within the entity.

The system of internal control is designed to safeguard assets, ensure the maintenance of proper accounting records, monitor risks and reliability of financial information as well as non-financial considerations such as the benchmarking of operational key indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the economic entity to the Audit Committee. That Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The members of the Audit Committee are Adrian Bunter (Chair), Grant McCarthy, Nyap Liou Gan. Full details and qualifications of the members are contained in the Directors' Report.

The members are experienced in executive management, public company management and finance. The Chair of the Audit Committee is not the Chairman of the Board. The external auditors, the CEO and CFO are invited to Audit Committee meetings at the discretion of the Committee. Attendance at the meetings is set out in the Directors' Report.

Remuneration Committee

The Remuneration Committee is responsible for reviewing the remuneration of Directors and senior management and evaluation of senior management and makes recommendations to the Board on these matters. The committee is also responsible for recommendations to the Board on share and option schemes, incentive performance packages, superannuation entitlements, composition of the Board and the process and criteria for selection of new directors. The Committee also has the responsibility to oversee the Company's general remuneration strategy.

Remuneration levels are competitively set to attract the best qualified and experienced Directors and key management personnel. The Committee is authorised to obtain independent advice on the appropriateness of remuneration packages.

The members of the Committee are Grant McCarthy (Chair), Adrian Bunter and Nyap Liou Gan. The Committee did not meet during the period.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. The Board has adopted a formal code of conduct to be followed by all personnel and officers. The key aspects of this code are to:

- act with honesty, integrity and fairness and in the best interests of 8common and in the reasonable expectations of 8common's Shareholders;
- act in accordance with all applicable laws, regulations, policies and procedures; and
- use 8common's resources and property properly.

The code of conduct sets out 8common's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, bribery and corruption, and conflicts of interest.

Diversity Policy

8common favors people who believe any goal is achievable. Those who understand teamwork, generate ideas, use company money wisely, work with integrity, and are energetic, enthusiastic and determined. 8common recognises that workplace diversity, including gender, age, ethnicity and cultural background is a key contributor to our business success.

8common is committed to promoting diversity and providing a respectful environment where employees and others in the workplace are treated fairly and al decisions are based on merit. Our policy is to recruit the right people for the right job regardless of race, gender, age, marital status, disability, sexual orientation, nationality, political or religious beliefs, or any other factor not relevant o their competence and performance.

Timely Disclosure

The Company's Corporate Governance Statement contains the Company's policy to ensure compliance with ASX Listing Rules continuous disclosure obligations and the Company's policy to ensure timely and effective shareholder communication, including the encouragement for shareholders to participate at the Company's Annual General Meeting. A copy of the Company's Corporate Governance Statement is available on the Company's website.

Board and Senior Executive Performance Evaluation

ASXCGC recommendation 2.5 requires the disclosure of the process for performance evaluation of the Board, its committees and individual directors, and key executives. Currently the Company does not have a CEO and has no full time staff. All consultants and contractors to the company had their contracts reviewed including agreed hours to be worked since 30 June 2014.

Other Information

The Company's corporate governance practices and policies are publicly available at the Company's registered office.

ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
Principle 1 – Lay solid foundations for Management and oversight		
1.1. Company should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	8common's Board Charter sets out the specific responsibilities of the Board and senior executives. See section 10.1.3 below.
1.2. Companies should undertake appropriate checks before appointing a person or putting forward a candidate for election as a director and provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Will comply	8common will conduct all relevant and appropriate checks before appointing a person or putting forward a candidate for election as a director and will provide all material information.
1.3. A company should have a written agreement with each director and senior executive setting out the terms of their appointments.	Yes	8common has entered into written agreements with each of the directors setting out the terms of appointment, remuneration, working conditions and ongoing confidentiality of obligations. Please refer to Section 12.7.1 for further detail.
1.4. The company secretary of a company should be accountable directly to the Board through the Chair on all matters to do with proper functioning of the Board.	Yes	Zoran Grujic currently fulfils the role of Company Secretary and is an executive director of 8common.
1.5. A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	Will comply	8common will provide an explanation of any departures from recommendation 1.5 in future annual reports. For further details see Section 10.1.6 below.
1.6. Company should disclose the process for evaluating the performance of the Board and its committees.	Yes / will comply	8common intends to disclose the matters contemplated by Recommendation 1.6.
1.7. Companies should disclose the process for evaluating the performance of senior executives.	Will comply	8common intends to disclose the matters contemplated by Recommendation 1.7 in future annual reports.

ASX RECOMMENDATION		COMPLIED WITH?	COMMENT
Principle 2 – Structure the Board to add value			
2.1	Company should have a Nomination Committee, which has at least 3 members a majority of whom are independent and is chaired by an independent director.	No	Given the size of 8common, its Board has not established a separate Nomination Committee but will perform the function itself. Should circumstances change, its Board will consider establishing a separate Nomination Committee.
2.2	Companies should disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Will comply	8common will provide the relevant information in future annual reports.
2.3	A company should disclose the directors considered by the Board to be independent and the length of service of each director and whether a director has an interest in position association or relationship which the Board believes does not compromise the independence of the director.	Will comply	8common intends to disclose the matters contemplated by ASX Recommendation 2.3 in future annual reports. 8common has provided detail in relation to the current Board in Section 10.1.2 for further detail.
2.4	A majority of the Board should be independent directors.	No	There are two independent directors and the Chairman is an independent director. 8common believes that, given the Company's size and its current operations, having a majority of independent directors would not necessarily improve the function of the Board. See Section 10.1.2 for further detail.
2.5	The Chair should be an independent director and should not be the same person as the CEO of the Company.	Yes	The Chairman is an independent director and is not the same person as the CEO. For further detail see Section 10.1.2 for further detail.
2.6	A company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain skills and knowledge needed to perform their role as directors effectively.	Will comply	The Board of 8common will regularly review the directors as a group and whether they have the skills, knowledge and familiarity with 8common and its operating environment. Where necessary, 8common will provide additional resources to help develop and maintain directors' skills and knowledge. 8common will provide relevant information in future annual reports.

ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
Principle 3 – Act Ethically and Responsibly		
3.1 Companies should establish a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	Yes	The Company has adopted a Code of Conduct. 8common requires all its directors to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. These include acting honestly and with integrity and fairness in all dealings. See Section 10.1.5 for further detail.
Principle 4 – Safe Guard Integrity in Corporate Reporting		
4.1 Company should have an audit committee which consists of at least 3 members all of who are non-executive directors and a majority of whom are independent directors and the committee should be chaired by an independent director who is not the chair of the board.	Yes	The Board has established an Audit Committee. The primary responsibility of which is to review and make recommendations to the Board as a whole. The Audit Committee consists of two independent non-executive directors and a non-independent, non-executive director. An independent non-executive director chairs the Committee.
4.2 The Board should have, before it approves the company's financial statements, a declaration from the CEO and CFO that in their opinion the financial records of the company have been properly maintained and they comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the company.	Will comply	8common intends to disclose the matters contemplated by ASX Recommendation 4.2 in future annual reports.
4.3 A company that holds an AGM should ensure that its external auditor attends the AGM and is available to answer questions.	Will comply	The Board will ensure that its external auditor is in attendance at the AGM and is available to answer questions from shareholders.
Principle 5 – Make timely and balanced disclosure		
5.1 Companies should establish written policies to ensure compliance with the disclosure obligations under the Listing Rules.	Yes/Will comply	The Board has adopted a policy to ensure compliance with the disclosure obligations of 8common under the Corporations Act and the ASX Listing Rules. See Section 10.1.7 below for further detail.

ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
Principle 6 – Respect the rights of Shareholders		
6.1 Companies should provide information about themselves and their governance to investors via their websites.	Will comply	8common has established a website and the Board intends to provide information sufficient to enable shareholders to be kept informed of major developments. For further information see Section 10.1.8 below.
6.2 Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.	Will comply	8common has established a shareholders communications policy to support and implement an effective investor relations program, which will support its commitment to effective communication with shareholders including encouraging shareholders to participate at general meetings among other things.
6.3 Companies should disclose policies and processes they have in place to facilitate and encourage participation at shareholder meetings.	Will comply	See Recommendation 6.2 above.
Principle 7 – Recognise and manage risk		
7.1 The Board should establish a risk management committee made up of a majority of independent directors and chaired by an independent director.	No	Given the size of 8common, the Board has not established a separate Risk Committee but will perform the function itself. Should circumstances change, its Board will consider establishing a separate Risk Management Committee.
7.2 The Board or a committee of the Board should review the risk management framework of the company at least annually and disclose in relation to each reporting period whether that review has taken place.	Will comply	See Recommendation 7.1 above.
7.3 A company should disclose if it has an internal audit function and if so how that function is structured and if not the processes employed for evaluating and continually improving the effectiveness of its risk management processes.	Will comply	Given the size of 8common, it is not intended to establish at this stage a separate internal audit function. The Board will deal with this issue as a whole. If circumstances change, the Company will consider establishing an internal audit function.
7.4 A company should disclose whether it has any material exposure to economic, environmental and social	Will comply	8common intends to disclose relevant information in future annual

ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
sustainability risks and if so how it manages or intends to manage those risks.		reports.
Principle 8 – Remunerate fairly and responsibly		
8.1 The Board should establish a remuneration committee a majority of who are independent and which is chaired by an independent director.	Yes	The Board has established a Remuneration Committee. The primary responsibility of which is to review and make recommendations to the Board as a whole. The Remuneration Committee consists of two independent non-executive directors and a non-independent, non-executive director. An independent non-executive director chairs the Committee.
8.2 Companies should separately disclose policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Will comply	Disclosure regarding the remuneration of non-executive directors and executive directors is set out in Section 12.7.1 below.
8.3 Companies which have an equity based remuneration scheme should establish a policy on whether participants are permitted to enter into transactions, which limit the economic risk of participating in the scheme.	Not applicable	8common does not have an equity based remuneration scheme. Should circumstances change, the Company will disclose appropriate information in future annual reports.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 $
REVENUE FROM CONTINUING OPERATIONS	3	1,147,501
EXPENSES FROM CONTINUING OPERATIONS		
Cost of services	4	(11,538)
Employee and contractor costs		(482,398)
Occupancy expenses		(46,359)
Administration expenses		(220,381)
Borrowing costs	4	(40,019)
Depreciation and amortisation		(68,813)
Acquisition expenses		(61,923)
Other expenses from ordinary activities		(3,240)
NET PROFIT BEFORE INCOME TAX		**212,830**
Income tax expense	5	(84,897)
NET PROFIT FOR THE PERIOD		**127,933**
Other comprehensive income – translation of foreign subsidiaries		47,444
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		175,377
Earnings per share		
Basic earnings per share – cents per share	8	0.36
Diluted earnings per share – cents per share	8	0.36

