8common Limited

and its Controlled Entities

2017

Annual Report

Annual Report for the Year Ended

30 June 2017

ACN 168 232 577

CONTENTS

**Consolidated Statement of*

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 for over 20 years.

OUR PRODUCTS

Real Estate Agent Solutions

Organisational Diagnostic Tools

Travel and Expense Management

CHAIRMAN'S MESSAGE

Dear fellow shareholders,

We are pleased to present you the 2017 8Common Limited (ASX:8CO) Annual Report. Firstly, I would like to acknowledge your disappointment, and ours, at the current share price that has fallen short of shareholder and stakeholder expectations. Beyond the share price, our business has strengthened and recorded a number of achievements including improvements in operating cashflow and significan't contract wins which has placed us on astrong growth trajectory for the FY2018 financial year

Solid performance from Expense8, progress on the Realtors8 divestment and improving financial metrics

The key highlights for the 12 months ended 30 June 2017 include:

- Revenue from operations steady at $3,676,754 (FY16: $3,680,907);
- Successful in receiving an R&D Tax rebate of $379,067 from the ATO;
- Cash receipts from operations at $4,003,039 (FY16: $4,157,153);
- $14,496 net cash inflow from operating activities for the full year;
- EBITDA loss (which includes R&D Tax rebate) of $581,022 (FY16: $706,917);
- EBITDA when adjusted for the impairment of P8 goodwill ($540,000) is a loss of $41,022. The improvement from last year has been assisted by the $379,067 Tax Rebate (FY16: nil) and the lower expenses in the group particularly in employee and contractor costs of approximately $210,691;
- Loss after tax for the year of $1,320,540 (FY16: $1,352,626);
- Cash at Bank of $382,562 (FY16: $331,558);
- A further $285,000 was raised from the Convertible Notes.

2nd half marked by strong Expense8 performance and progress on Realtors8 divestment

Progress made in the business to track towards long-term positive cash flow. The changing cash receipts pattern is driven by the transition of Expense8 clients from an annual fixed fee to a monthly platform and usage per transaction fee.

The benefits have been the uplift in total spend and less seasonal cash flow. Expense8 revenue is expected to grow faster in tandem with government adoption of Travel and Expense management.

There has been progress in the divestment of Realtors8 and the Company intends to complete the sale of its remaining interest.

Outlook

This past year has been predicated on 2 important decisions which were to divest our Realtors8 business and to focus on the remaining core asset which is Expense8. The end goal is to have a focused business around financial technology leveraging a core product and platform offering with a client base that is highly identifiable with Australian investors.

We made a decision at Expense8 3 years ago to move from a largely Annual Licence and Maintenance software revenue model to a monthly platform and usage model. At the core of it was a significant upgrades across product, platform and features. The results have been excellent as most of our clients embraced the changes which has resulted in an increase in client spend through a combination of increased usage and adoption of more features.

Our cashflow was affected in the interim and the year that has just passed marks the significant turning point where most of the migrations from annual to monthly contracts have been completed. Going forward we expect to see good growth in revenues and cashflow.

CHAIRMAN'S MESSAGE (continued)

expense8

Expense8 delivers as new client wins and strong existing client uptake drives revenue growth. Core SaaS billings grew 40% over the period providing for a strong base for FY18.

FY17 saw continued transition to the Expense8 enterprise cloud (SaaS) platform from older annual contracts. More than 80% of clients having agreed to or completed their migration. The strong endorsement and the efficient migration process is testimony to product-market fit and quality. Overall revenues grew 13% and are expected to grow faster inFY18 as Government and large enterprise adopt Travel and Expense management.

Key highlights:

- Revenue is up by 13% to $2,038,761 (FY16: $1,807,969)
- SaaS Revenue is up 40% to $1,028,956 (FY16: $735,086)
- Successful new client wins include the Federal Department of the Prime Minister and Cabinet, Australian Communication & Media Authority and NSW Department of Industry;
- Existing customer migrations to Expense8 include but not limited to Programmed, Agrium Landmark, Amcor, Roche Diagnostics, Boral Timber, NSW Department of Finance, Federal Department of Finance, Cushman & Wakefield and Federal Department of Social Services;
- Federal Treasury and Expense8 shared services offering to other Federal Government agencies gaining momentum;
- NSW Department of Education goes live with the Card Application and Maintenance module for their Westpac Visa corporate credit cards (first to market).

perform8

Key highlights:

- Revenue was $80,833 (FY16: $162,912)
- Upon assessing the business, the Board decided to impair the Perform8 goodwill, writing-down the Goodwill by $540,000 to a $nil value. The Perform8 business will undergo a strategic review as the reseller partnerships have not yielded the expected results.

realtors8

Realtors8 remains an Asset held for Sale and the plan remains to complete the sale of the Realtors8 business to focus on Expense8.

Key highlights:

- Revenue of $1,557,190 (FY16: $1,705,382)
- Revenue was down 5.8% on an FX adjusted basis
- Signed agreement to sell 10% of Realtors8 to Cloudaron Pte Ltd for S$470,000 or approximately A$445,000 inplying a full value of S$4.7m, or approximately A$4.45m.

CHAIRMAN'S MESSAGE (continued)

Plans for FY 2018

There is plenty of work ahead as expense8 leverages our leading position in expense management to roll out the Travel and Card Application & Management platforms. Both are running live with clients and are receiving good responses from other clients. The revenue models for both platforms are a combination of platform and usage fees which are in-line with the long-term revenue model of the group.

Expense8 have come very far in the last 3 years from a single product offering to 3 platforms that are easily scalable with a existing and clearly expandable client base that offer long tail contracts with recurring income. Moving forward we have a clear plan to build on the achievements made in the last 3 years.

