8COMMON LIMITED & ITS CONTROLLED ENTITIES
ACN 168 232 577

ASX APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

1. Reporting Period

Current Reporting Year - For the year ended 30 June 2017
Previous Reporting Period – For the year ended 30 June 2016

2. Results for announcement to the market

	June 2017 ($)	June 2016 ($)	Change ($)	Change (%)
Revenue from operating activities	3,676,754	3,680,907	(4,153)	0%
Other Income from R&D Tax Offset	379,067	-	379,067	100%
Net (loss) after tax for the period attributable to members	(1,353,540)	(1,352,626)	(914)	0%
Loss Before interest, Tax, Depreciation, Amortisation (EBITDA), and Impairment	(74,022)	(706,917)	632,895	90%

EPS	June 2017	June 2016
Basic Loss per share	(2.33) cents per share	(2.46) cents per share
Diluted Loss per share	(2.33) cents per share	(2.46) cents per share

NET TANGIBLE ASSET BACKING	June 2017	June 2016
Net tangible assets per share	(0.04) cents per share	(0.02) cents per share

3. Financial Results

This report should also be read in conjunction with any public announcements made by 8common in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

4. Dividends

The Company has not paid dividends and is not proposing to pay dividends.

5. Statement of profit or loss and other comprehensive income with notes

Refer to attached unaudited financial report.

6. Statement of financial position with notes

Refer to attached unaudited financial report.

7. Statement of changes in equity

Refer to attached unaudited financial report.

8. Statement of cash flows

Refer to attached unaudited financial report.

9. Segment results

Refer to attached unaudited financial report.

10. Details of entities over which control has changed

There have been no changes in ownership for the year ended 30 June 2017.

A list of wholly owned entities ultimately controlled by 8common Limited as at 30 June 2017 is as follows:

Subsidiary	**Country of Incorporation**
Business Information Services (NSW) Pty Limited	Australia
Expense8 Pte Ltd	Singapore
Realtors8 Pte Ltd	Singapore
Perform8 Pte Ltd	Singapore
0966058 BC Ltd	Canada
Combustion Labs Media Inc	Canada

11. Details of associates and joint venture entities

The consolidated entity had no associates or joint venture entities during the year ended 30 June 2017.

12. Other factors

Refer to attached unaudited financial report.

13. Status of audit and description of likely disputes or qualifications

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification at this time. The Auditor is expected to issue an unmodified Audit opinion with an emphasis of matter regarding the Going Concern basis of accounting.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
REVENUE FROM CONTINUING OPERATIONS		3,676,754	3,680,907
OTHER INCOME FROM R&D TAX OFFSET		379,067	-
EXPENSES FROM CONTINUING OPERATIONS			
Cost of services		(747,165)	(791,228)
Employee and contractor costs		(2,491,698)	(2,702,389)
Occupancy expenses		(178,734)	(166,542)
Administration expenses		(184,708)	(204,512)
Computer software/ maintenance		(95,800)	(138,126)
Accounting and legal costs		(181,569)	(84,644)
Marketing costs		(75,483)	(80,894)
Borrowing costs		(184,902)	(93,148)
Depreciation and amortisation		(474,125)	(586,137)
Goodwill impairment write-down	4	(540,000)	-
Other expenses from ordinary activities		(117,873)	(217,535)
NET LOSS BEFORE INCOME TAX		**(1,216,236)**	**(1,384,248)**
Income tax benefit (expense)		(137,304)	31,622
NET LOSS AFTER INCOME TAX		**(1,353,540)**	**(1,352,626)**
Other comprehensive income – translation of foreign subsidiaries		67,574	(13,854)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,285,966)**	**(1,366,480)**
Loss per share			
Basic Loss per share – cents per share		(2.33)	(2.46)
Diluted Loss per share – cents per share		(2.33)	(2.46)

