8common Limited
and its Controlled Entities

Annual Report for the Year Ended
30 June 2015
ACN 168 232 577

CONTENTS

OUR BUSINESS

A platform to provide proven software products with product enhancements and growth resources to deliver improved customer service and engagement, product distribution and increase revenue and EBIT.

We are an ASX listed technology software products company that has delivered solutions to S&P/ASX 200 corporations and government bodies in Australia, North America and Asia for over 20 years.

OUR PRODUCTS

Travel and Expense Management

Organisational Diagnostic Tools

Real Estate Agent Solutions

CHAIRMAN AND CEO MESSAGE

Grant McCarthy
Chairman

Nic Lim
Chief Executive Officer

Dear fellow shareholders,

We are pleased to present to you the 2015 8common Ltd (8CO) Annual Report. This past year has been a year of high productivity beginning with the successful float of 8common Ltd on the ASX, integrating operations, enhancing the products and marketing of businesses and the subsequent acquisitions of Centre for Organisational Intelligence (COI) and RealPagemaker/Clicksold.

Summary of Financials

The group has delivered a respectable inaugural full year result, balancing the integration of acquired assets, new acquisitions and investing in products to ensure future growth. Momentum is expected to accelerate as the team and management continue to enhance their ability to identify, acquire, integrate and grow the business. Key highlights include:

- Revenue increased to $3,439,548
- Cash receipts of $3,209,387
- Net operating cash inflow of $312,703
- EBITDA of $514,707
- Profit before Tax of $18,540
- Loss after Tax of $10,851

The company received healthy cash receipts and positive operating cash flow demonstrating the working model of acquiring established businesses with a solid client base and core product.

Cash management has been prudent to ensure sufficient investments are made towards product development and marketing whilst maintaining a very respectable EBITDA. The recent $900,000 convertible note provided a shareholder friendly means of financing to facilitate the acquisition of RPM and Clicksold.

FY2015 review

We are encouraged by what 8common has achieved in the past 12 months. The IPO process, product redevelopment and expansion together with 2 acquisitions have demanded for a dedicated team and focused execution. Investments were made during the second half in both Marketing and Human Resources including senior management hires of both COO and CTO.

We are focused and disciplined in executing the plan to acquire software product companies with proven earnings and a solid client base to deliver core market growth and geographic expansion into Asian countries. Each of our 3 divisions have made notable achievements which we should be proud of:

- Expense8 won a competitive tender to deliver our solution to the New South Wales Department of Education
- Perform8 successfully delivered its re-developed organisational diagnostic tool to Sydney Airports
- Realtors8 experienced 21% revenue growth between Q1 to Q4 of FY2015-09-14

Highlights expense8

- Revenue down 11% to $1,671,874 (FY14: $1,881,607)
- SaaS revenue up 8.6% to $575,936 (FY14: $529,365)
- Client wins and implementations included
- Transport for New South Wales, NSW Department of Attorney
- General and Justice and the NSW Department of Education and Communities (DEC)
- Woolworths first to move to the new Expense8 platform and Amcor expands usage to Singapore
- Completed client seminars together with strategic partners including Amadeus in Melbourne, Sydney, Singapore and Malaysia
- Asian based team on-board as Expense8 receives very encouraging responses

The overall revenue due to lower new implementation billings which was expected as we worked on further improving and developing the product. Since May we have been delivering the new platform to clients should result in much stronger billings in the coming year. Winning the likes of DEC on the basis of the new product clearly demonstrates that we have hit the mark. Most importantly, our core SaaS billings grew 8.6% over the period.

Highlights perform8

- Acquisition of COI completed on 31 January 2015
- Revenue of $215,894 (from period of acquisition to 30 June 2015)
- Core product revamp completed
- Client wins and implementations included 7-Eleven, Sydney Airports, Chobani and Brother

Our recent delivery of the re-developed platform to Sydney Airports was well received. The cross-sell opportunities with Expense8 are strong and the participation of the Perform8 team at the Expense8 client events was very useful. Reseller partnerships are now being developed and we should see solid client wins coming through in the year ahead.

Highlights realtors8

- Acquisition of RPM and Clicksold completed on 6 May 2015
- Revenue up 25% to $1,240,916 (FY14: $1,023,658)
- Existing business customer receipts grew 21% between Q1 ($253,881) to Q4 ($307,310)

A strong performing year for Realtors8 with healthy organic growth. We are preparing for the next phase of growth from both the core North American markets thanks to the acquisition of RPM and Clicksold which enhances our product offering and the expansion market of South East Asia where revenues have begun and partnerships are being explored.

HIGHLIGHTS

People

June 2015
52

June 2014
35

Revenue

June 2015
$3,439,548

June 2014
$1,147,501

EBITDA

June 2015
$514,707

June 2014
$320,685

Cash

June 2015
$565,067

June 2014
$356,163

THE 8COMMON MODEL

Identify

Enterprise software products
Large and growing addressable market

Acquire

Established products
Solid client base
Sound financials

Grow

Sales & Marketing
Enhance product
Leverage shared services

CHAIRMAN AND CEO MESSAGE continued

Plans for FY2016

Over the next 12 months, we will focus on accelerating revenue and EBITDA as re-developed products continue to deliver and completed acquisitions deliver full year contributions. Consolidated operations will deliver efficiencies and provide for a stronger platform to execute potential acquisitions should they arise.