Realtors8 performed well to deliver profitability and consistent cashflow. We are close to delivering significant platform and design upgrades to the Ubertor platform to complement its class leading customer on-boarding and success capabilities. This will ensure it continues to effectively champion the needs of realtors and gain market share.

The year has seen significant planning, decision making and execution come together with a view of creating long term shareholder value and we are thankful to our shareholders for your continued support for this Company. To my fellow Board members, management and colleagues, thank you for your efforts and dedication. FY 2018 has gotten off to a great start and I look forward to keeping you updated with our progress!

Nic Lim
Executive Chairman

For further information, please contact:

Nic Lim
Executive Chairman
nic@8common.com

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 2017. The information in the review of operations forms part of this directors' report for the financial year ended 30 June 2017 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 Director

Kah Wui "Nic" Lim – Managing Director and Executive Chairman

Zoran Grujic **–** Non Executive Director and Company Secretary

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 $3,676,754 (2016: $3,680,907) and a loss after providing for income tax amounting to $1,320,540 (2016: $1,352,626 loss). The Expense8 results showed strong and steady growth, as new client wins and existing clients continued to transition to the Expense8 enterprise cloud (SaaS) platform from older annual contracts.

During the year to 30 June 2017 there was $474,125 (2016: $586,137) in depreciation and amortisation costs and an impairment loss of $540,000, resulting from the write-down of the Perform8 goodwill.

Financial Position

The net assets of the Group are $4,667,099 (2016: $5,920,065). The main assets are the Intangible assets of $3,203,836 (2016: $3,743,905) consisting of:

- Goodwill $1,225,108 (2016: $1,765,108)
- Intellectual Property and Development costs $1,973,918 (2016: $1,978,797)

The major liability of the Group is the convertible notes, which was $1,508,685 (2016: $1,242,890) including accrued interest at balance date.

Notwithstanding the deficiency in net current assets at balance date of $2,546,450 (2016: $1,336,862) (excluding the Assets held for sale), 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 company has successfully raised convertible note funding in the current year; a number of investors in the convertible notes are related parties or substantial shareholders in the Company and have indicated their ongoing support, the enhanced revenue prospects due to recent customer wins, the decision to sell the Realtors8 business unit, the ability of the Company to raise further funding when required, and accordingly the Board has engaged an advisor to assist with reviewing opportunities to secure further funding.

Significant Changes in State of Affairs

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

- The issue of new convertible notes for $285,000 during the 2017 financial year;
- Management has determined that the Realtors8 business unit is not in line with the future strategy and direction of the business and accordingly had intended to sell the unit.

Events after Reporting Year

On 1 July 2017, 8common Limited entered into a Sale and Purchase Agreement with Cloudaron Pte Ltd, a Singapore incorporated company, to sell 3,050,000 ordinary shares of Realtors8 Pte Ltd, being 10% of the entire issued capital of Realtors8 Pte Ltd comprising 30,500,000 ordinary shares, for SGD470,000 to be paid to 8common in two tranches. The first tranche of S$250,000 was received in March 2017 and the second and final tranche of S$220,000 is to be paid on or before 1 October 2017. The sale has not been completed as at the date of this report.

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 2017, 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 2017.

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 $22,265 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 2017:

	$
Other assurance services	920
Taxation services	6,744
	7,664

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 15 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 Director
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	– 550,000 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	– None

Information Relating to Directors and Company Secretary (con't)

Kah Wui "Nic" Lim	– Managing Director and Executive Chairman
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	– 11,603,501 ordinary shares in 8common Limited.
Special Responsibilities	– None
Directorships held in other listed entities during the last three years	– None

Zoran Grujic	– Independent, Non-Executive Director & Company Secretary
Qualifications	– Bachelor of Commerce (Accounting), University of Western Sydney. Member of the Chartered Accountants Australia and New Zealand.
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. Currently Zoran is the Head of Finance at the National Stock Exchange and the CFO and Company Secretary at Dropsuite Limited (ASX: DSE).
Interest in Shares and Options	– 1,364,000 ordinary shares in 8common Limited.
Special Responsibilities	– None
Directorships held in other listed entities during the last three years	– None

Information Relating to Directors and Company Secretary (Continued)

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 and Managing Partner of Asia from 1997 to 1999. 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. He was also the Managing Partner of Corporate Development, Asia Pacific from 1999 to 2002 and managed the company's multi-billion dollar Venture Fund for the Asia Pacific region.
Interest in Shares and Options	– 4,614,631 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	– He is a current Board member of Flexiroam Limited, Fatfish Internet Group Limited, Tanjong Plc, Rev Asia 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 Chartered Accountants Australia and New Zealand, Senior Associate of Financial Services Institute of Australia
Experience	– Adrian has 20 years experience in accounting, finance and a broad range of corporate advisory roles including mergers and acquisitions, divestments of business, debt/equity raisings and strategy development and execution. He is an executive director of Venture Advisory, one of Australia's leading specialist technology, media and telecommunications financial advisory firms and is an executive committee member of Australia's leading angel investing group, Sydney Angels.
Interest in Shares and Options	– 22,000 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, 11 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	8	6	2	2	1	1
Kah Wui "Nic" Lim	8	8	-	-	-	-
Zoran Grujic	8	8	-	-	-	-
Nyap Liou "Larry' Gan	8	6	2	2	1	1
Adrian Bunter	8	8	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 FY2017. 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)

