Wangle Technologies™

ACN 096 870 978

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

ANNUAL REPORT
for the year ended 30 June 2016

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Andrew Haythorpe	Non-Executive Chairman
Mr Jason Gitmans	Managing Director
Mr Keaton Wallace	Non-Executive Director
Mr Cameron Worth	Executive Director

REGISTERED OFFICE

Suite 9, 330 Churchill Avenue
Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

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AUSTRALIA

POSTAL ADDRESS

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www.wangletechnonologies.com
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ASX Code: WGL

AUDITORS

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AUSTRALIA

LAWYERS

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DIRECTORS' REPORT

The directors of Wangle Technologies Limited (**ASX: WGL**) (**Company** or **Wangle**) submit herewith the annual financial report of the Company and its controlled entities (**Group**) for the financial year ended 30 June 2016 (**Report**).

DIRECTORS

The names and particulars of the directors of the Company in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

MR ANDREW HAYTHORPE
NON-EXECUTIVE CHAIRMAN

During the past 15 years Mr Haythorpe has been involved in a number of junior company turnarounds with ASX and TSX listed companies and is currently the Managing Director of Petratherm Limited (ASX: PTR).

In the past he has held numerous Board positions, including Managing Director of Michelago and Crescent Gold, Aurox Resources, Golden Heritage Mines, (which merged into Address Express Holdings), Central Kalgoorlie Gold Mines and Top End Uranium, as well as a non-executive Director of 131 Shop, Club Crocodile PL, a resort property company and Salmon Resources (Canada). During this time Mr Haythorpe was involved in over $200 million worth of equity and debt raisings, often during difficult market times.

Prior to this, he was a Fund Manager (Global Energy and Resources) and Analyst at Bankers Trust Australia, which grew and merged from $2 billion under management to over $40 billion in its Global Funds management business during the 1990's.

In the three years immediately before the end of the financial year, Mr Haythorpe was the Chairman and Managing Director of Liberty Resources (ASX: LBY).

MR JASON GITMANS *(Appointed 19 February 2016)*
MANAGING DIRECTOR

Jason has founded and started many small to medium size enterprises over his career. These include wholesale, import export and retail. His last endeavour saw him build a retail chain in over 19 European countries with 450 retail locations with over 2,000 staff in a little less than two years. His roles include top level company and entrepreneurial management.

He has built global networks across all continents. Jason currently sits on various company boards and has substantial input into their strategic development and has a huge passion for IT. Jason will oversee business development across both consumer and enterprise channels and implement key monetisation strategies to provide immediate revenue streams to the Company.

Mr Gitmans has not been a director on any other public company board in the past three years.

MR KEATON WALLACE *(Appointed 19 February 2016)*
NON-EXECUTIVE DIRECTOR

Keaton Wallace has had an extensive business career that spans both the private and public sectors over the past 15 years specialising in the execution of strategic commercialisation plans across the Telecommunications and technology sectors.

Keaton currently holds an Executive Director position on the board on ZipTel (ASX: ZIP) and as a Co-Founder has overseen the acquisition of over 12 Million users onto its core platforms. Keaton also holds a Non-Executive Director position with ABI Limited, a privately owned insurance technology platform which has experienced outstanding growth during Keaton's tenure with the Company.

Mr Wallace has not been a director on any other public company board in the past three years.

MR CAMERON (CAM) WORTH *(Appointed 16 June 2016)*
EXECUTIVE DIRECTOR & CHIEF TECHNOLOGY OFFICER

Mr Worth brings over a decade of experience of developing, implementing and deploying large-scale software and technology projects within enterprise and start-ups. He has led multiple large software and technology projects across the IT sector for leading technology companies across international markets. He consulted extensively in software development and cloud solutions.

He has founded three successful businesses, including; Red Tiki, an award winning boutique web and multimedia design agency; Simplisite Business Solutions, a specialist web, software & IT solutions provider; and Operativ Software, a specialist mobile application development studio and digital publishing agency.

Mr Worth has not been a director on any other public company board in the past three years.

MISS LOREN JONES
COMPANY SECRETARY

As well as being a Partner at and Company Secretary of Cicero Corporate Services, Miss Jones holds the positions of Non-Executive Director and Company Secretary at Brookside Energy Limited (ASX: BRK) and Blaze International Limited (ASX: BLZ). Additionally, Miss Jones currently serves as the Company Secretary of Alcidion Group Limited (ASX: ALC) and Fraser Range Metals Group Limited (ASX: FRN). Past Non-Executive Director and/or Company Secretarial positions include Intiger Group Limited (ASX: IAM), ZipTel Limited (ASX: ZIP) and MMJ Phytotech Limited (ASX: MMJ). Miss Jones also holds various positions on private company boards.