In closing, we would like to recognise and thank all stakeholders including the awesome team at 8common, clients and partners who have trusted and supported us through these times of change and growth and importantly, you, our fellow shareholders for your continued support of 8common Limited.

We are very excited for the prospects for FY16!

Thank you

Grant McCarthy
Chairman

Nic Lim
Chief Executive Officer

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 year ended 30 June 2015. The information in the review of operations forms part of this directors' report for the financial year ended 30 June 2015 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 year up to the date of this report:

Grant McCarthy – Non Executive Chairman

Kah Wui "Nic" Lim – Managing Director

Zoran Grujic – Executive Director

Adrian Bunter – Non Executive Director

Nyap Liou "Larry" Gan – Non Executive Director

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 three established software solutions: Expense8, Realtors8 and Perform8. The solutions help companies, their employees and professionals control costs, boost productivity and in the case of Realtors8, generate real estate leads.

Operating Results and Review of Operations

Over this year, the Group achieved revenue of $3,439,548 and a loss after providing for income tax amounting to $10,851. The results included the expensing of a range of costs associated with the acquisition of the Perform8 and the Real Page Maker businesses. The Realtors8 business delivered growth in both revenue and profit whereas the Expense8 results were in line with previous year results and in line with expectations.

During the year to 30 June 2015 there was $483,396 in depreciation and amortisation costs as well as $96,883 in acquisition costs.

Ownership transition of the two new businesses has been smooth with both businesses and synergies are 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 $6,565,797. The main assets are the Intangible assets of $7,976,483 consisting of:

- Goodwill $5,432,871
- Intellectual Property and Development costs $2,543,612

The major liability of the Group is the convertible notes, which was $909,249 including accrued interest at balance date, and deferred consideration relating to acquisitions of $1,171,252.

Not withstanding the deficiency in net current assets at balance date of $385,786, 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

During the financial year the following significant changes in the state of affairs of the consolidated entity occurred:

- On 27 August 2014, the consolidated entity listed on the ASX and raised $3,500,000 for the issue of 14,000,000 shares in the entity.
- The completion of the acquisition of the assets of Centre for Organisational Innovation Pty Limited and the shares of Sam & Andy Inc (trading as RealPageMaker and Clicksold), $1,800,000 and $892,500 respectively.
- The repayment of the convertible notes issued during the 2014 financial year of $1,800,000 and the issue of new convertible notes for $900,000 during the 2015 financial year.

Events after Reporting Year

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

Per the sale agreement for Business Information Services (NSW) Pty Limited the third tranche of the earn out was confirmed. As a result of the performance of the company, 8common Limited did not have to make any further payments for the asset in accordance with the sale agreement, and the amount of $250,000 already paid to an escrow account was refunded in August 2015.

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 operating in and also to further 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 year ended 30 June 2015.

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.

During the financial year, 8common Limited paid a premium of $8,460 to insure the directors and secretaries of the company and its Australian-based controlled entities, and the general managers of each of the divisions of the group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities

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 year.

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 year 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:

– 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 year ended 30 June 2015:

	$
Other assurance services	18,000
Taxation services	3,781
	21,781

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 19 of the financial report.

Auditor

Walker Wayland NSW Chartered Accountants continues in office in accordance with section 327 of the Corporations Act 2001.

Options

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

Information Relating to Directors and Company Secretary

Grant McCarthy	–	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

Information Relating to Directors and Company Secretary (continued)

Directorships held in other listed entities during the last three years	–	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)
Experience	–	Founder of 8common, investor and Board member of various technology companies over the last 16 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	–	11,352,131 ordinary shares in 8common Limited.
Special Responsibilities	–	None
Directorships held in other listed entities during the last three years	–	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); & 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 last three years	–	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 last three years	–	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, Maybank Investment Bank Bhd, Rev Asia Bhd (formerly known as 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, Senior Associate of Financial Services Institute of Australia
Experience	–	Adrian has 20 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 through to 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	–	20,000 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 last three years	–	Non-Executive Director of Collaborate Corporation Limited (ASX: CL8)

Meetings of Directors

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year 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	12	9	2	2	1	1
Kah Wui "Nic" Lim	12	12	-	-	-	-
Zoran Grujic	12	12	-	-	-	-
Nyap Liou "Larry' Gan	12	8	2	2	1	1
Adrian Bunter	12	12	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 FY2015. 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 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.

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. The current aggregate amount as approved by the shareholders is $300,000.

Executive remuneration

Objective

The Company aims to reward key management personnel with a level and mix of 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 currently reviewing the remuneration policies applicable to the CEO, CFO, COO and CTO as well as the 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)

		Post-Employment Benefits			
Name	**Cash salary and fees**	**Superannuation**	**Share based payments**	**Total**	**Performance related**
2015	**$**	**$**	**$**	**$**	**%**
Non-executive directors					
Grant McCarthy	40,000	-	-	40,000	-
Nyap Liou "Larry" Gan	14,712	-	-	14,712	-
Adrian Bunter	25,000	-	-	25,000	-
Total non-executive directors	**79,712**	**-**	**-**	**79,712**	**-**

Executive directors and key management personnel					
Kah Wui "Nic" Lim (i)	120,000	-	-	120,000	-
Zoran Grujic	164,384	15,616	-	180,000	-
Nick Gonios (Chief Operating Officer) (ii)	33,231	3,157	-	36,388	
Jeremi Joslin (Chief Technology Officer) (iii)	13,312	-	-	13,312	
Total executive directors & key management	**330,927**	**18,773**	**-**	**349,700**	**-**
Total	**410,639**	**18,773**	**-**	**429,412**	**-**

(i) Mr Lim is not based in Australia and hence no superannuation is payable on his remuneration.