The accompanying notes form part of these unaudited summary financial statements

8common Limited and its Controlled Entities
30 June 2017
Unaudited Summary Financial Report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
Current assets			
Cash		382,562	331,558
Trade and other receivables		265,176	350,378
Other assets		20,117	8,536
Assets held for sale	3	3,845,664	3,326,744
Total current assets		4,513,519	4,017,216
Non-current assets			
Intangible assets	4	3,203,826	3,743,905
Property, plant and equipment		35,335	28,110
Deferred tax assets		224,035	202,895
Total non-current assets		**3,463,196**	**3,974,910**
Total assets		**7,976,715**	**7,992,126**
Current liabilities			
Trade and other payables	5	1,457,008	684,025
Unearned Revenue		42,367	-
Financial liabilities	6	1,648,948	1,242,890
Provisions		80,860	95,795
Tax liabilities		35,087	4,624
Total current liabilities		**3,264,270**	**2,027,334**
Non-current liabilities			
Provisions		45,346	44,727
Total non-current liabilities		**45,346**	**44,727**
Total liabilities		**3,309,616**	**2,072,061**
Net assets		**4,667,099**	**5,920,065**
Shareholders' equity			
Contributed equity	7	7,038,326	7,038,326
Accumulated Losses		(2,589,084)	(1,235,544)
Share Option Reserve		33,000	-
Foreign currency translation reserve		184,857	117,283
Total shareholders' equity		**4,667,099**	**5,920,065**

The accompanying notes form part of these unaudited summary financial statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity	Retained earnings / (Accumulated Losses)	Foreign Currency Reserves	Share Option Reserve	Total
	$	$	$	$	$
Opening Balance	6,317,578	117,082	131,137	-	6,565,797
Comprehensive income					
Loss for the year	-	(1,352,626)	-	-	(1,352,626)
Other comprehensive income	-	-	(13,854)	-	(13,854)
Total comprehensive income	**-**	**(1,352,626)**	**(13,854)**	**-**	**(1,366,480)**
Issue of shares	720,748	-	-	-	720,748
BALANCE AT 30 JUNE 2016	**7,038,326**	**(1,235,544)**	**117,283**	**-**	**5,920,065**
Comprehensive income					
Loss for the year	-	(1,353,540)	-	-	(1,353,540)
Other comprehensive income	-	-	67,574	-	67,574
Total comprehensive income	**-**	**(1,353,540)**	**67,574**	**-**	**(1,285,966)**
Share Based Payment Expense	-	-	-	33,000	**33,000**
BALANCE AT 30 JUNE 2017	**7,038,326**	**(2,589,084)**	**184,857**	**33,000**	**4,667,099**

The accompanying notes form part of these unaudited summary financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 $	2016 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	4,003,039	4,157,153
Government grants and tax incentives	379,067	-
Interest received	1,173	6,679
Interest paid	(97,644)	(85,213)
Payments to suppliers and employees	(4,261,419)	(5,058,036)
Income tax paid	(9,720)	-
Net cash provided by / (used in) operating activities	14,496	(979,417)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase for purchase of non-current assets	(11,074)	(17,134)
Payments of deferred consideration	(270,440)	(331,623)
Receipts of refund of earnout payment	-	60,000
Initial Payment related to sale of R8 Pte Ltd Group of Companies	233,802	-
Net cash used in investing activities	(47,712)	(288,757)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	-	720,748
Proceeds from convertible notes	285,000	300,000
Proceeds from borrowings	140,263	-
Repayment of borrowings	(346,417)	-
Net cash provided by financing activities	78,846	1,020,748
NET INCREASE IN CASH HELD	45,630	(247,426)
Cash and cash equivalent at beginning of financial year	331,558	565,067
Effects of changes in exchange rates	5,374	13,917
CASH AT CASH EQUIVALENTS AT THE END OF THE YEAR	**382,562**	**331,558**

The accompanying notes form part of these unaudited summary financial statements

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

The preliminary financial report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The consolidated financial statements of 8common Limited (the Company or Parent Entity) as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (Consolidated Group or Group).

Except as otherwise stated, the financial information has been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to present for inclusion in an unaudited financial report in Australia.