Miss Jones is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holds a Certificate IV Financial Services (Bookkeeping), has a Bachelor of Psychology from Curtin University and is currently completing her Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

FORMER DIRECTORS

MR JAMES ROBINSON *(Resigned 19 February 2016)*
NON-EXECUTIVE DIRECTOR

Mr Robinson gained extensive capital markets and advisory experience during 10 years with one of Western Australia's leading corporate advisory and stockbroking firms. Since joining Cicero in 2008, Mr Robinson has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.

He currently serves as a Director of Jacka Resources Limited (ASX: JKA) and Sugar Dragon Limited. Along with his various personal interests, he is also a Director of Cicero Corporate Services. Mr Robinson is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

Mr Robinson has not been a director on any other public company board in the past three years.

MR HARRY KARELIS *(Resigned 19 February 2016)*
NON-EXECUTIVE DIRECTOR

Mr Karelis is the founder of Titan Capital Partners – a privately held investment group involved in a range of projects. Prior to establishing Titan, Harry worked in the financial services industry with roles in financial analysis and funds management both in Australia and overseas.

He has in excess of 23 years' diversified experience in the financial services sector including fundamental analysis, fund management and private equity investment and has acted as a Director on several public and private companies in Australia, Singapore and the United Kingdom.

In the three years immediately before the end of the financial year, Mr Karelis also served as a director of BioTech Capital Ltd (ASX: BTC) (Resigned 4 August 2014) and Velpic Limited (ASX: VPC).

DIRECTORS' SHAREHOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in shares and options of Wangle Technologies Limited and the changes during the year ended 30 June 2016:

	Ordinary Shares		Options over Ordinary Shares	
Director	**Current holding**	**Net increase/ (decrease)**	**Current holding**	**Net increase/ (decrease)**
Andrew Haythorpe	21,800,000	300,000	10,000,000	(300,000)
Jason Gitmans	-	-	-	-
Keaton Wallace	54,910,844	54,910,844	7,442,433	2,731,589
Cam Worth	23,625,000	23,625,000	-	-

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' reports and in the financial report have been rounded to the nearest dollar.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report on pages 7 - 13. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION REPORT (AUDITED)

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. Share-based compensation
D. Directors' equity holdings
E. Relationship between the remuneration policy and company performance

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The whole Board form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

- The directors and executives receive a superannuation guarantee contribution required by the government, which for the year ended 30 June 2016 was 9.5% of base salary and do not receive any other retirement benefits.

- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance based remuneration component built into director and executive remuneration packages.

NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive directors consists of directors' fees, payable in arrears. The total aggregate fee pool to be paid to directors (excluding Executive directors) is set at $200,000 per year. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Company's Non-Executive directors are eligible to receive fees for their services and the reimbursement of reasonable expenses. A monthly fee of $7,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd (CCS), a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services, rent and administrative operations.

SERVICE CONTRACTS

The Company entered into services agreements with each of its executive Directors and key management personnel as part of the process of converting into a public company and listing on the ASX. The Company also entered into Non-Executive Director appointment letters outlining the policies and terms of this appointment including compensation to the office of Director.

The principal terms of the executive service agreements existing at reporting date are set out below:

Mr Andrew Haythorpe – Non-Executive Chairman

The Company entered into an agreement with Mr Andrew Haythorpe in respect of his appointment as a Non-Executive Chairman of the Company.

Mr Haythorpe is paid a fee of $60,000 per annum for his services as Non-Executive Chairman and is reimbursed for all reasonable expenses incurred in performing his duties.

Mr Jason Gitmans – Managing Director

The Company and Mr Jason Gitmans entered into a consultancy agreement on 19 February 2016 for his role as Managing Director of the Company which commenced on the same date and continues until terminated under the termination provisions outlined below. The principal terms of this agreement are as follows.

(a) The Price for the Services shall be:

  (i) for the period of 12 months from the Effective Date (19 February 2016), the Company will pay Mr Gitmans $15,000 per month;

  (ii) for the period of 12 months commencing immediately after the period referred to at (a)(i), the Company will pay Mr Gitmans $20,000 per month;

  (iii) for the period of 12 months commencing immediately after the period referred to at (a)(ii), the Company will pay Mr Gitmans $25,000 per month; and

  (iv) in addition, the Company will pay Mr Gitmans a sign-on bonus of $50,000 on the Effective Date.