Name	Cash salary and fees	Post-Employment Benefits Superannuation	Share based payments	Total	Performance related
2017	**$**	**$**	**$**	**$**	**%**
Non-executive directors					
Grant McCarthy	18,750	-	-	18,750	-
Nyap Liou “Larry” Gan	18,750	-	-	18,750	-
Adrian Bunter	18,750	-	-	18,750	-
Zoran Grujic (ii)	12,250	-	-	12,250	-
Total non-executive directors	**68,500**	**-**	**-**	**68,500**	**-**
Executive directors and key management personnel					
Kah Wui “Nic” Lim (i)	110,000	-	-	110,000	-
Zoran Grujic (ii)	82,192	7,808	-	90,000	-
Kadir Kudus (Chief Financial Officer) (iii)	64,000	-	-	64,000	-
Nick Gonios (Chief Executive Officer) (v)	220,000	19,616	-	239,616	-
Rory Koehler (Chief Technology Officer) (iv)	20,000	**-**	-	20,000	-
Total executive directors & key management	**496,192**	**27,424**	**-**	**523,616**	-
Total	**564,692**	**27,424**	**-**	**592,116**	**-**

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

(ii) Mr Grujic resigned as of Chief Financial Officer in December 2016 and remains as Non Executive Director and Company Secretary.

(iii) Mr Kudus was appointed in January 2017 as a consultant Chief Financial Officer and hence no superannuation is payable on his remuneration.

(iv) Mr Koehler has appointed as Chief Technology Officer in March 2017 and is not based in Australia and hence no superannuation is payable on his remuneration.

(v) Mr Gonios resigned as Chief Executive Officer on 15 December 2016 with his final day being 14th June 2017.

		Post-Employment Benefits			
Name	**Cash salary and fees**	**Superannuation**	**Share based payments**	**Total**	**Performance related**
2016	**$**	**$**	**$**	**$**	**%**
Non-executive directors					
Grant McCarthy	32,500	-	-	32,500	-
Nyap Liou "Larry" Gan	25,000	-	-	25,000	-
Adrian Bunter	25,000	-	-	25,000	-
Total non-executive directors	**82,500**	**-**	**-**	**82,500**	**-**
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 Executive Officer) (ii)	244,670	23,244	-	267,914	18%
Jeremi Joslin (Chief Technology Officer) (iv)	75,000	-	-	75,000	
Total executive directors & key management	**604,054**	**38,860**	**-**	**642,914**	**-**
Total	**686,554**	**38,860**	**-**	**725,414**	**-**

C. Service agreements

Mr Kah Wui "Nic" Lim was appointed as the Executive Chairman and is based in Singapore, and reports 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 was reviewed during the financial year and comprises a remuneration of $144,000 per annum.

During Zoran Grujic's tenure as Chief Financial Officer at 8common, Mr Grujic has the option to terminate the executive service agreement with 6 months' notice or alternatively in 8common's case, payment in lieu of notice. Mr Grujic is subject to a restraint of trade period of up to 12 months following the termination of the employment contract. The enforceability of the restraint clause is subject to all usual legal requirements. The remuneration payable to Mr Grujic comprised of a base remuneration having a total cost to 8common of $180,000 per annum, inclusive of mandatory superannuation contributions. Mr Grujic resigned from his position as Chief Financial Officer on the 24th February 2017.

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 2017.

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	Other changes during the year	Balance at the end of the year
2017			
Grant McCarthy	550,000	-	550,000
Nyap Liou "Larry" Gan	4,614,631	-	4,614,631
Adrian Bunter	22,000	-	22,000
Kah Wui "Nic" Lim	11,483,589	119,912	11,603,501
Zoran Grujic	1,364,000	-	1,364,000
Total	**18,034,220**	**119,912**	**18,154,132**

Directors and key management personnel of 8common Limited ordinary shares	Balance at the start of the year	Other changes during the year	Balance at the end of the year
2016			
Grant McCarthy	500,000	50,000	550,000
Nyap Liou "Larry" Gan	4,195,119	419,512	4,614,631
Adrian Bunter	20,000	2,000	22,000
Kah Wui "Nic" Lim	11,352,131	131,458	11,483,589
Zoran Grujic	1,240,000	124,000	1,364,000
Total	**17,307,250**	**726,970**	**18,034,220**

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

29 September 2017
Singapore

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2017 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
Chartered Accountants

Richard Woods
Partner

Dated, this 29th day of September 2017
Sydney

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	3,676,754	3,680,907
OTHER INCOME FROM R&D TAX OFFSET		379,067	-
EXPENSES FROM CONTINUING OPERATIONS			
Cost of services	4	(747,165)	(791,228)
Employee and contractor costs		(2,491,698)	(2,702,389)
Occupancy expenses		(178,734)	(166,542)
Administration expenses		(184,707)	(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	4	(184,903)	(93,148)
Depreciation and amortisation	4	(474,125)	(586,137)
Impairment Losses	13	(540,000)	-
Other expenses from ordinary activities		(140,515)	(217,535)
NET LOSS BEFORE INCOME TAX		**(1,238,878)**	**(1,384,248)**
Income tax benefit (expense)	5	(81,662)	31,622
NET LOSS FOR THE YEAR		**(1,320,540)**	**(1,352,626)**
Other comprehensive income (loss) – translation of foreign subsidiaries		67,574	(13,854)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,252,966)**	**(1,366,480)**
Loss per share			
Basic loss per share – cents per share		(2.28)	(2.46)
Diluted loss per share – cents per share		(2.28)	(2.46)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
Current assets			
Cash and cash equivalents	9	382,562	331,558
Trade and other receivables	10	265,176	350,378
Other assets	14	20,117	8,536
Assets held for sale	15	3,845,664	3,326,744
Total current assets		**4,513,519**	**4,017,216**
Non current assets			
Intangible assets	13	3,203,826	3,743,905
Property, plant and equipment	12	35,335	28,110
Deferred tax assets	18	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	16	1,457,008	684,025
Unearned Revenue		42,367	-
Financial liabilities	17	1,648,948	1,242,890
Provisions	19	80,860	95,795
Tax liabilities	18	35,087	4,624
Total current liabilities		**3,264,270**	**2,027,334**
Non current liabilities			
Provisions	19	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	20	7,038,326	7,038,326
Accumulated Losses		(2,556,084)	(1,235,544)
Foreign currency translation reserve	28	184,857	117,283
Total shareholders' equity		**4,667,099**	**5,920,065**