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	30 June 2014 $
Current assets		
Cash	9	356,163
Trade and other receivables	10	624,782
Other assets - prepayments	14	241,457
Total current assets		**1,222,402**
Non current assets		
Intangible assets	13	5,581,690
Property, plant and equipment	12	26,603
Deferred tax assets	18	35,360
Total non-current assets		**5,643,653**
Total assets		**6,866,055**
Current liabilities		
Trade and other payables	15	824,505
Financial liabilities – convertible notes	17	1,836,000
Financial liabilities – deferred consideration	16	240,225
Provisions	19	44,457
Tax liabilities	18	68,788
Total current liabilities		**3,013,975**
Non current liabilities		
Financial liabilities – deferred consideration	16	426,177
Provisions	19	30,418
Total non current liabilities		**456,595**
Total liabilities		**3,470,570**
Net assets		**3,395,485**
Shareholders’ equity		
Contributed equity	20	3,220,108
Retained profits		127,933
Foreign currency translation reserve	28	47,444
Total shareholders’ equity		**3,395,485**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities		875,756
Interest received		977
Payments to suppliers and employees		(637,441)
Income tax paid		-
Net cash provided by operating activities	24	239,292
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Australian subsidiary – net of cash acquired	11 (b)	(1,938,680)
Purchase of Singaporean group – net of cash acquired	11 (b)	280,229
Net cash used in investing activities		(1,658,451)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares		-
Proceeds from convertible notes		1,800,000
Net cash provided by financing activities		1,800,000
NET INCREASE IN CASH HELD		380,841
Cash and cash equivalent at beginning of financial period		-
Effects of changes in exchange rates		(24,678)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	356,163

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

	Contributed Equity $	Retained earnings $	Reserves $	Total $
BALANCE AT INCORPORATION	**-**	**-**	**-**	**-**
Comprehensive income				
Profit for the period	-	127,933	-	127,933
Other comprehensive income	-	-	47,444	47,444
Total comprehensive income	**-**	**127,933**	**47,444**	**175,377**
Transactions with owners, in their capacity as owners, and other transfers				
Issue of shares	3,220,108	-	-	3,220,108
Share issue costs	-	-	-	-
BALANCE AT 30 JUNE 2014	**3,220,108**	**127,933**	**47,444**	**3,395,485**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of 8common Limited and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, 8common Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 30 September 2014 by the directors of the company.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern basis of accounting

The consolidated entity has a net current asset deficiency of $1,791,573 as at 30 June 2014. This deficiency has been mitigated as a result of the following subsequent events:

Subsequent to period end on 27 August 2014, the company successfully listed on the ASX raising a total of $3,500,000 (before share issue costs), being 14,000,000 shares at an issue price of $0.25. The shares under the IPO were allotted on 15 August 2014.

Subsequent to period end on 26 August 2014, the company repaid the balance of the convertible notes (including interest) amounting to $1,852,964 from the proceeds of the Initial Public Offering as disclosed in the replacement prospectus dated 26 June 2014.

a) Significant accounting judgments, estimates and assumptions

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumption and conditions and may materially affect the financial results or the financial position reported in future periods

b) Significant accounting judgments

Impairment models on goodwill

Key estimates

i. Impairment – goodwill

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

The impairment models for the goodwill balances incorporate growth rates in Australian and Canadian revenues and expenses have been factored into valuation models for the next five periods on the basis of management’s expectations regarding the Group’s continued ability to capture market share from competitors. The rates used incorporate an allowance for inflation. Pre-tax discount rates have been used in all models. Goodwill is considered to be sensitive to these assumptions and is carried in the statement of financial position at a written-down value of $3,777,422. No impairment has been recognised in respect of goodwill at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Provision for impairment of receivables

The directors have considered the recoverability of all trade receivable balances and they are of the opinion that no impairment provision is necessary. This estimate is based on their judgement.

iii. Intellectual Property – Software useful lives

Expense 8 and Realtors8 Software is recognised at the cost of acquisition. These assets are deemed to have an infinite useful life, however the directors based on their estimates and judgements have assessed a useful life of 5 years and are carried at cost less accumulated amortisation and any impairment losses.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

d) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by Officers of the 8common Group to ensure it is not in excess of the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amounts of all fixed assets are depreciated on a straight line basis over their estimated useful lives commencing from the time the asset is held ready for use.

f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of 8common Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which the Group obtains control. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Principles of Consolidation (cont.)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates except for Expense8 Pte Ltd which is incorporated in Singapore but has a functional and presentation currency of Australian dollars. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest should form the cost of the investment in the separate financial statements.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Principles of Consolidation (cont.)

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

The accounting for the business combinations is considered provisional.

Intangibles Other than Goodwill

Intellectual Property - Software

Software is recognised at cost of acquisition. These assets are deemed to have an infinite life, however the directors have assessed a useful life of five (5) periods and are carried at cost less accumulated amortisation and any impairment losses. These assets will be assessed for impairment on an annual basis.

g) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the 8common Group prior to the end of the period and which are unpaid. The amounts are unsecured and are paid in accordance with supplier terms.

h) Financial Liabilities

Convertible notes

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognised.

Deferred consideration

The carrying value of the deferred consideration balances relate to earn-out clauses in relation to the acquisition of the operating entities. The directors have recognised these amounts in the financial statements, as they believe the payment of these amounts are considered probable. Amounts expected to be repaid later than 12 months from 30 June 2014 have been discounted in order to arrive at a net present value.

i) Employee Entitlements

Short-term employee benefits

Provision is made for the Group’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group’s obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group’s obligations for employees’ annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Employee Entitlements (cont)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All Australian employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

j) Taxation

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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) a legally enforceable right of set-off exists; and (b) 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.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Taxation (cont.)