The financial information has been prepared on an accruals and historical cost basis and is presented in Australian dollars.

a) Going Concern

The Group has incurred a net loss after tax for the year ended 30 June 2017 of $1,353,540 (2016: loss of $1,352,626) and has derived net cash inflow from operating activities of $14,496 (2016: cash outflow of $979,417). As at 30 June 2017, the Group has a net current asset position of $1,249,249 (30 June 2016: $1,989,882). The net current asset position as at 30 June 2017 includes the following:

- assets held for sale amounting to $3,845,664 (2016: $3,326,744) (being the group's Canadian operations, which the directors have agreed to dispose of, further details included in Note 3),
- the convertible notes (including interest) totalling $1,508,685 (2016: $1,242,890) which have a conversion or repayment date of 8 January 2018 (as disclosed in Note 6 Financial Liabilities). The convertible notes are convertible to equity at the higher of $0.20 or a 15 day volume weighted average price (share price at 31 August 2017 $0.035).
- a ATO tax debt of $697,532 (2016: $186,787) (relating to PAYG Withholding and Net GST liabilities owing) which is included in trade and other payables (Note 5).

These matters give rise to material uncertainties that casts significant doubt upon the Group's ability to continue as a going concern.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful in:

- generating sufficient cash surpluses from operations resulting from meeting revenue forecasts
- receiving financial support from its directors, shareholders and convertible note holders
- the sale of the Canadian operations
- extending the payment terms on the ATO tax debt

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The directors believe the sale of the Group's Canadian operations will result in a cash inflow of approximately $4,000,000;
- The directors are in the process of contacting the convertible note holders and they are of the opinion that at least $650,000 worth of noteholders will roll over their notes for a further 12-18 months;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses; and
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results.

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

a) Going Concern (cont)

Furthermore, the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Company and therefore the Group to continue as a Going Concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group and company not continue as going concerns.

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 years.

Key estimates

i. Impairment – Intangibles

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 intangible asset balances incorporate growth rates in Australian (Expense8 and Perform8) revenues and expenses have been factored into valuation models for the next five years 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. These assets are considered to be sensitive to these assumptions and is carried in the statement of financial position at a written-down value of $3,203,826 (2016: $3,743,905). The blended average revenue growth rate of 10% has been used for the periods 2018 to 2022. A terminal growth rate of 2.5% has been used. Goodwill impairment is considered sensitive to the 2018 to 2022 growth rate assumptions. A $540,000 impairment write-down was recognised in relation to the Perform8 goodwill for the year ended 30 June 2017.

ii. Provision for impairment of receivables

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

iii. Noncurrent assets held for sale

The directors are in the process of disposing the ownership interest in the Realtors8 Pte Ltd Group as disclosed in Note 3, accordingly all assets and liabilities (except for cash and cash equivalents) have been transferred to a current asset refer to as noncurrent assets held for sale with a carrying value of $3,845,664 (2016: $3,326,744). Pursuant to AASB 5 Non current assets held for sale and discontinued operations requires the assets and liabilities be disclosed and recognised at the lower of its carrying amounts and fair value less costs to sell and depreciation and amortised of the non current assets ceased on the date this designation was made, being 30 June 2016.

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

b) Significant accounting judgments, estimates and assumptions (cont)

iv. 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.

v. Capitalised Development Costs

Judgement is required in distinguishing the research and development phases of a new software development project. It is also required in determining whether the recognition requirements for the capitalisation of development costs are met. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see Note 1 'Research and development).

Capitalised developments costs –- as disclosed in Note 4 'Intangible Assets' of $1,204,602 (2016: $862,880) have been capitalised on the basis that management expects future economic benefits to be derived by the Group. Capitalised development costs are being amortised over a period of 5 years, which is commensurate with managements' expectations as to the period of expected future economic from the product development.

vi) Share Based Payments Expense

The company has issued to options to directors and brokers. The options granted in prior year were valued using the Black Scholes Model. The key judgment involved in this pricing model is the use of the stock price volatility. An expense of $33,000 has been recognised for the year ended 30 June 2017.

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.

f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of 8common Limited and all of the subsidiaries. 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.

NOTE NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
f) Principles of Consolidation (cont)

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. 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 period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

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

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

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates except for Expense8 Pte Ltd and Perform8 Pte Ltd which is incorporated in Singapore but has a functional and presentation currency of Australian dollars. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the 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 period;
- income and expenses are translated at average exchange rates for the period; and
- retained Loss are translated at the exchange rates prevailing at the date of the transaction.