The accompanying notes form part of these financial statements

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

	Note	2017	2016
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		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	24a	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 (DECREASE) 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	9	**382,562**	**331,558**

The accompanying notes form part of these financial statements

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

	Contributed Equity	Retained earnings	Foreign Currency Reserves	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 loss	-	-	(13,854)	(13,854)
Total comprehensive loss	**-**	**(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	-	(1,320,540)	-	(1,320,540)
Other comprehensive income	-	-	67,574	67,574
Total comprehensive income / (loss)	**-**	**(1,320,540)**	**67,574**	(1,252,966)
BALANCE AT 30 JUNE 2017	**7,038,326**	**(2,556,084)**	**184,857**	**4,667,099**

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 28 September 2017 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) Going Concern

The Group has incurred a net loss after tax for the year ended 30 June 2017 of $1,320,540 (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 15),
- 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 17 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 28 September 2017 $0.052).
- an 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 16). Management have negotiated a payment plan arrangement with the ATO of $28,000 per month until the debt is repaid in May 2019.

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 and when they fall due is dependent upon the Group being successful in:

- generating sufficient cash surpluses from the Travel and Expense Management business operations resulting from meeting revenue forecasts
- receiving financial support from its directors, shareholders, convertible note holders and other potential short term funding providers
- the sale of the Canadian operations
- repayment of the ATO tax debt pursuant to the payment pan arrangement and the payment of new tax liabilities within their prescribed due dates

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 and net cash flows which has been documented in the Group cash flow forecast for the period ending 30 September 2018;
- The directors believe the sale of the Group's remaining Canadian operations (value estimated at $4,000,000) will result in a cash injection into the business and the Group has identified in its cash flow forecast for the period ending 30 September 2018, that at least $1,000,000 will be received in cash as part of this sale proceeds within the next 12 months;

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

a) Going Concern (cont)

- The directors have contacted the convertible note holders and they are of the opinion that at least $1,000,000 worth of noteholders will roll over their notes to a debt facility. 8common has received written confirmations from Convertible Note holders (with combined holdings of $1,000,000) which confirms their intention to roll-over their notes to a debt facility on or before 8 January 2017. Of the $1,000,000 combined holdings, $650,000 are holders that are directors and director related parties;
- 8common Limited has a received a letter of intent from 8Capita Pte Ltd, a Singapore incorporated director related party corporation, regarding the provision of a short-term loan facility amounting to $700,000;
- The forecast cash receipt of an R&D tax offset in excess of $300,000 which is expected to be received on or before 31 December 2017;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved cash flow results; and
- The Directors and the business has a successful track record of capital raising and 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 Expense8 average revenue growth rate of 10.4% and a weighted average cost of capital (WACC) of 11.2% 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 revenue growth rate assumptions and weighted average cost of capital (WACC). The average growth rate would need to reduce to less than 8.6%, with WACC remaining at 11.2%, in order for an impairment of the intangible assets to occur on the reporting date. The WACC would need to be increased from 11.2% to 16.2%, with the growth remaining at 10.4%, before an impairment write-down would have been recognised for the year ended 30 June 2017.

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

The Perform8 business unit is not sensitive to the model assumptions as management has recognised a $540,000 write-down of goodwill for the year ended 30 June 2017 as disclosed in Note 13.

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. Non current 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 15, 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.

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 13 'Intangible Assets' of $1,204,601 (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.

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 of fair value less, where applicable, any accumulate 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 value in determining recoverable amounts.

The depreciation 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.

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

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 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 & adjustments made where necessary to ensure uniformity of the accounting policies adopted.

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.

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.

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

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 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.

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 2017. These costs are being amortised over a period of five years, which commenced on 1 January 2017.

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 2017 have been discounted in order to arrive at a net present value

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

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.

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.

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

j) Taxation (cont.)

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.

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.

Unearned Revenue is revenue received in advance for services not yet provided for.

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 is for the full financial year to 30 June 2016. The current period includes a full 12 months of trading activity.

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

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.

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

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.

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

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

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: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	PARENT ENTITY 2017 $	PARENT ENTITY 2016 $
Statement of Financial Position		
ASSETS		
Current assets	147,940	57,092
Non-current assets	5,163,323	6,834,228
TOTAL ASSETS	5,311,263	6,891,320
LIABILITIES		
Current liabilities	415,907	1,393,589
TOTAL LIABILITIES	415,907	1,393,589
EQUITY		
Issued capital	7,037,915	7,037,915
Accumulated losses	(2,142,559)	(1,540,184)
TOTAL EQUITY	4,895,356	5,497,731
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(602,375)	(934,220)
Total comprehensive loss	(602,375)	(934,220)

Guarantees

No cross guarantees existed during the year ended 30 June 2017.

Contingent liabilities

At 30 June 2017, 8common Limited is not responsible for any contingent liabilities of subsidiaries.