(ii) Mr Gonios was appointed Chief Operating Officer in April 2015.

(iii) Mr Joslin is not based in Australia and hence no superannuation is payable on his remuneration.

		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 Mr Lim may terminate the appointment with 6 months' notice or alternatively in 8common's case, payment in lieu of notice. Upon the termination of Mr Lim'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 Mr Lim comprises 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 Mr Grujic is for an unspecified term. Either 8common or Mr Grujic may terminate the appointment with 6 months' notice or alternatively in 8common's case, payment in lieu of notice. Upon the termination of Mr Grujic'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 Mr Grujic comprises base remuneration having a total cost to 8common of $180,000 per annum, inclusive of mandatory superannuation contributions.

8common has appointed Nick Gonios as Chief Operating Officer reporting to the CEO by way of an executive service agreement. The appointment of Mr Gonios is for an unspecified term. Either 8common or Mr Gonios may terminate the appointment with 1 months' notice or alternatively in 8common's case, payment in lieu of notice. Upon the termination of Mr Gonios' 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 Mr Gonios comprises base remuneration having a total cost to 8common of $175,200 per annum, inclusive of mandatory superannuation contributions.

8common has appointed Jeremi Joslin as Chief Technical Officer, based in Singapore, reporting to the CEO by way of an executive service agreement. The appointment of Mr Joslin is for an unspecified term. Either 8common or Mr Joslin may terminate the appointment with 1 months' notice or alternatively in 8common's case, payment in lieu of notice. Upon the termination of Mr Joslin'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 Mr Joslin comprises base remuneration having a total cost to 8common of $104,761 per annum ($110,000 Singapore dollars).

D. Share-based compensation (audited)

Description of options/rights issued and remuneration

No options were granted as remuneration in the financial year ended 30 June 2015.

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.

Directors and key management personnel of 8common Limited ordinary shares	Balance at the start of the year No	Other changes during the year No	Balance at the end of the year No
2015			
Grant McCarthy	500,000	-	500,000
Nyap Liou “Larry” Gan	4,195,119	-	4,195,119
Adrian Bunter	-	20,000	20,000
Kah Wui “Nic” Lim	11,232,219	119,912	11,352,131
Zoran Grujic	1,240,000	-	1,240,000
Nick Gonios	**-**	**-**	**-**
Jeremi Joslin	**-**	**-**	**-**
Total	**17,167,338**	**139,912**	**17,307,250**

Directors and key management personnel of 8common Limited ordinary shares	Balance at the start of the period No	Other changes during the period No	Balance at the end of the period 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

17 September 2015
Kuala Lumpur

Walker Wayland NSW
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 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 year ended 30 June 2015 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
Dated this 17th day of September 2015, Sydney

Grant Allsopp
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
REVENUE FROM CONTINUING OPERATIONS	3	3,439,548	1,147,501
EXPENSES FROM CONTINUING OPERATIONS			
Cost of services	4	(472,681)	(11,538)
Employee and contractor costs		(1,563,597)	(482,398)
Occupancy expenses		(188,370)	(46,359)
Administration expenses		(367,251)	(220,381)
Borrowing costs	4	(26,215)	(40,019)
Depreciation and amortisation	4	(483,396)	(68,813)
Acquisition expenses		(96,883)	(61,923)
Other expenses from ordinary activities		(222,615)	(3,240)
NET PROFIT BEFORE INCOME TAX		**18,540**	**212,830**
Income tax expense	5	(29,391)	(84,897)
NET (LOSS) / PROFIT FOR THE YEAR		**(10,851)**	**127,933**
Other comprehensive income – translation of foreign subsidiaries		83,693	47,444
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		72,842	175,377
Earnings per share			
Basic earnings per share – cents per share	8	(0.02)	0.36
Diluted earnings per share – cents per share	8	(0.02)	0.36