(b) the agreement may be terminated

  (i) by either party without cause with 3 months' written notice or if the Company elects to with payment in lieu of notice;

(ii) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law;

(iii) by Mr Gitmans immediately, by giving notice, if the Company is in breach of a material term of this agreement.

Payments for Mr Gitmans' services are made to Stitch Ministry, a related entity.

Mr Keaton Wallace – Non-Executive Director

The Company has entered into an engagement deed with Mr Keaton Wallace in respect of his appointment as a Non-Executive Director of the Company.

Mr Wallace will be paid a fee of $8,000 per month (exclusive of statutory superannuation) for his services as Non-Executive Director from the date of his appointment being 19 February 2016 and will be reimbursed for all reasonable expenses incurred in performing his duties.

The Company does not have a Director's Retirement Scheme in place at present.

Mr Cam Worth – Executive Director & Chief Technology Officer

The Company has entered into an employment contract with Mr Cam Worth on 22 March 2016 in respect of his appointment as Chief Technology Officer of the Company which commenced on the same date and continues until terminated under the termination provisions outlined below. The principal terms of this agreement are as follows.

(a) The Remuneration for his Services shall be:

(i) $180,000 per annum for the first 12-month period following the commencement date;

(ii) $240,000 per annum for the 12-month period following the period referred to at (a)(i); and

(iii) $300,000 per annum for the 12-month period following the period referred to at (a)(ii).

(b) The agreement may be terminated by either party without cause with 3 months' written notice or if the Company elects to with payment in lieu of notice.

Mr Worth is not currently being paid a fee for his services as an Executive Director. He will however, be reimbursed for all reasonable expenses incurred in performing his duties.

The Company does not have a Director's Retirement Scheme in place at present.

Mr James Robinson – Non-Executive Director

The Company entered into a consultancy agreement with Mr James Robinson in respect of his appointment as a Non-Executive Director of the Company.

Mr Robinson is paid a fee of $5,000 per month for his services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing his duties.

The agreement may be terminated

(a) by either party without cause with 3 months' written notice or if the Company elects to with payment in lieu of notice;

(b) by Mr Robinson immediately, by giving notice, if the Company is in breach of a material term of this agreement.

Payments for Mr Robinson's services are made to Sabreline Pty Ltd, a related entity.

Mr Harry Karelis – Non-Executive Directors

The Company entered into an agreement with Mr Harry Karelis in respect of his appointment as a Non-Executive Director of the Company.

Mr Karelis is paid a fee of $60,000 per annum for his services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing his duties.

Payments for Mr Karelis' services are made to Gemelli Nominees Pty Ltd, a related entity.

B. DETAILS OF REMUNERATION

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Wangle Technologies Limited are set out below.

The key management personnel of Wangle Technologies Limited are the directors as listed on pages 4 to 6.

The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

The table below shows the 2016 and 2015 figures for remuneration received by the Company's directors:

	Short-term Employee Benefits			Post-employment Benefits	Share-based Payments		Total
Directors	**Salary & fees**	**Bonus**	**Other benefits**	**Prescribed Benefits**	**Shares**	**Options**	
	$	**$**	**$**	**$**	**$**	**$**	**$**
2016							
Andrew Haythorpe	60,000	-	4,892	-	-	-	64,892
Keaton Wallace (i)	35,907	-	1,337	-	-	-	36,434
Jason Gitmans (i)(viii)	60,000	50,000 (ii)	-	7,333 (iii)	-	-	117,333
Cam Worth (iv)	48,103	-	-	-	-	-	48,103
James Robinson (vii)(ix)	40,000	40,000 (v)	195,676 (vi)	-	-	-	275,676
Harry Karelis (vii)(x)	40,000	-	-	-	-	-	40,000
	284,010	90,000	201,905	7,333	-	-	582,438