Contractual commitments

At 30 June 2017, 8common Limited was not responsible for any contractual commitments of any of its subsidiaries.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	Consolidated Group 2017 $	2016 $
a. **Revenue from continuing operations**		
– License and maintenance fees	3,633,200	3,674,228
– Interest received from unrelated parties	1,144	6,679
– Other revenues	42,410	-
	3,676,754	**3,680,907**

NOTE 4: EXPENSES FOR THE YEAR

Loss before income tax from continuing operations includes the following specific expenses:

	2017 $	2016 $
Expenses		
Cost of sales	747,165	791,228
Borrowing costs on financial liabilities not at fair value through profit or loss:		
– related parties – convertible notes	60,308	27,130
– unrelated parties	124,595	66,018
	184,903	93,148
Depreciation	15,775	16,535
Amortisation	458,350	569,602
	474,125	586,137
Employee benefits expense:		
– defined contribution superannuation expense	188,506	197,388
Rental expense on operating leases	92,836	97,805
Bad debts expense	61,946	68,832

NOTE 5: TAX (BENEFIT) / EXPENSE

		Consolidated Group	
		2017	**2016**
		$	**$**
a.	The components of tax (expense)/income comprise:		
	Current tax	(137,304)	(27,293)
	Deferred tax	55,642	58,915
	Income tax (expense)/income attributable to entity	(81,662)	31,622
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	(371,664)	(415,274)
	Add:		
	Tax effect of:		
	– share issue costs	34,502	34,502
	– movement in provision	55,642	52,315
	Less:		
	Tax effect of:		
	– other	363,182	296,835
	Income tax (benefit) / expense attributable to entity	81,662	(31,622)
	The applicable weighted average effective tax rates are as follows:	**7%**	**2%**

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 2017.

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

	Consolidated Group	
	2017	**2016**
	$	**$**
Short-term employee benefits	564,692	686,554
Post-employment benefits	27,424	38,860
Total KMP compensation	592,116	725,414

Short-term employee benefits

These amounts include fees and benefits paid to the 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.

NOTE 7: AUDITORS' REMUNERATION	Consolidated Group	
Remuneration of the auditor, Walker Wayland NSW Chartered Accountants for:	**2017 $**	**2016 $**
– auditing or reviewing financial statements	51,000	36,000
– taxation services	6,744	3,165
– Other assurance services	920	1,651
	58,664	40,816
Remuneration of overseas subsidiary auditors	69,329	21,655
	127,993	62,471

NOTE 8: LOSS PER SHARE

		2017	2016
a.	Loss used to calculate basic and diluted loss per share	(1,320,540)	(1,352,626)
		No.	**No.**
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	58,004,155	54,964,087
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive loss per share	58,004,155	54,964,087

NOTE 9: CASH AND CASH EQUIVALENTS

	2017	2016
Cash at bank and on hand	382,562	331,558

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:

	2017	2016
Cash and cash equivalents	331,217	280,213
Term deposits	51,345	51,345
	382,562	331,558

NOTE 10: TRADE AND OTHER RECEIVABLES

CURRENT	2017	2016
Trade and Other Receivables	265,176	347,788
Other Receivables	-	2,590
	265,176	350,378

NOTE 10: TRADE AND OTHER RECEIVABLES (continued)

a. **Provision for Impairment of Receivables**

A provision for impairment of receivables exists as at 30 June 2017 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 $
2017							
Trade and term receivables	265,176	-	191,375	30,866	31,385	11,550	191,375
Other receivables	-	-	-	-	-	-	-
Total	265,176	-	191,375	30,866	31,385	11,550	191,375

	Gross Amount $	Past Due and Impaired $	Past Due but Not Impaired (Days Overdue) < 30 $	31–60 $	61–90 $	> 90 $	Within Initial Trade Terms $
2016							
Trade and term receivables	347,788	-	251,358	52,387	44,013	29	251,358
Other receivables	2,590	-	2,590	-	-	-	2,590
Total	350,378	-	253,948	52,387	44,013	29	253,948

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

	Consolidated Group 2017 $	2016 $
Trade and other receivables:		
– total current	265,176	350,378
Financial assets	265,176	350,378

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	
		2017	2016
		%	%
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	100
0966058 BC Ltd	Canada	100	100
Combustion Labs Media Inc.	Canada	100	100
Sam & Andy Inc. (i)	Canada	-	100

(i) Sam & Andy Inc was amalgamated with Combustion labs Media Inc during the financial year.

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.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2017	2016
	$	$
Plant and Equipment		
Plant and equipment:		
At cost	170,352	171,380
Accumulated depreciation	(135,017)	(143,270)
	35,335	28,110

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:

	2017	2016
	$	$
Balance at beginning of year	28,110	32,732
Additions	23,000	7,657
Depreciation expense	(15,775)	(12,279)
Balance at end of year	35,335	28,110

NOTE 13: 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		900,000	900,000
Reduction in purchase price		(360,000)	(360,000)
Less: Goodwill impairment	(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		(513,683)	(347,083)
		319,317	485,917
Development Costs		1,314,991	862,880
Less: accumulated amortisation	(ii)	(110,390)	-
		1,204,601	862,880
Intellectual property – Perform8		900,000	900,000
Less: accumulated amortisation		(450,000)	(270,000)
		450,000	630,000
Total Intellectual property		1,973,918	1,978,797
Total Intangibles		**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 benefits being 5 years. Amortisation is recorded in expenses. During the period of development, the assets are tested annually for impairment.

NOTE 13: INTANGIBLE ASSETS (continued)

	Goodwill	Acquired Intellectual property	Software Development Costs	Total
	$	$	$	$
Consolidated Group:				
Year ended 30 June 2017				
Balance at the beginning of the year	1,765,108	1,115,917	862,880	3,743,905
Additions	-	4,800	452,111	456,911
Impairment of Goodwill	(540,000)	-	-	(540,000)
Amortisation charge	-	(346,600)	(110,390)	(456,990)
	1,225,108	**774,117**	**1,204,601**	**3,203,826**
Consolidated Group:				
Year ended 30 June 2016				
Balance at the beginning of the year	5,432,871	2,231,167	312,445	7,976,483
Additions	-	-	550,435	550,435
Reduction in purchase price	(360,000)	-	-	(360,000)
Amortisation charge	-	(580,005)	-	(580,005)
Transfer to Assets held for sale	(3,307,763)	(535,245)	-	(3,843,008)
	1,765,108	**1,115,917**	**862,880**	**3,743,905**

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 been amortised since 1 January 2017.