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	30 June 2015	30 June 2014
		$	$
Current assets			
Cash	9	565,067	356,163
Trade and other receivables	10	890,329	624,782
Other assets	14	84,246	241,457
Total current assets		1,539,642	**1,222,402**
Non current assets			
Intangible assets	13	7,976,483	5,581,690
Property, plant and equipment	12	32,732	26,603
Deferred tax assets	18	178,483	35,360
Total non-current assets		**8,187,698**	**5,643,653**
Total assets		**9,727,340**	**6,866,055**
Current liabilities			
Trade and other payables	15	920,399	824,505
Financial liabilities – convertible notes	17	9,249	1,836,000
Financial liabilities – deferred consideration	16	877,553	240,225
Provisions	19	49,439	44,457
Tax liabilities	18	68,788	68,788
Total current liabilities		**1,925,428**	**3,013,975**
Non current liabilities			
Financial liabilities – deferred consideration	16	293,699	426,177
Financial liabilities – convertible notes	17	900,000	-
Provisions	19	42,416	30,418
Total non current liabilities		**1,236,115**	**456,595**
Total liabilities		**3,161,543**	**3,470,570**
Net assets		**6,565,797**	**3,395,485**
Shareholders' equity			
Contributed equity	20	6,317,578	3,220,108
Retained profits		117,082	127,933
Foreign currency translation reserve	28	131,137	47,444
Total shareholders' equity		**6,565,797**	**3,395,485**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		3,209,387	875,756
Interest received		13,444	977
Payments to suppliers and employees		(2,857,164)	(637,441)
Interest paid		(52,964)	-
Net cash provided by operating activities	24a	312,703	239,292
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of business & subsidiary – net of cash acquired	11b	(1,920,097)	(1,938,680)
Purchase of Singaporean group – net of cash acquired		-	280,229
Purchase of non current assets		(11,438)	-
Payments of deferred consideration		(325,000)	-
Refund of earnout payment		169,966	-
Payment of Security Deposit		(49,999)	-
Net cash used in investing activities		(2,136,568)	(1,658,451)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		3,500,000	-
(Repayment)/Proceeds from convertible notes		(1,800,000)	1,800,000
Proceeds from convertible notes		900,000	-
Listing costs		(575,043)	-
Net cash provided by financing activities		2,024,957	1,800,000
NET INCREASE IN CASH HELD		201,092	380,841
Cash and cash equivalent at beginning of financial year		356,163	-
Effects of changes in exchange rates		7,812	(24,678)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	565,067	356,163

The accompanying notes form part of these financial statements

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

	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
BALANCE AT 30 JUNE 2014	**3,220,108**	**127,933**	**47,444**	**3,395,485**
Comprehensive income				
Loss for the year	-	(10,851)	-	(10,851)
Other comprehensive income	-	-	83,693	83,693
Total comprehensive income	-	(10,851)	83,693	72,842
Transactions with owners, in their capacity as owners, and other transfers				
Issue of shares	3,500,000	-	-	3,500,000
Share issue costs (net of tax)	(402,530)	-	-	(402,530)
BALANCE AT 30 JUNE 2015	**6,317,578**	**117,082**	**131,137**	**6,565,797**

The accompanying notes form part of these financial statements

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 financial statements were authorised for issue on 17 September 2015 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

a) Ongoing viability

Not withstanding the deficiency in current assets at balance date of $385,786 (2014: $1,791,573), The Directors believe that the Group is in a strong and stable financial position to expand and grow its operations. A number of current liabilities are only due and payable if certain cash flows are achieved by acquired businesses. Further the Directors have the ability to obtain funding sources for the group from debt or equity issues.

b) 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

Key estimates

i. Impairment – goodwill

The Group assesses impairment at the end of each reporting year 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 its cost value of $5,432,871 (2014: $3,777,422). No impairment has been recognised in respect of goodwill at the end of the reporting year.

ii. Provision for impairment of receivables

The directors have considered the recoverability of all trade receivable balances and they are of the opinion that a provision of $2,708 (2014: Nil) is necessary. This estimate is based on their judgement.

iii. Intellectual Property – Software useful lives

Expense8, Realtors8 and Perform8 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.

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

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 year 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. The useful lives of each class of assets vary from 3 – 10 years.

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).

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 year 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.

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

f) Principles of Consolidation (cont.)

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 and Perform8 Pte Ltd which are incorporated in Singapore but have 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 year-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 year;
- income and expenses are translated at average exchange rates for the year; 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 year 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.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the year 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

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

f) Principles of Consolidation (cont.)

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 during the year 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) years and are carried at cost less accumulated amortisation and any impairment losses. These assets will be assessed for impairment on an annual basis.

Development costs

Development costs in relation to the Expense8 software upgrade have been capitalised as at 30 June 2015. No amortisation has been charged as the upgrade has not been completed and/or commercialised.

g) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the 8common Group prior to the end of the year 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 or businesses. 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 2015 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 year 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.

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 year 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 year 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.

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

i) Employee Entitlements (cont)

Other long-term employee benefits

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 year, 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 9.5% 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 year. 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 year 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 year 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 year 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.
Realtors8 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)Comparative period

The comparative period includes trading from incorporation date of 25 February 2014 to 30 June 2014, being a period of just over 4 months. The current period includes a full 12 months of trading activity.

(o) New and Amended Accounting Policies Adopted by the Group

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9*: Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).;

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

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

o) New and Amended Accounting Policies Adopted by the Group (cont)

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: PARENT INFORMATION

	PARENT ENTITY	
	2015 **$**	**2014** **$**
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	431,351	269,133
Non-current assets	7,167,703	5,265,236
TOTAL ASSETS	7,599,054	5,534,369
LIABILITIES		
Current liabilities	987,885	552,289
Non-current liabilities	900,000	1,911,000
TOTAL LIABILITIES	1,887,885	2,463,289
EQUITY		
Issued capital	6,317,578	3,220,108
Accumulated losses	(606,409)	(149,028)
TOTAL EQUITY	5,711,169	3,071,080
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(457,381)	(149,028)
Total comprehensive income	(457,381)	(149,028)

Guarantees

No cross guarantees existed during the year ended 30 June 2015.

Contingent liabilities

At 30 June 2015, 8common Limited is not responsible for any contingent liabilities of subsidiaries.