Tax Consolidation

8common Limited and its wholly owned Australian subsidiary (Business Information Services (NSW) Pty Limited) have formed an income tax consolidated group under tax consolidation legislation as of 3 March 2014. Each entity in the 8common Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The 8common Group notified the Australian Taxation Office that it had elected to form an income tax consolidated group as of 3 March 2014.

k) 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.

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Annual license fees for Australian revenues streams are recognised as revenue upon invoice date as all relevant activities to ensure continued service and functionality of the product have been performed by the company.
Realtor8 license fees are billed on a monthly basis and the revenue from these fees is recognised at the completion of the month.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(m) Consumption Taxes

Revenues, expenses and assets are recognised net of the amount of GST/HST, except where the amount of GST/HST incurred is not recoverable from the Australian Taxation Office (ATO) and The Canadian Taxation Authorities.

Receivables and payables are stated inclusive of the amount of GST/HST receivable or payable. The net amount of GST/HST recoverable from, or payable to, the ATO/Canadian Taxation Authorities is included with other receivables or payables in the statement of financial position.

n) New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

–AASB 10: Consolidated Financial Statements;

AASB 10 provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Group has applied these Accounting Standards with retrospective effect in accordance with their transitional requirements. The Group has:

- presented quantitative information of the comparative period reflecting the adoption of AASB 10; and
- with respect to any previously unconsolidated investee that is a business, measured the assets, liabilities and non-controlling interests as if the investee had been consolidated in accordance with the applicable version of AASB 3: Business Combinations from the date when the Group gained control of the investee. When the date that control was obtained was earlier than the beginning of the immediately preceding period, the Group recognises, as an adjustment to equity at the beginning of the comparative period, any difference between:
- the amount of assets, liabilities and non-controlling interests recognised; and
- the previous carrying amount of the Group's involvement with the investee.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The first-time application of AASB 10 did not result in any changes to the group's financial statements.

Employee benefits

The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119.

The transitional provisions of AASB 119 also prohibit an entity from adjusting the carrying amount of any assets outside the scope of AASB 119 for changes in employee benefit costs that were included in the carrying amount before the date of initial application. The Group does not recognise any of the cost of providing defined benefit arrangements to employees as a part of the carrying amounts of any assets outside the scope of AASB 119, such as inventory or property, plant and equipment. Accordingly, this transitional provision was not relevant to the Group in applying AASB 119.

The adoption of AASB 119 (September 2011) and AASB 2011–10 did not result in material changes to the accounting for employee benefits that will significantly impact amounts recognised in the Group's financial statements.

AASB 119 (September 2011) also changed the accounting for short-term employee benefits, actuarial gains and losses arising from obligations for defined benefits and termination benefits. These changes, however, did not have a material impact on the Group's financial statements.

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, the Group had separated provisions for benefits with similar characteristics, such as annual leave, sick leave and long service leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions. As the Group expects that most employee benefits will be taken more than 12 months after the end of the period in which the benefits were earned, most of the obligations for these employee benefits are now measured on a discounted basis. However, as the Group expects most employee benefits to be taken within 24 months of the reporting period in which they were earned, this change did not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements. Note also that these changes do not impact the classification of leave entitlements between current and non-current liabilities in the Group's financial statements.

Fair value measurement

The Group has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

No material adjustments to the carrying amounts of any of the Group's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value, and fair values disclosed in the Group's financial statements. These enhanced disclosures will be included in the 30 June 2014 period end annual report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 2: PARENT INFORMATION

	2014 $
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.	
Statement of Financial Position	
ASSETS	
Current assets	269,133
Non-current assets	5,265,236
TOTAL ASSETS	5,534,369
LIABILITIES	
Current liabilities	552,289
Non-current liabilities	1,911,000
TOTAL LIABILITIES	2,463,289
EQUITY	
Issued capital	3,220,108
Accumulated losses	(149,028)
TOTAL EQUITY	3,071,080
Statement of Profit or Loss and Other Comprehensive Income	
Total profit	149,028
Total comprehensive income	149,028

Guarantees

No cross guarantees existed during the period ended 30 June 2014.

Contingent liabilities

At 30 June 2014, 8common Limited is not responsible for any contingent liabilities of it’s subsidiaries.

Contractual commitments

At 30 June 2014, 8common Limited was not responsible for any contractual commitments of any of its subsidiaries.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated Group 2014 $
a. **Revenue from continuing operations**	
– License and maintenance fees	1,146,524
– Interest received from unrelated parties	977
	1,147,501

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 4: EXPENSES FOR THE PERIOD

		Consolidated 2014 $
Profit before income tax from continuing operations includes the following specific expenses:		
a.	**Expenses**	
	Cost of sales	11,538
	Interest expense on financial liabilities not at fair value through profit or loss:	
	– related parties – convertible notes	36,000
	– unrelated parties	4,019
		40,019
	Depreciation	3,081
	Amortisation	65,732
		68,813
	Employee benefits expense:	
	– defined contribution superannuation expense	27,352
	Rental expense on operating leases:	
	– minimum lease payments	46,924
b.	**Significant Expenses**	
	The following significant expense items are relevant in explaining the financial performance:	
	Acquisition expenses	61,923
	Share based payments expense	19,988

NOTE 5: TAX EXPENSE

a.	The components of tax (expense)/income comprise:	
	Current tax	89,910
	Deferred tax	(21,208)
	Under-provision in respect of prior periods	16,195
		84,897
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:	
	Prima facie tax payable on profit from ordinary activities before income tax at 30%	63,849
	Add:	
	Tax effect of:	
	– share based payments expense	5,996
	– under-provision for income tax in prior period	16,195

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 5: TAX EXPENSE (cont.)