Impairment disclosures

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

	2017	2016
	$	$
Australian CGU – Expense8	1,225,108	1,225,108
Australian CGU – Perform8	-	540,000
Total	1,225,108	1,765,108

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:

	Terminal Growth	5 year Growth Rate	Discount Rate
Australian CGU	2.5%	10.4% pa	11.2%

NOTE 13: INTANGIBLE ASSETS (continued)

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.

The blended average revenue growth rate of 10.4% has been used for the periods 2018 to 2022. A terminal rate of 2.5% has been used. Goodwill impairment is considered to be sensitive to the 2018 to 2022 growth rate assumptions. The average growth rate would need to reduce to less than 8.7% in order for an impairment of the intangible asset to occur at the reporting date.

NOTE 14: OTHER ASSETS

	Consolidated Group	
	2017	**2016**
	$	**$**
CURRENT		
Prepayments	12,120	8,536
GST Paid	7,997	-
	20,117	8,536

NOTE 15: 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 16: TRADE AND OTHER PAYABLES

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

Note:

(i) On the 12 of Sept 2017, management negotiated a payment plan arrangement with the Australian Taxation Office of $28,000 per month until the debt is fully repaid in May 2019 and all other future obligations are paid on time.

a. **Financial liabilities at amortised cost classified as trade and other payables**

Trade and other payables:		
– total current	1,457,008	684,025
– total non-current	-	-
Financial liabilities as trade and other payables	1,457,008	684,025

NOTE 17: FINANCIAL LIABILITIES

	Note		
CURRENT			
Unsecured liabilities:			
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) Key terms of the Notes include:

- Maturity Date: 8 January 2018;
- Total limit: Up to A$1,430,000 issued;
- Interest rate: 10% per annum, accruing daily and payable six (6) monthly in cash, in arrears;
- Security: Unsecured
- Conversion:
  - At a share price of $0.20;
  - Conversion right lies with the Note holder;
  - Company has the option to redeem the Notes up to 90 days maturity and will have to pay interest till maturity.

NOTE 18: TAX

	Consolidated Group	
CURRENT	**2017**	**2016**
	$	**$**
Income tax payable	35,087	4,624
NON CURRENT		
Deferred tax asset	224,035	202,895

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	99,385	55,642	-	-	-	155,027
Share issue costs	103,510	(34,502)	-	-	-	69,008
Balance at 30 June 2017	202,895	21,140	-	-	-	224,035
NON-CURRENT						
Deferred tax assets						
Provisions	40,471	58,914	-	-	-	99,385
Share issue costs	138,012	(34,502)	-	-	-	103,510
Balance at 30 June 2016	178,483	24,412	-	-	-	202,895

NOTE 19: PROVISIONS

Analysis of total provisions

	Consolidated Group	
	2017	**2016**
	$	**$**
Current – leave	80,860	95,795
Non-current – leave	45,346	44,727
	126,206	140,522
Balance at beginning of year	140,522	91,855
Additions in the year/(amounts used)	(14,316)	48,667
Balance at end of year	126,206	140,522

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

	Note	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	(i)			**58,004,155**	**7,038,326**

Notes

(i) No shares were issued during the 30 June 2017 financial year

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	
	2017	**2016**
	$	**$**
Total borrowings	1,648,948	1,242,890
Less cash and cash equivalents	(382,562)	(331,558)
Net debt	1,266,386	911,332
Total equity	4,667,099	5,920,065
Total capital	7,038,326	7,038,326
Gearing ratio	35%	21%

NOTE 21: CAPITAL AND LEASING COMMITMENTS

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	80,834	77,827
– between 1 year and 5 years	47,614	123,670
	128,448	201,497

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 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.
- 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.

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 Period	(164,071)	227,328	(1,383,797)	(1,320,540)
Adjusted EBITDA	(74,349)	295,042	(801,715)	(581,022)
Total segment assets				
30 June 2017	2,283,153	3,845,664	1,847,898	7,976,915
Total segment liabilities				
30 June 2017	1,128,998	-	2,180,618	3,309,616

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 Period	(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 24: CASH FLOW INFORMATION

		Consolidated Group	
		2017	2016
		$	$
a.	**Reconciliation of Cash Flow from Operations with Loss after Income Tax**	(1,320,540)	(1,352,626)
	Non-cash flows in profit:		
	- Amortisation	458,350	569,602
	- Depreciation	15,775	16,535
	- Impairment of Goodwill	540,000	-
	- Non-cash interest expense	78,685	7,869
	- Foreign exchange	67,574	(13,853)
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
	- Decrease in trade and term receivables	167,495	181,686
	- Increase in other assets	(106,558)	(84,210)
	- Increase / (Decrease) in trade payables and accruals	118,707	(264,511)
	- Increase / (Decrease) in income tax payables	30,463	(64,164)
	- Increase in deferred tax assets	(21,140)	(24,412)
	- Increase / (Decrease) in provisions	(14,316)	48,667
	Cash flow from Operating activities	14,496	(979,417)

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

NOTE 25: EVENTS AFTER THE REPORTING YEAR

On 1 July 2017, 8common Limited entered into a Sale and Purchase Agreement of Ordinary Shares Agreement with Cloudaron Pte Ltd, a Singapore incorporated company, to sell 3,050,000 ordinary shares of Realtors8 Pte Ltd, being 10% of the entire issued capital of Realtors8 Pte Ltd comprising 30,500,000 ordinary shares, for SGD470,000 to be paid to 8common in two tranches. The first tranche of S$250,000 was received in March 2017 and the second and final tranche of S$220,000 is to be paid on or before 1 October 2017. The sale has not been completed as at the date of this report.