Contractual commitments

At 30 June 2015, 8common Limited was not responsible for any contractual commitments of any of its subsidiaries.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	Consolidated Group	
	2015 **$**	**2014** **$**
a. **Revenue from continuing operations**		
– License and maintenance fees	3,166,069	1,146,524
– Interest received from unrelated parties	13,444	977
– Other revenues (i)	260,035	-
	3,439,548	1,147,501

(i) Other revenue consists of an overprovision of consideration in relation to the acquisition of Business Information Services (NSW) Pty Ltd that was determined more than 12 months after acquisition date. AASB 3 Business Combinations requires this to be recognised as income.

NOTE 4: EXPENSES FOR THE YEAR

		Consolidated Group	
		2015 **$**	**2014** **$**
Profit before income tax from continuing operations includes the following specific expenses:			
a.	**Expenses**		
	Cost of sales	472,681	11,538
	Borrowing costs on financial liabilities not at fair value through profit or loss:		
	– related parties – convertible notes	15,585	25,400
	– unrelated parties	10,630	14,619
		26,215	40,019
	Depreciation	10,295	3,081
	Amortisation	473,101	65,732
		483,396	68,813
	Employee benefits expense:		
	– defined contribution superannuation expense	133,071	27,352
	Rental expense on operating leases:	112,981	46,924
	Bad debts expense	25,906	10,713
b.	**Significant Expenses**		
	The following significant expense items are relevant in explaining the financial performance:		
	Acquisition expenses	96,883	61,923
	Share based payments expense	-	19,988

NOTE 5: TAX EXPENSE

		Consolidated Group	
		2015	**2014**
		$	**$**
a.	The components of tax (expense)/income comprise:		
	Current tax	-	89,910
	Deferred tax	29,391	(21,208)
	Under-provision in respect of prior periods	-	16,195
		29,391	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%	5,562	63,849
	Add:		
	Tax effect of:		
	– share based payments expense	-	5,996
	– under-provision for income tax in prior year	-	16,195
	– share issue costs	34,502	-
	– movement in provision	5,111	-
	Less:		
	Tax effect of:		
	– other	(15,784)	(1,143)
	Income tax attributable to entity	29,391	84,897
	The applicable weighted average effective tax rates are as follows:	**158%**	**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 year ended 30 June 2015.

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

	Consolidated Group	
	2015	**2014**
	$	**$**
Short-term employee benefits	410,639	69,021
Post-employment benefits	18,773	3,609
Share based payments	-	5,988
Total KMP compensation	429,412	78,618

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

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-year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year 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**	
Remuneration of the auditor, Walker Wayland NSW Chartered Accountants for:	**2015 $**	**2014 $**
– auditing or reviewing financial statements	24,000	74,400
– taxation services	3,781	42,090
– Other assurance services	18,000	-
	45,781	116,490
Remuneration of overseas subsidiary auditors	43,702	16,940
	89,483	133,430

NOTE 8: (LOSS)/EARNINGS PER SHARE

a.	(Loss)/Earnings used to calculate basic and diluted EPS	(10,851)	127,933
		No.	**No.**
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	51,665,753	35,490,110
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	51,665,753	35,490,110

NOTE 9: CASH AND CASH EQUIVALENTS	**Consolidated Group**	
	2015 $	**2014 $**
Cash at bank and on hand	565,067	356,163

Reconciliation of cash

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

Cash and cash equivalents	514,320	335,712
Term deposits	50,747	20,451
	565,067	356,163

NOTE 10: TRADE AND OTHER RECEIVABLES

	Consolidated Group 2015 $	2014 $
CURRENT		
Trade receivables	595,137	551,738
Provision for impairment	(2,708)	-
	592,429	551,738
Other receivables	297,900	73,044
	890,329	624,782

a. **Provision for Impairment of Receivables**

A provision for impairment of receivables exists as at 30 June 2015 and is recorded above. It relates to debtors that are deemed as potentially unrecoverable.

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 $
2015							
Trade and term receivables	595,137	2,708	306,971	105,485	17,514	10,030	152,429
Other receivables	297,900	-	-	-	-	-	297,900
Total	893,037	2,708	306,971	105,485	17,514	10,030	450,329

	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

NOTE 10: TRADE AND OTHER RECEIVABLES (continued)

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

	2015 $	2014 $
Trade and other receivables:		
– total current	890,329	624,782
– total non-current	-	-
Financial assets	890,329	624,782

NOTE 11: INTERESTS IN SUBSIDIARIES & ACQUISITIONS

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	
		2015	2014
		%	%
Business Information Services (NSW) Pty Limited	Australia	100	100
Expense8 Pte Ltd	Singapore	100	100
Realtors8 Pte Ltd	Singapore	100	100
Perform8 Pte Ltd	Singapore	100	-
0966058 BC Ltd	Canada	100	100
Combustion Labs Media Inc.	Canada	100	100
Sam & Andy 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 Business and Controlled Entities**

On 31 January 2015, Perform8 Pte Ltd acquired the business and assets of Centre for Organisational Innovation Pty Limited (operating as COI) for an upfront consideration of $1 million and deferred and earn-out amounts of up to $800,000 over the calendar year 2015, plus possible additional payments for meeting revenue targets in the calendar year 2015.