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

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

f) Principles of Consolidation (cont)

Goodwill

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

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- 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 shall 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.

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

The accounting for the business combinations is considered provisional.

Intangibles Other than Goodwill

Intellectual Property - Software

Software is recognised at cost of acquisition. These assets are deemed to have an infinite life, however the directors have assessed a useful life of five (5) 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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Travel and Expense Management product development costs are amortised over the period of expected future benefit being 5 years. Amortisation is recorded in expenses. During the period of development, the assets are tested annually for impairment.

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.

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

h) Financial Liabilities

Convertible notes

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

Deferred consideration

The carrying value of the deferred consideration balances relate to earn-out clauses in relation to the acquisition of the operating entities. The directors have recognised these amounts in the financial statements as they believe the payment of these amounts are considered probable. Amounts expected to repaid later than 12 months from 30 June 2016 have been discounted in order to arrive at a net present value.

i) Employee Entitlements

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Defined contribution superannuation benefits

All Australian employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% 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 period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

j) Taxation

The income tax expense/(income) for the 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.

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

j) Taxation (cont)

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

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

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

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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 and significant activities to ensure continued service and functionality of the product have been performed by the company.

Realtor8 license fees are billed on a monthly basis and the revenue from these fees is recognised at the completion of the month.

Interest revenue is recognised using the effective interest method.

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

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

l) Revenue (cont)

The Research and Development grant tax rebate has been recognised as income on a cash basis.

During the financial year ended 30 June 2017, Business Information Services (NSW) Pty Limited received an R&D Tax Incentive related to the 2016 tax year that amounted to $379,067, which was recognised as Other Income.

(m) Consumption Taxes

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

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

n) New Accounting Standards for Application in Future Periods

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.

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 beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

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

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

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

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements 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.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)

NOTE 2 OPERATING SEGMENTS

The Group has two (2) 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:

- Productivity & Performance (including Expense8 and Perform8): 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 advanced survey and action planning solution that diagnoses and prioritises areas for improvement across your business. Its unique methodology drives continuous improvement throughout your organisation, maximising employee engagement and boosting productivity levels.

NOTE 2 OPERATING SEGMENTS (cont)

- Realtors8: Realtors8 is a Content Management System (CMS) and Customer Relationship Management (CRM) Solution primarily targeting realtors. The comprehensive solution provides personalised, customer-branded websites, integrated to multiple listing services (MLS), syndication and marketing tools, which enable the realtors to generate traffic, leads and maintain relationships with their clients.

The revenue and net profit figures below are based on the full financial year.

Year ended June 2017	**Performance & Productivity**	**Realtors8**	**Head Office**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	2,119,564	1,557,190	379,067	4,055,821
Net Profit / (Loss) after tax for the Year	(164,071)	227,328	(1,416,797)	(1,353,540)
Adjusted EBITDA	(74,349)	295,042	(834,715)	(614,022)
Total segment assets				
30 June 2017	2,283,153	4,112,088	1,796,610	8,191,851
Total segment liabilities				
30 June 2017	1,128,999	281,093	2,114,660	3,524,752

Year ended June 2016	**Performance & Productivity**	**Realtors8**	**Head Office**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	1,970,881	1,709,578	448	3,680,907
Net Profit / (Loss) after tax for the Year	(530,178)	4,290	(826,738)	(1,352,626)
Adjusted EBITDA	(139,691)	224,337	(791,563)	(706,917)
Total segment assets				
30 June 2016	3,072,601	3,326,744	1,592,781	7,992,126
Total segment liabilities				
30 June 2016	678,472	-	1,393,589	2,072,061

NOTE 3: ASSETS HELD FOR SALE

Management has transferred all of the assets and liabilities (excluding cash) related to the Realtor8 business unit from a Non-Current assets to an Asset Held for Sale. This includes the following entities:

- Realtors8 Pte Ltd
- Combustion Labs Media Inc
- 0966058 BC Ltd

Management has deemed that this business unit is not in line with the future strategy and direction of the business, which focuses on the employee productivity market, and accordingly has the intention to sell the unit.