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 2017, unsecured convertible notes amounting to $350,000 were held by directors at a coupon interest rate of 10%. Details of these related party transactions are as follows:

a) Kah Wui "Nic" Lim – $150,000, Nyap Liou "Larry" Gan - $200,000

Interest expense for the year ended 30 June 2017 of $33,675 in relation to above convertible notes is as follows:

b) Kah Wui "Nic" Lim – $14,432, Nyap Liou "Larry" Gan - $19,243

In addition during the year, the company repaid $45,934 to Kah Wui "Nic" Lim of the amount loaned the company. The balance of this loan is nil.

(ii) Transactions with related party

a) During the year ended 30 June 2017, unsecured convertible notes amounting to $325,000 were held by Zenyen Limited at a coupon interest rate of 10%.

Interest expense for the year ended 30 June 2017 of $26,633 in relation to above convertible notes is as follows:

b) Zenyen Limited - $26,633

(iii) Transactions with directors (prior year 2016)

During the year ended 30 June 2016, unsecured convertible notes amounting to $350,000 were held by 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 - $200,000

Interest expense for the year ended 30 June 2016 of $27,130 in relation to above convertible notes is as follows:

b) Kah Wui "Nic" Lim – $11,989, Nyap Liou "Larry" Gan - $15,141

Note 27: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, account 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 statement, are as follows:

	Note	Consolidated Group	
		2017	**2016**
		$	**$**
Financial assets			
Cash and cash equivalents	9	382,562	331,558
		382,562	331,558
Trade and other receivables	10	265,176	350,378
		265,176	350,378
Total financial assets		647,738	681,936
Financial Liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	16	1,457,008	684,025
- borrowings	17	1,648,948	1,242,890
Total financial liabilities		3,105,956	1,926,915

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
	2017	**2017**	**2017**	**2017**
Consolidated Group	**$**	**$**	**$**	**$**
Financial liabilities due for payment				
Trade payables	1,457,008	-	-	1,457,008
Convertible notes & Short term loans	1,648,948	-	-	1,648,948
Total contractual outflows	3,105,956	-	-	3,105,956

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	2016	**2016**	**2016**	**2016**
Consolidated Group	**$**	**$**	**$**	**$**
Financial liabilities due for payment				
Trade payables	684,025	-	-	684,025
Convertible notes & Short term loans	1,242,890	-	-	1,242,890
Total contractual outflows	1,926,915	-	-	1,926,915

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 10%. 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	
	2017	**2016**
	$	**$**
Balance as at beginning of the year	117,283	131,137
Movement in reserve	67,574	(13,854)
Balance as at end of the year	184,857	117,283

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

NOTE 30: DIFFERENCES IN LOSS REPORTED COMPARED TO APPENDIX 4E DISCLOSURE

The Appendix 4E reporting included a net loss after tax of ($1,353,540) and a net asset position of $4,667,099. This 30 June 2017 Annual report discloses a net loss after tax of (1,320,540) which is an improvement of $33,000 from the 4E reporting. This is due to the reversal of the share option expense (reserve) that was previously recorded, following an investigation that concluded that the share options were not formally issued and thus no option expense would be recognised. The net assets reported has remained unchanged at $4,667,099.

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 15 to 46 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 2017 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 29th day of September 2017

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

Level 11, Suite 11.01
60 Castlereagh Street
SYDNEY NSW 2000

GPO Box 4836
SYDNEY NSW 2001

Telephone: +61 2 9951 5400
Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

Website: www.wwnsw.com.au

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

REPORT ON THE FINANCIAL REPORT

OPINION

We have audited the accompanying financial report of 8common Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2017, 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 1 to 30, comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

(a) the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

I. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
II. complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

BASIS FOR OPINION

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 about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

Emphasis of Matter – Going Concern Basis of Accounting

Without modifying our opinion, we draw attention to the following matter. As a result of the matters disclosed in Note 1a) "Going Concern Basis of Accounting" of the financial report, there is material uncertainty whether the Group can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the Group to continue as a going concern is dependent upon its ability to generate sufficient cash surpluses from operations, raising sufficient cash from the issue of additional convertible notes, obtaining financial support from its existing convertible note holders/directors, the proposed sale of the Canadian operations referred to in Note 15: Assets Held for Sale' and the repayment of the outstanding Australian Taxation Office debt.

KEY AUDIT MATTERS

The key audit matters, are the matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. The matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Noncurrent assets held for sale (Note 15) The Group has recognised noncurrent assets held for sale on the Statement of Financial Position of $3,845,664, relating to the Realtors8 real estate listings business. The decision to formally dispose of this business unit was made on 30 June 2016. AASB 5 Non-Current Assets held for Sale and Discontinued Operations requires that the assets which have been designated as held for sale to be recognised at the lower of the carrying value and net realisable value. The board has disposed of 10% of the equity in the Realtors8 Group to Cloudaron Pte Ltd (a director related entity) for a total consideration of SGD$470,000, which is expected to complete by 1 October 2017. This area is a key audit matter due to the subjectivity and management judgement applied in the assessment of assets being held for sale and the sale being a related party transaction. In addition to this, the proposed selling price for the remaining 90% equity interest in Realtors8 Group is to a director related entity, and the selling price is uncertain at year end.	Our procedures included; amongst others: - reviewing and assessing the contract for the sale of the 10% interest in the Realtors8 Group - reviewing the calculations and disclosures in relation to the amounts designated as held for sale - holding detailed discussions with management and the board regarding the 10% equity interest - reviewing the requirements of the AASB 5 and assessing whether the recognition and disclosure aspects have been satisfied - Checking that amortisation and depreciation of assets ceased as at the date the assets were designated as held for sale

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Intangible Assets – Impairment Testing (Note 13)
The Group has intangible assets recorded on the Statement of Financial Position totalling $3,203,826, and an impairment write-down of $540,000 recognised during the year ended 30 June 2017 in relation to the Productivity Business Unit, which has been allocated against the goodwill balance of that Business Unit.