Purchase consideration	$
Cash (i)	1,150,000
Contingent consideration	650,000
Total consideration	**1,800,000**
Less:	
Intellectual property	900,000
Identifiable assets acquired and liabilities assumed	900,000
Goodwill arising on acquisition	**900,000**
i) Net cash outflow from acquisition	**1,150,000**

NOTE 11: INTERESTS IN SUBSIDIARIES & ACQUISITIONS (continued)

b. On 6 May 2015, Realtors8 Pte Ltd acquired 100% of the ordinary share capital of Sam & Andy Inc. (operating businesses known as RealpageMaker and Clicksold) for a maximum total consideration of $892,500 (CDN $850,000).

	$
Purchase consideration	
Cash (i)	811,125
Deferred consideration	81,375
Total consideration	**892,500**
Less:	
Cash (i)	41,028
Receivables and prepayments	45,858
Fixed Assets	4,568
Other Assets	46,144
Payables	(547)
Identifiable assets acquired and liabilities assumed	137,051
Goodwill arising on acquisition	**755,449**
i) Net cash outflow from acquisition	**770,097**

Revenue of COI included in the consolidated revenue of the Group since the acquisition date on 31 January 2015 amounted to $215,894. Profit of COI included in consolidated profit of the Group since the acquisition date amounted to $159,234.

Had the results of COI been consolidated from 1 July 2014, revenue of the consolidated group would have been $4,039,548 and consolidated profit would have been $318,540 for the period ended 30 June 2015.

Revenue of Sam & Andy Inc included in the consolidated revenue of the Group since the acquisition date on 6 May 2015 amounted to $96,347. Profit of Sam & Andy Inc included in consolidated profit of the Group since the acquisition date amounted to $59,916.

Had the results of Sam & Andy Inc been consolidated from 1 July 2014, revenue of the consolidated group would have been $3,989,548 and consolidated profit would have been $268,540 for the period ended 30 June 2015.

Included within acquisition expenses in the statement of profit or loss are acquisition-related costs totalling $96,883. These included legal, accounting and stamp duty costs.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2015	**2014**
	$	**$**
Plant and Equipment		
Plant and equipment:		
At cost	263,602	29,684
Accumulated depreciation	(230,870)	(3,081)
	32,732	26,603

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 year:

	Plant and Equipment	Total
	$	$
Balance at beginning of year	26,603	26,603
Additions	16,424	16,424
Depreciation expense	(10,295)	(10,295)
Balance at 30 June 2015	32,732	32,732

NOTE 13: INTANGIBLE ASSETS

	Consolidated Group	
	2015	2014
	$	$
Goodwill arising on acquisition of Business Information Services (NSW) Pty Limited	1,225,108	1,225,108
Goodwill arising on acquisition of Realtors8 Pte Ltd and its controlled entities Limited	2,552,314	2,552,314
Goodwill arising on acquisition of the assets of Centre for Organisations Innovation Pty Limited	900,000	-
Goodwill arising on acquisition of Sam & Andy Inc.	755,449	-
	5,432,871	3,777,422
Intellectual property – Expense8	833,000	833,000
Less: accumulated amortisation	(180,482)	(13,882)
	652,518	819,118
Development Costs – Expense8	312,445	-
	964,963	819,118
Intellectual property – Realtors8	1,037,000	1,037,000
Less: accumulated amortisation	(268,351)	(51,850)
	768,649	985,150
Intellectual property – Perform8	900,000	-
Less: accumulated amortisation	(90,000)	-
	810,000	-
	7,976,483	5,581,690

NOTE 13: INTANGIBLE ASSETS (continued)

	Goodwill	Acquired Intellectual property	Software Development Costs	Total
	$	$	$	$
Consolidated Group:				
Year ended 30 June 2015				
Balance at the beginning of the year	3,777,422	1,804,268	-	5,581,690
Additions	1,655,449	900,000	312,445	2,867,894
Amortisation charge	-	(473,101)	-	(473,101)
	5,432,871	2,231,167	312,445	7,976,483

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. Development costs have not been amortised as the product is still in development.

Impairment disclosures

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

	2015	2014
	$	$
Australian CGU	2,125,108	1,225,108
Canadian CGU	3,307,763	2,552,314
Total	5,432,871	3,777,422

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-year period with the period extending beyond 5 years extrapolated using an estimated growth rate. The cash flows are discounted using the company's weighted average cost of capital.

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

	5 year Growth Rate	Discount Rate
Australian CGU	5% pa	13.07%
Canadian CGU	5% pa	13.07%

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 year, 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. No terminal values have been used in the calculation.

Sensitivities have been applied to the above variables, however no impairment write downs resulted.

NOTE 14: OTHER ASSETS

	Consolidated Group	
	2015	**2014**
	$	**$**
CURRENT		
Prepayments	84,246	241,457

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT		
Unsecured liabilities:		
Trade payables	147,092	504,390
Sundry payables and accrued expenses	723,307	206,940
Amounts payable to related parties	50,000	113,175
	920,399	824,505
a. **Financial liabilities at amortised cost classified as trade and other payables**		
Trade and other payables:		
– total current	920,399	824,505
– total non-current	-	-
Financial liabilities as trade and other payables	920,399	824,505

NOTE 16: FINANCIAL LIABILITIES – CONTINGENT CONSIDERATION

CURRENT		
Contingent consideration	877,553	240,225
NON CURRENT		
Contingent consideration	293,699	426,177

NOTE 17: FINANCIAL LIABILITIES

CURRENT	**2015**	**2014**
	$	**$**
Unsecured liabilities:		
Convertible notes and accrued interest	9,249	1,836,000
NON CURRENT		
Convertible notes and accrued interest	900,000	-

Key terms of the Notes include:

- Maturity Date: 5 November 2016;
- Total limit: Up to A$1,200,000 issued;
- Interest rate: 8% per annum, accruing daily and payable six (6) monthly in cash, in arrears;
- Security: Unsecured
- Conversion:
  - At the higher share price of $0.26 or 15% discount of 15 day VWAP;
  - Conversion right lies with the Note holder;
  - Company has the option to redeem the all Notes up to 90 days maturity and will have to pay interest till maturity..