	Consolidated Group
Less:	**2014** **$**
Tax effect of:	
- other	1,143
Income tax attributable to entity	84,897
The applicable weighted average effective tax rates are as follows:	**39.8%**

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the period ended 30 June 2014.

The totals of remuneration paid to KMP of the company and the Group during the period are as follows:

Short-term employee benefits	69,021
Post-employment benefits	3,609
Share based payments	5,988
Total KMP compensation	78,618

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-period's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the period and post-employment life insurance benefits.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 7: AUDITORS' REMUNERATION

		Consolidated Group 2014 $
Remuneration of the auditor, Walker Wayland NSW Chartered Accountants for:		
–	auditing or reviewing financial statements	74,400
–	taxation services	42,090
		116,490
Remuneration of overseas subsidiary auditors		16,940
		133,430

NOTE 8: EARNINGS PER SHARE

a.	Earnings used to calculate basic and diluted EPS	127,933
		No.
b.	Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	35,490,110
	Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	35,490,110

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated Group 2014 $
Cash at bank and on hand	356,163

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	335,712
Term deposits	20,451
	356,163

NOTE 10: TRADE AND OTHER RECEIVABLES

	Consolidated Group 2014 $
CURRENT	
Trade receivables	551,738
Provision for impairment	-
	551,738
Other receivables	73,044
	624,782

a. **Provision for Impairment of Receivables**

No provision for impairment of receivables exists as at 30 June 2014.

b. **Credit risk**

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The Group has no significant credit risk exposure in any country in which the Group trades.

The balances of receivables that are within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount $	Past Due and Impaired $	Past Due but Not Impaired (Days Overdue) < 30 $	31–60 $	61–90 $	> 90 $	Within Initial Trade Terms $
2014							
Trade and term receivables	551,738	-	103,184	43,390	10,283	-	394,881
Other receivables	73,044	-	-	-	-	-	73,044
Total	624,782	-	103,184	43,390	10,283	-	467,925

c. **Financial Assets Classified as Loans and Receivables**

	Consolidated Group 2014 $
Trade and other receivables:	
– total current	624,782
– total non-current	-
Financial assets	624,782

NOTE 11: INTERESTS IN SUBSIDIARIES

a. **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group
		2014
		%
Business Information Services (NSW) Pty Limited	Australia	100
Expense8 Pte Ltd	Singapore	100
Realtors8 Pte Ltd	Singapore	100
0966058 BC Ltd	Canada	100
Combustion Labs Media Inc.	Canada	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. **Acquisition of Controlled Entities**

On 3 March 2014, 8common Limited acquired 100% of the ordinary share capital of Business Information Services (NSW) Pty Limited for a total consideration of $2.3m, payable in 3 tranches.

Purchase consideration	
Cash (i)	2,102,718
Contingent consideration	190,068
Total consideration	**2,292,786**
Less:	
Cash (i)	164,038
Receivables	120,128
Intellectual property	833,000
Property, plant and equipment	24,397
Deferred tax assets	26,028
Income tax receivable	25,444
Payables	(62,415)
Provisions	(62,942)
Identifiable assets acquired and liabilities assumed	1,067,678
Goodwill arising on acquisition	**1,225,108**
i) Net cash outflow from acquisition	**1,938,680**

NOTE 11: INTERESTS IN SUBSIDIARIES (continued)

b. On 31 March 2014, 8common Limited acquired 100% of the ordinary share capital of Realtors8 Pte Ltd (previously known as 8capita Solutions Pte Ltd) for a total consideration of $3.2m, being 32,000,000 shares in 8common Limited issued at $0.10 per share.

Purchase consideration	
Cash (i)	-
Shares	3,200,000
Total consideration	**3,200,000**
Less:	
Cash (i)	280,229
Receivables and prepayments	49,266
Intellectual property	1,037,000
Goodwill	2,075,231
Payables	(294,844)
Deferred consideration	(397,011)
Foreign exchange adjustment	(26,954)
Identifiable assets acquired and liabilities assumed	2,722,917
Goodwill arising on acquisition	**477,083**
i) Net cash inflow from acquisition	**280,229**

Revenue of Business Information Services (NSW) Pty Limited included in the consolidated revenue of the Group since the acquisition date on 3 March 2014 amounted $878,336. Profit of Business Information Services (NSW) Pty Limited included in consolidated profit of the Group since the acquisition date amounted to $261,502.

Had the results of 8common Limited been consolidated from 1 July 2013, revenue of the consolidated group would have been $2,924,604 and consolidated profit would have been $679,612 for the period ended 30 June 2014.