These assets were evaluated for impairment in accordance with the requirements of AASB 136 Impairment of Assets.

This is a key audit matter due to the management judgement and assumptions applied in preparing a value-in-use model to satisfy the impairment test. Forecasting future cash flows and applying an appropriate discount rate inherently involves a high degree of estimation and judgement by management.</td><td>Our procedures included, amongst others:
- assessing and challenging:
a) The subsequent period budget comparing the budget to the current year actuals;
b) The assumptions used for the growth rate by comparing the normalised average growth rate from 2013 to 2017 to the growth rate adopted in the impairment model;
c) The key assumptions for long term growth in the forecast cash flows by comparing them to historical results and industry forecasts; and
d) The discount rate applied with reference to the cost of capital of the Group
- Testing the mathematical accuracy of the cash flow model;
- Agreeing the inputs in the cash flow models to relevant data including approved budgets and latest forecasts;
- Performing sensitivity analysis in relation to key assumptions including discount rate, growth rate and terminal value; and
- Assessing the adequacy of the related disclosures within the financial report.</td></tr>
<tr><td>Capitalised Development Costs (Note 13)
Capitalised development costs had a net carrying value of $1,204,601 in relation to the Expense8 suite of products.

In accordance with AASB 138 Intangible Assets, specific criteria must be met in order to capitalise development costs.

The costs are being amortised over a period of 5 year useful life as this is the period over which management expects to generate future economic benefits.

This area is a key audit matter due to subjectivity and management judgement applied in the assessment of whether the costs meet the capitalisation criteria described in AASB 138. In addition to this, the amortisation period and useful life are subject to technological advances which are unpredictable.</td><td>Our procedures included; amongst others:

- Assessing the Group’s accounting policy in respect of product development costs for adherence to AASB 138;
- Testing a sample of amounts capitalised to supporting documentation and assessing compliance with the recognition criteria of AASB 138;
- Reviewing management’s cash flow forecasts, including the evaluation of assumptions, supporting the generation of future economic benefits from the capitalised costs;
- Recalculating amortisation expense of assets available for use;
- Assessing the reasonableness of the amortisation period by reference to comparable market data
- Assessing the adequacy of related disclosures within the financial statements</td></tr>
</table>

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

DIRECTORS' RESPONSIBILTY 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 Australia Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparations of the financial report that give a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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

AUDITOR'S RESPONSIBILITY

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

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS OF 8COMMON LIMITED

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included the Directors' Report on pages 9 to 13 for the year ended 30 June 2017. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted with Australian Auditing Standards.

OPINION

In our opinion, the Remuneration Report if 8common Limited for the year ended 30 June 2017, complies with Section 300A of the Corporations Act 2001.

RESPONSIBILITIES

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

Walker Wayland NSW	**Richard Woods**
Chartered Accountants	**Partner**

Dated this 29th day of September 2017, Sydney

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 31 August 2017.

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding):	**Number Ordinary**
1 – 1,000	11
1,001 – 5,000	13
5,001 – 10,000	159
10,001 – 100,000	44
100,001 and over	109
	336

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	9,599,500
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,078,234
3	ZENYEN LIMITED	6,200,000

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.

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

No.	Name	Number	%
1	8CAPITA LIMITED	9,599,500	16.55%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,078,234	15.65%
3	ZENYEN LIMITED	6,200,000	10.69%
4	MS MEI YUN HUANG	2,760,000	4.76%
5	CITICORP NOMINEES PTY LIMITED	2,604,537	4.49%
6	HO BENG BRIAN WEE	2,590,400	4.47%
7	POH GEOK FLORA LIM	2,281,819	3.93%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,160,334	3.72%
9	KAH WUI "NIC" LIM	2,004,001	3.45%
10	CASTLEREAGH HOLDINGS PTY LTD <888 A/C>	1,364,000	2.35%
11	FERN YIT LIM	1,153,067	1.99%
12	ROBERT YANG LIN	1,110,359	1.91%
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,088,000	1.88%
14	NAJEE PTY LTD <NAJEE SUPER FUND A/C>	819,604	1.41%
15	JOHN YIK ANN TAN	640,000	1.10%
16	MR RODNEY JAMES MCDONELL & MR GRAEME MCDONELL	571,460	0.99%
17	MANDALONG HOLDINGS PTE LIMITED	462,000	0.80%
18	MS GABRIELLE JEAN COCKS	415,000	0.72%
19	ESTHER KHOR	283,315	0.49%
20	SCOTT YUE CHEN	246,048	0.42%
	Total	**47,431,678**	**81.77%**

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Directors	Kah Wui Lim (Chairman) Grant McCarthy Zoran Grujic Adrian Bunter Nyap Liou Gan
Chairman and CEO	Kah Wui Lim
Company Secretary	Zoran Grujic
Corporate Governance Statement	Refer to http://www.8common.com/wp-content/uploads/2015/03/Corporate-Governance-Statement1.pdf
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	Automic Registry Services Level 3/50 Holt St, Surry Hills NSW 2010
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

info@8common.com

Suite 803, Level 8 213 Miller Street
North Sydney NSW 2060 Australia