NOTE 18: TAX

	Consolidated Group	
CURRENT	**2015**	**2014**
	$	**$**
Income tax payable	68,788	68,788
NON CURRENT		
Deferred tax asset	178,483	35,360

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						
Provisions & accruals	-	35,360	-	-	-	35,360
Balance at 30 June 2014	-	35,360	-	-	-	35,360
NON-CURRENT						
Deferred tax assets						
Provisions	35,360	5,111	-	-	-	40,471
Share issue costs	-	(34,502)	172,514	-	-	138,012
Balance at 30 June 2015	35,360	(29,391)	172,514	-	-	178,483

NOTE 19: PROVISIONS

Analysis of total provisions

	Consolidated Group	
	2015	**2014**
	$	**$**
Current – annual leave	49,439	44,457
Non-current – long service leave	42,416	30,418
	91,855	74,875
Opening balance	74,875	-
Additions through business combinations	-	62,942
Additions in the year/(amounts used)	16,980	11,933
Balance at 30 June 2015	91,855	74,875

NOTE 19: PROVISIONS (continued)

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

Ordinary Shares	**Date**	**Price**	**No.**	**$**
Share issued upon incorporation	25 February 2014	$1.00	120	120
Shares issued for nil consideration	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
Balance as at 30 June 2014			**40,000,000**	**3,220,108**
Shares issued at IPO	27 August 2014	$0.25	14,000,000	3,500,000
Shares issue costs (net of tax)		N/A	N/A	(402,530)
Balance as at 30 June 2015			**54,000,000**	**6,317,578**

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.

NOTE 20: ISSUED CAPITAL (continued)

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	
	2015	**2014**
	$	**$**
Total borrowings	909,249	1,836,000
Less cash and cash equivalents	(565,067)	(356,163)
Net debt	344,182	1,479,837
Total equity	6,565,797	3,395,485
Total capital	6,909,979	4,875,322
Gearing ratio	5.0%	30.4%

NOTE 21: CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2015	**2014**
	$	**$**
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	72,483	73,519
– between 1 year and 5 years	187,149	-
	259,632	**73,519**

The property lease is a non-cancellable lease with a 4 -year 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. Perform8 is an organisational improvement and survey solution platform that is designed to assist business leaders at all levels to drive action that aligns with business objectives.
- Singapore: Houses the Realtors8, Expense8 and Perform8 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.

	Australia $	**Singapore** $	**Canada** $	**Total** $
Revenue - 2015				
External fees	1,886,136	-	1,240,916	3,127,052
Intersegment license fees	-	996,432	-	996,432
Interest revenue & Other revenue	273,534	-	-	273,534
Total segment revenue	2,159,670	996,432	1,240,916	4,397,018
Reconciliation of segment revenue to group revenue:				
Intersegment elimination	-	-	-	(957,470)
Total group revenue				**3,439,548**
Segment net profit from continuing operations before tax	388,273	204,044	(150,900)	441,417
Head office charges	-	-	-	(422,877)
Total group profit before tax				**18,540**
Segment assets	2,102,737	4,256,386	1,071,399	7,430,522
Head office	-	-	-	7,599,055
Intersegment eliminations				(5,302,237)
				9,727,340
Segment liabilities	414,331	101,683	757,643	1,273,657
Head office				1,887,886
Intersegment eliminations				-

NOTE 23: OPERATING SEGMENTS (Continued)

	Australia $	Singapore $	Canada $	Total $
Revenue - 2014				
External fees	877,360	-	269,164	1,146,524
Intersegment license fees	-	34,163	-	34,163
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	
		2015 $	2014 $
a.	**Reconciliation of Cash Flow from Operations with (Loss)/Profit after Income Tax**		
	(Loss) / Profit after income tax	(10,851)	127,933
	Non-cash flows in profit:		
	– Amortisation	473,101	65,732
	– Depreciation	10,295	3,081
	– Share based payments expense	-	19,988
	– Non-cash interest expense	9,256	36,000
	– Foreign exchange	(30,513)	24,678
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
	– (Increase) in trade and term receivables	(265,547)	(385,421)
	– Decrease/(Increase) in other assets	157,211	(241,457)
	– Increase in trade payables and accruals	95,894	517,369
	– Increase in income taxes payable	-	68,788
	– (Increase) in deferred tax assets	(143,123)	(9,333)
	– Increase in provisions	16,980	11,934
	Cash flow from operating activities	312,703	239,292

b. **Acquisition of Entities**

Refer to Note 11: Interests in subsidiaries.

c. **Loan Facilities**

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

d. **Non cash investing activities**

The acquisitions disclosed in Note 11 include deferred consideration amounts of $650,000 for COI and $81,375 for Sam & Andy Inc.