Included within acquisition expenses in the statement of profit or loss are acquisition-related costs totalling $61,923. The costs include legal, accounting and stamp duty.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group
	2014
	$
Plant and Equipment	
Plant and equipment:	
At cost	29,360
Accumulated depreciation	(3,081)
Foreign exchange movement	324
	26,603

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (continued)

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Plant and Equipment	Total
	$	$
Balance at beginning of period	-	-
Additions through business combinations	29,360	29,360
Depreciation expense	(3,081)	(3,081)
Foreign exchange movement	324	324
Balance at 30 June 2014	26,603	26,603

NOTE 13: INTANGIBLE ASSETS

	Goodwill	Intellectual property	Total
	$	$	$
Consolidated Group:			
Period ended 30 June 2014			
Balance at the beginning of the period	-	-	-
Additions	3,777,422	1,870,000	5,647,422
Disposals	-	-	-
Amortisation charge	-	(65,732)	(65,732)
Impairment losses	-	-	-
	3,777,422	1,804,268	5,581,690

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful life.

Impairment disclosures

Goodwill is allocated to cash-generating units (CGU) which are based on the Group's reporting segments:

	2014
	$
Australian CGU	1,225,108
Canadian CGU	2,552,314
Total	3,777,422

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 13: INTANGIBLE ASSETS (continued)

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-period period with the period extending beyond 5 periods extrapolated using an estimated growth rate. The cash flows are discounted using the company's cost of capital.

The following key assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Australian CGU	8%	6%
Canadian CGU	4%	6%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

NOTE 14: OTHER ASSETS

	Consolidated Group
	2014 **$**
CURRENT	
Prepayments	241,457

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT	
Unsecured liabilities:	
Trade payables	504,390
Sundry payables and accrued expenses	206,940
Amounts payable to related parties	113,175
	824,505
a. **Financial liabilities at amortised cost classified as trade and other payables**	
Trade and other payables:	
– total current	824,505
– total non-current	-
Financial liabilities as trade and other payables	824,505

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 16: FINANCIAL LIABILITIES – CONTINGENT CONSIDERATION

	Consolidated Group 2014 $
CURRENT	
Contingent consideration	240,225
NON CURRENT	
Contingent consideration	426,177

NOTE 17: FINANCIAL LIABILITIES

CURRENT	
Unsecured liabilities:	
Convertible notes and accrued interest	1,836,000

The convertible notes attract interest at 6% and are repayable from the proceeds of the initial public offering. Repayment was completed on 2 September 2014.

NOTE 18: TAX

CURRENT	
Income tax payable	68,788

DEFERRED TAX ASSET

	Opening Balance $	Charged to Income $	Charged Directly to Equity $	Changes in Tax Rate $	Exchange Differences $	Closing Balance $
NON-CURRENT						
Deferred tax assets						
Balance at beginning of period	-	-	-	-	-	-
Provisions & accruals	-	35,360	-	-	-	35,360
Balance at 30 June 2014	-	35,360	-	-	-	35,360

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 19: PROVISIONS

Analysis of total provisions

	Consolidated Group 2014 $
Current – annual leave	44,457
Non-current – long service leave	30,418
	74,875

	Employee Benefits $
Consolidated Group	
Opening balance at incorporation date	-
Additions through business combinations	62,942
Additions in the period	11,933
Amounts used	-
Balance at 30 June 2014	74,875

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of the annual leave balance classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(i).

NOTE 20: ISSUED CAPITAL

Issued capital (30 June 2014: 40,000,000 ordinary shares)

	Date	Price	No.	$
Share issued upon incorporation	25 February 2014	$1.00	120	120
Shares issued for nil consideration (i)	26 February 2014	-	1,800,000	-
Shares issued to employees	31 March 2014	$0.10	199,880	19,988
			2,000,000	20,108
Share split – conversion on a 1 for 4 basis	31 March 2014	N/A	8,000,000	-
Shares issued to acquired subsidiary	31 March 2014	$0.10	32,000,000	3,200,000
			40,000,000	3,220,108

(i) 1,800,000 shares were issued as part of the terms and conditions of the convertible notes, which has been disclosed in Note 17.

Note 20: ISSUED CAPITAL (continued)

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity 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.

a. **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, convertible notes and financial liabilities, supported by financial assets.

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

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated Group
	2014 $
Total borrowings	1,836,000
Less cash and cash equivalents	(356,163)
Net debt	1,479,837
Total equity	3,395,485
Total capital	3,220,108
Gearing ratio	43.5%

NOTE 21: CAPITAL AND LEASING COMMITMENTS

	Consolidated Group
	2014 $
a. **Operating Lease Commitments**	
Non-cancellable operating leases contracted for but not recognised in the financial statements	
Payable – minimum lease payments:	
– not later than 12 months	73,519
– between 1 year and 2 years	-
– later than 2 years	-
	73,519

NOTE 21: CAPITAL AND LEASING COMMITMENTS (continued)

The property lease is a non-cancellable lease with a 4 -period term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of the change in the consumer price index (CPI) or 4% per annum.

NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at the date of this annual report.

NOTE 23: OPERATING SEGMENTS

The Group has three (3) reportable segments, as described below, which are the groups strategic business units. The Group has identified its business units based on internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The following summary describes the operations in each of the Group's reportable geographic segments:

- Australia: Expense8 is a Travel & Expense management software solution that manages and streamlines the end-to-end processing of employee generated expenses. By using Expense8, clients' administration of expenses charged to corporate credit cards is made easier.
- Singapore: Houses the Realtors8 and Expense8 Intellectual Property of the Group.
- Canada: Realtors8 is a Content Management System (CMS) and Customer Relationship Management (CRM) Solution primarily targeting realtors. The comprehensive solution provides personalised, customer-branded websites, integrated to multiple listing services (MLS), syndication and marketing tools which enable the realtors to generate traffic, leads and maintain relationships with their clients.