Details of the assets held for sale are as follows:

Details	**2017**	**2016**
	$	**$**
Assets		
Accounts Receivable	94,713	177,006
Other Assets and Other Debtors	192,459	97,483
Plant and Equipment	2,768	2,727
Goodwill and Intellectual Property	3,836,816	3,843,008
Total Assets	**4,126,756**	**4,120,224**
Liabilities		
Accounts Payable	30,135	182,441
Other Creditors	250,957	304,108
Deferred Liabilities	-	306,931
Total Liabilities	**281,092**	**793,480**
Assets Held for Sale	**3,845,664**	**3,326,744**

NOTE 4 INTANGIBLE ASSETS

	Note	30 June 2017	30 June 2016
		$	$
Goodwill arising on acquisition of Business Information Services (NSW) Pty Limited		1,225,108	1,225,108
Goodwill arising on acquisition of the assets of Centre for Organisational Innovation Pty Limited and Origin Consulting Group Pty Limited		540,000	540,000
Less: accumulated impairment / write-down	(i)	(540,000)	-
		-	540,000
Total Goodwill		**1,225,108**	**1,765,108**
Trademark for Expense8 & 8common		4,800	-
Total Trademarks		**4,800**	**-**
Intellectual property – Expense8		833,000	833,000
Less: accumulated amortisation		(513,684)	(347,083)
		319,316	485,917
Intellectual property – Perform8		900,000	900,000
Less: accumulated amortisation		(450,000)	(270,000)
		450,000	630,000
Development Costs		1,314,992	862,880
Less: accumulated amortisation	(ii)	(110,390)	-
		1,204,602	862,880
Total Intellectual Property & Development Costs		**1,973,918**	**1,978,797**
Total Intangible Assets		**3,203,826**	**3,743,905**

Note:

(i) Following an impairment assessment, the Directors recognised a $540,000 impairment write-down in relation to the Perform8 goodwill for the year ended 30 June 2017.

(ii) Travel and Expense Management product development costs are amortised over the period of expected future benefit being 5 years. Amortisation is recorded in expenses. During the period of development, the assets are tested annually for impairment.

NOTE 5 TRADE & OTHER PAYABLES

	30 June 2017	30 June 2016
	$	$
Unsecured liabilities:		
Trade payables	97,283	104,054
Sundry payables and accrued expenses	374,026	343,184
Amounts payable to related parties	52,896	50,000
Deposit received for R8 sale	235,271	-
Australian Tax Office - GST & PAYG payable	697,532	186,787
	1,457,008	684,025

NOTE 6 FINANCIAL LIABILITIES

	Note	30 June 2017	30 June 2016
		$	$
Current			
Short Term Loan	(i)	140,263	-
Convertible notes and accrued interest	(ii)	1,508,685	1,242,890
		1,648,948	1,242,890

Note:

(i) The short term loan is payable on 1 October 2017 and attracts interest of 2% per month.

(ii) The convertible notes allow the note holder to convert to shares at an exercise price of $0.20. The note attracts an interest rate of 10% and is repayable on 8 January 2018, if the holder does not convert it to shares.

NOTE 7: CONTRIBUTED EQUITY

	Date	Price	No.	$
Opening Balance			54,000,000	6,317,578
Shares issued	20 January 2016	$0.18	1,091,844	196,532
Shares issued	31 March 2016	$0.18	1,801,111	324,200
Shares issued	20 June 2016	$0.18	1,111,200	200,016
		Total	4,004,155	720,748
Balance as at 30 June 2016			**58,004,155**	**7,038,326**
Balance as at 30 June 2017			**58,004,155**	**7,038,326**

NOTE 8: LOSS PER SHARE

	30 June 2017	30 June 2016
Weighted average number of ordinary shares	58,004,155	54,964,087
Consolidated net (loss) after tax	(1,353,540)	(1,352,626)
Basic and diluted Loss per share (cents)	(2.33)	(2.46)

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

No subsequent events have occurred that require disclosure or amendment to the Appendix 4E.