NOTE 25: EVENTS AFTER THE REPORTING YEAR

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

Per the sale agreement for Business Information Services (NSW) Pty Limited the third tranche payments were made over the year. After the earn out calculation was completed it showed that there was no requirement for any of the third tranche to be made and the $250,000 that paid over the course if the year was refunded in early August 2015. This was the culmination of the purchase of the Business Information Services (NSW) Pty Limited business and there are no further payments necessary.

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 year ended 30 June 2015, unsecured convertible notes amounting to $300,000 was issued to directors at a coupon interest rate of 8%. Details of these related party transactions are as follows:

a Kah Wui "Nic" Lim – $150,000, Nyap Liou "Larry" Gan - $150,000

Interest expense for the year ended 30 June 2015 of $3,616 in relation to above convertible notes is as follows:

a Kah Wui "Nic" Lim – $4,352, Nyap Liou "Larry" Gan - $11,233

In addition during the year the company repaid $63,175 to Kah Wui "Nic" Lim of the amount he loaned the company. The balance of this loan is $50,000 on an interest free basis.

(ii) Transactions with directors (prior year 2014)

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:

a 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:

a 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.

In addition during the year Kah Wui "Nic" Lim loaned the company $113,175 on an interest free basis.

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	
		2015	**2014**
		$	**$**
Financial assets			
Cash and cash equivalents	9	565,067	356,163
		565,067	356,163
Loans and receivables		890,329	624,782
		890,329	624,782
Total financial assets		1,455,396	980,945
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	15	920,399	824,505
– borrowings	17	909,249	1,836,000
– deferred consideration	16	1,171,252	666,402
Total financial liabilities		3,000,900	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 year.

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.

NOTE 27: FINANCIAL RISK MANAGEMENT (continued)

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 Year	1 to 5 Years	Over 5 Years	Total
	2015	2015	2015	2015
Consolidated Group	$	$	$	$
Financial liabilities due for payment				
Trade payables	920,399	-	-	920,399
Deferred consideration	877,553	293,699	-	1,171,252
Convertible notes	9,249	900,000	-	909,249
Total contractual outflows	1,807,201	1,193,699	-	3,000,900

	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 year 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 8%. 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. At the current transaction levels between the various entities the foreign exchange risk is considered immaterial. 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.

NOTE 27: FINANCIAL RISK MANAGEMENT (continued)

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.

	Consolidated Group	
	2015	**2014**
	$	**$**
Prior year Opening balance	47,444	-
Movement in reserve	83,693	47,444
Closing Balance	131,137	47,444

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 803, Level 8
  213 Miller Street
  NORTH SYDNEY NSW 2060
– 8common Limited
  Combustion Labs Media Inc.
  Suite #215
  130-8191 Westminster Highway
  Richmond, BC
  V6X 1A7 Canada
– 8common Limited
  Realtors8 Pte Ltd, Expense8 Pte Ltd and Perform8 Pte Ltd
  71 Ayer Rajah crescent
  #02-15,
  139951 Singapore
– 8common Limited
  Sam & Andy Inc.
  Suite #215
  130-8191 Westminster Highway
  Richmond, BC
  V6X 1A7 Canada

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 20 to 50 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 2015 and of the performance for the year 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 17th day of September 2015

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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Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

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, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 18 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with 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 year ended 30 June 2015 complies with s300A of the *Corporations Act 2001*.

Walker Wayland NSW

Walker Wayland NSW	**Grant Allsopp**
Chartered Accountants	**Partner**

Dated this 17th day of September 2015
Sydney

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 31 August 2015.

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding):	**Number Ordinary**
1 – 1,000	7
1,001 – 5,000	11
5,001 – 10,000	129
10,001 – 100,000	174
100,001 and over	45
	366

b. The number of shareholdings held in less than marketable parcels is 6.

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.	CITICORP NOMINEES PTY LIMITED	3,362,917	6.228
5.	HO BENG BRIAN WEE	2,530,400	4.686
6.	POH GEOK FLORA LIM	2,281,819	4.226
7.	KAH WUI "NIC" LIM	1,821,819	3.374
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,309,647	2.425
9.	MOHD IQBAL SHAMSUL KAMAR	1,241,519	2.299
10.	CASTLEREAGH HOLDINGS PTY LTD <888 A/C>	1,240,000	2.296
11.	ROBERT YANG LIN	1,110,359	2.056
12.	THE REAL DEAL INC	1,000,000	1.852
13.	SUE CHING NGAU	800,000	1.481
14.	JOHN YIK ANN TAN	640,000	1.185
15.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	555,846	1.029
16.	GUMBALIE PTY LTD	500,000	0.926
17.	NAJEE PTY LTD <NAJEE SUPER FUND A/C>	500,000	0.926
18.	MANDALONG HOLDINGS PTE LIMITED	420,000	0.778
19.	MARIA RACHELLE GAA	365,113	0.676
20.	ESTHER KHOR	257,559	0.477
		42,502,517	78.709

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Directors	Grant McCarthy (Chairman) Kah Wui Lim Zoran Grujic Adrian Bunter Nyap Liou Gan
CEO	Kah Wui Lim
Company Secretary	Zoran Grujic
Corporate Governance Statement	Refer to http://www.8common.com/company/investor-relations/#corporate-governance
Registered Office	Level 11, Suite 11.01, 60 Castlereagh Street, SYDNEY NSW 2000
Principal place of Business	Suite 803, Level 8 213 Miller Street North Sydney NSW 2060
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

8common