The revenue and net profit figures below are based on the period from incorporation (or acquisition date, refer to Note 11) to 30 June 2014.

NOTE 23: OPERATING SEGMENTS (Continued)

	Australia $	Singapore $	Canada $	Total $
Revenue				
External fees	877,360	34,163	269,164	1,180,687
Intersegment license fees				
Interest revenue	977	-	-	977
Total segment revenue	878,337	34,163	269,164	1,181,664
Reconciliation of segment revenue to group revenue:				
Intersegment elimination	-	-	-	(34,163)
Total group revenue				**1,147,501**
Segment net profit from continuing operations before tax	341,001	20,280	29,343	390,624
Head office charges	-	-	-	(177,794)
Total group profit before tax				**212,830**
Segment assets	3,069,479	1,686,280	6,808,712	11,564,471
Head office	-	-	-	53,666
Intersegment eliminations				(4,752,082)
				6,866,055
Segment liabilities	736,794	-	808,795	1,545,589
Head office				2,006,199
Intersegment eliminations				(81,218)
				3,470,570

NOTE 24: CASH FLOW INFORMATION

		Consolidated Group 2014 $
a.	**Reconciliation of Cash Flow from Operations with Profit after Income Tax**	
	Profit after income tax	127,933
	Non-cash flows in profit:	
	– Amortisation	65,732
	– Depreciation	3,081
	– Share based payments expense	19,988
	– Non-cash interest expense	36,000
	– Foreign exchange	24,678
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:	
	– (Increase) in trade and term receivables	(385,421)
	– (Increase) in other assets	(241,457)
	– Increase in trade payables and accruals	517,369
	– Increase in income taxes payable	68,788
	– (Increase) in deferred tax assets	(9,333)
	– Increase in provisions	11,934
	Cash flow from operating activities	239,292

b. **Acquisition of Entities**

Refer to Note 11: Interests in subsidiaries.

c. **Non-cash Financing and Investing Activities**

(i) Share issues:

On 31 March 2014, 8common Limited issued 199,880 ordinary shares to directors and employees at an issue price of $0.10 per share in exchange for services provided during the period, resulting in a share based payments expense of $19,988.

On 31 March 2014, 8common Limited acquired 100% of ordinary share capital of Realtors8 Pte Ltd for a total consideration of 32,000,000 shares in 8common Limited at an issue price of $0.10, resulting in a total non-cash consideration of $3,200,000.

d. **Loan Facilities**

For details of the convertible note, refer to Note 17: Financial Liabilities.

NOTE 25: EVENTS AFTER THE REPORTING PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

Subsequent to period end the company successfully listed on the ASX, 27 August 2014, raising a total of $3,500,000 (before share issue costs), being 14,000,000 shares at an issue price of $0.25. The shares under the IPO were allotted on 15 August 2014.

Subsequent to period end on 2 September 2014, the company repaid the balance of the convertible notes (including interest) amounting to $1,852,964 from the proceeds of the Initial Public Offering as disclosed in the replacement prospectus dated 26 June 2014.

Per the sale agreement for Business Information Services (NSW) Pty Limited the second tranche payment of the earn out was made. The resultant payment of $80,033 was $219,967 lower than the anticipated amount. This reduction has been reflected in the reduced carrying value of goodwill as at 30 June 2014.

NOTE 26: RELATED PARTY TRANSACTIONS

Related Parties

a. **The Group's main related parties are as follows:**

(i) *Entities exercising control over the Group:*

The ultimate parent entity that exercises control over the Group is 8common Limited, which is incorporated in Australia.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

(iii) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(i) Transactions with directors

During the period ended 30 June 2014, unsecured convertible notes amounting to $1,270,000 was issued to directors at a coupon interest rate of 6%. Details of these related party transactions are as follows:

- Kah Wui "Nic" Lim – $270,000
- Nyap Liou "Larry" Gan - $1,000,000

Interest expense for the period ended 30 June 2014 of $25,400 in relation to above convertible notes is as follows:

- Kah Wui "Nic" Lim – $5,400
- Nyap Liou "Larry" Gan - $20,000

Subsequent to period end on 26 August 2014, the convertible notes and accrued interest were repaid from the proceeds of the IPO.

(ii) Transactions with director related entities

During the period ended 30 June 2014, Realtors8 Pte Ltd lent an amount of $508 to 8capita Pte Ltd, being a director related entity to Kah Wui "Nic" Lim.

The above transactions were carried out on normal arms length terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 27: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group 2014 $
Financial assets		
Cash and cash equivalents	9	356,163
		356,163
Loans and receivables		624,782
		624,782
Total financial assets		980,945
Financial liabilities		
Financial liabilities at amortised cost:		
– trade and other payables	23	824,505
– borrowings	25	1,836,000
– deferred consideration	16	666,402
Total financial liabilities		3,326,907

Financial Risk Management Policies

The Audit Committee has the responsibility of managing the financial risk exposures of the consolidated group. The consolidated entity's activities expose it to a variety of financial risks: market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the consolidated group. The consolidated groups has adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amounts of financial assets recorded in the financial statements, net of any allowance for losses, represent the consolidated entity's maximum exposure to credit risk.

b. **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity by maintaining adequate reserves and by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

	Within 1 Period	**1 to 5 Periods**	**Over 5 Periods**	**Total**
	2014	**2014**	**2014**	**2014**
Consolidated Group	**$**	**$**	**$**	**$**
Financial liabilities due for payment				
Trade payables	824,505	-	-	824,505
Deferred consideration	240,225	426,177	-	666,402
Convertible notes	1,836,000	-	-	1,836,000
Total contractual outflows	2,900,730	426,177	-	3,326,907

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. No material interest rate risk exists as the convertible notes have a fixed interest rate of 6%. Interest rate risks on interest earning cash balances are not considered material.

(ii) *Foreign exchange risk*

The consolidated group is mainly exposed to Canadian Dollar (CAD), Singapore Dollar (SGD) and the US Dollar (USD) as a result of operation of its subsidiaries in those markets or trade in those markets. Foreign currency risk arises when future commercial transactions are recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

d. **Fair values**

The fair values of financial assets and financial liabilities at balance date equate to their carrying values. All financial assets and liabilities are categorised as Level 3 hierarchy assets and liabilities except for cash which is Level 1.

NOTE 28: RESERVES

a. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 29: COMPANY DETAILS

The registered office of the company is:

8common Limited

Level 11, Suite 11.01

60 Castlereagh Street

SYDNEY NSW 2000

The principal places of business are:

– 8common Limited
  Business Information Services (NSW) Pty Limited
  Suite 1904, Level 19
  Westfields Tower 1
  520 Oxford Street
  BONDI JUNCTION NSW 2022
– 8common Limited
  Combustion Labs Media Inc.
  Suite #215
  130-8191 Westminster Highway
  Richmond, BC
  V6X 1A7 Canada
– 8common Limited
  Realtors8 Pte Ltd and Expense8 Pte Ltd
  71 Ayer Rajah crescent
  #02-15,
  139951 Singapore

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of 8common Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 23 to 52 are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the period ended on that date of the consolidated group;

2. in the directors' 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; and

3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Kah Wui "Nic" Lim

Director

Dated this 30th day of September 2014

Kuala Lumpur

walkerwayland

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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60 Castlereagh Street
SYDNEY NSW 2000

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SYDNEY NSW 2001

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Website: www.wwnsw.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 8COMMON LIMITED

Report on the Financial Report

We have audited the accompanying financial report of 8common Limited as set out on pages 23 to 53, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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.

Walker Wayland NSW
Chartered Accountants

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Website: www.wwnsw.com.au

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of 8common Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

a. the financial report of 8common Limited is in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 12 of the directors' report for the period ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of 8common Limited for the period ended 30 June 2014 complies with s300A of the *Corporations Act 2001*.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Grant Allsopp
Partner

Dated this 30th day of September 2014, Sydney

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 31 August 2014.

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding):	Number Ordinary
1 – 1,000	-
1,001 – 5,000	-
5,001 – 10,000	132
10,001 – 100,000	213
100,001 and over	51
	396

b. The number of shareholdings held in less than marketable parcels is NIL.

c. The names of the substantial shareholders listed in the holding company's register are:

	Shareholder:	Number Ordinary
1.	8CAPITA LIMITED	9,410,400
2.	ZENYEN LIMITED	8,960,000
3.	NYAP LIOU GAN	4,195,119

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. **20 Largest Shareholders – Ordinary Shares**

No.	Name	Number	%
1.	8CAPITA LIMITED	9,410,400	17.427
2.	ZENYEN LIMITED	8,960,000	16.593
3.	NYAP LIOU GAN	4,195,119	7.769
4.	HO BENG BRIAN WEE	2,530,400	4.686
5.	POH GEOK FLORA LIM	2,281,819	4.226
6.	KAH WUI "NIC" LIM	1,821,819	3.374
7.	MOHD IQBAL SHAMSUL KAMAR	1,241,519	2.299
8.	CASTLEREAGH HOLDINGS PTY LTD <888 A/C>	1,240,000	2.296
9.	TRAPP HAMPTON REID LEWIS	1,183,959	2.193
10.	ROBERT YANG LIN	1,110,359	2.056
11.	THE REAL DEAL INC	1,000,000	1.852
12.	SUE CHING NGAU	800,000	1.481
13.	JOHN YIK ANN TAN	640,000	1.185
14.	JACOBS CORPORATION PTY LTD <JACOBS INVESTMENTS GROUP A/C>	600,000	1.111
15.	MANDALONG HOLDINGS PTE LIMITED	420,000	0.778
16.	THE REAL DEAL INC	400,000	0.741
17.	MARIA RACHELLE GAA	365,113	0.676
18.	NAJEE PTY LTD <NAJEE SUPER FUND A/C>	335,000	0.620
19.	KEVIN PANG YUEN GOH	300,000	0.556
20.	TECK WAI PANG	300,000	0.556
		39,135,507	72.5

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Directors	Grant McCarthy (Chairman) Kah Wui Lim Zoran Grujic Adrian Bunter Nyap Liou Gan
CEO	Kah Wui Lim nic@8common.com
Company Secretary	Zoran Grujic
Registered Office	Level 11, Suite 11.01, 60 Castlereagh Street, SYDNEY NSW 2000
Principal place of Business	Level 19, Suite 1904, Westfields Tower 1 520 Oxford Street Bondi Junction NSW 2022
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street SYDNEY NSW 2000
Auditor	Walker Wayland NSW Chartered Accountants Level 11, Suite 11.01, 60 Castlereagh Street, SYDNEY NSW 2000
Stock Exchange Listing	8common Limited and Controlled entities shares are listed on the Australian Stock Exchange (ASX code: 8CO)
Web site	www.8common.com