(i) *Mr Wallace and Mr Gitmans were appointed on 19 February 2016.*
(ii) *Payment of $50,000 to Mr Jason Gitmans upon completion of the acquisition on 26 February 2016 as consideration for accepting the role of Managing Director with the Company.*
(iii) *Mr Gitmans receives a living allowance of $500 per week whilst he resides in Australia.*
(iv) *Mr Worth was appointed on 16 June 2016 and was not entitled to Directors Remuneration during the financial year. His salary of $48,103 was received in consideration for his appointment as Chief Technology Officer on 22nd March 2016.*
(v) *Mr Robinson received an additional one-off discretionary bonus in February 2016 for additional services provided in the fiscal year ending 30 June 2016, in relation to the acquisition of NexGen Networks Limited.*
(vi) *A monthly fee of $7,000 (exc. GST) paid to Cicero Corporate Services Pty Ltd, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Furthermore, in July 2015 CAS, a corporate advisory firm and AFS License holder associated with Mr Robinson was engaged to accelerate the exercising of the Company's Listed options (Options). The Options expired on 25 October 2015 with a total of $5,246,104.25 being raised for which CAS received a fee of $110,363.*
(vii) *Mr Robinson and Mr Karelis resigned on 19 February 2016.*
(viii) *Director fees and the bonus for Mr Jason Gitmans were paid to Stitch Ministry, a related entity.*
(ix) *Director fees and the bonus for Mr James Robinson were paid to Sabreline Pty Ltd, a related entity.*
(x) *Director fees for Harry Karelis were paid to Gemelli Nominees Pty Ltd, a related entity.*

RELATED PARTY TRANSACTIONS

Simplisite Business Solutions (**Simplisite**), a company related to Cam Worth, provided various software and support services to the Group including the development and commercialisation of the Wangle App. During the year, Simplisite provided services to the amount of $1,174,191 As at 30 June 2016, an amount payable of $121,854 remains outstanding.

Directors	Short-term Employee Benefits			Post-employment Benefits	Share-based Payments		Total
	Salary & fees	Bonus	Other benefits	Prescribed Benefits	Shares	Options	
	$	$	$	$	$	$	$
2015							
Andrew Haythorpe (i)	52,903	-	-	-	-	-	52,903
James Robinson	64,000	-	150,687 (ii)	-	-	-	214,687
Harry Karelis (i)	52,903	-	-	-	-	-	52,903
Patrick Corr (iii)	-	-	-	-	-	-	-
Trevor Gosatti (iii)	-	-	-	-	-	-	-
Brett Matich (iii)	-	-	-	-	-	-	-
Sean McGrath (iii)	-	-	-	-	-	-	-
	169,806	-	150,687		-	-	320,493

(i) Mr Haythorpe and Mr Karelis were appointed on 14 August 2014.

(ii) A monthly fee of $7,000 (exc. GST) paid to CCS, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Furthermore, the Company announced on 17 November 2014 that CAS, a corporate advisory firm and AFS License holder associated with WGL Director James Robinson, was appointed as Manager to the SPP Shortfall Offer. The SPP Shortfall Offer was closed on 5 December 2014 with a total of $851,513 being raised for which CAS received a 6% fee.

(iii) Messrs Corr, Gosatti, Matich and McGrath resigned on 14 August 2014.

C. SHARE-BASED COMPENSATION

Options can be issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interests of directors, executives and shareholders.

There were no options granted or other share-based compensation issued to directors or executives during the year (2015: NIL).

D. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Wangle Technologies Limited:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2016						
Andrew Haythorpe	21,500,000	-	300,000	-	-	21,800,000
Keaton Wallace (i)	-	-	54,910,844	-	-	54,910,844
Jason Gitmans (i)	-	-	-	-	-	-
Cam Worth (ii)	-	-	23,625,000	-	-	23,625,000
James Robinson (iii)	12,500,000	-	3,975,000	-	16,475,000	
Harry Karelis (iii)	10,000,000	-	-	-	10,000,000	

(i) Mr Wallace and Mr Gitmans were appointed on 19 February 2016.

(ii) Mr Worth was appointed on 16 June 2016.

(iii) Mr Robinson and Mr Karelis resigned on 19 February 2016.

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No. (i)	At date of resignation No.	Balance at 30 June No.
2015						
Andrew Haythorpe (iii)	200,000,000	-	11,500,000	(190,000,000)	-	21,500,000
James Robinson (ii)	90,000,000	-	8,000,000	(85,500,000)	-	12,500,000
Harry Karelis (ii) (iii)	-	-	10,000,000	-	-	10,000,000
Patrick Corr (iv)	-	-		-	-	
Trevor Gosatti (iv)	45,630,940	-		(43,349,393)	(2,281,547)	
Brett Matich (iv)	129,772,957	-		(123,284,309)	(6,488,648)	
Sean McGrath (iv)	-	-		-	-	

(i) Consolidation of capital on a twenty to one ratio.
(ii) Mr Robinson and Mr Karelis resigned on 19 February 2016.
(iii) Mr Haythorpe and Mr Karelis were appointed on 14 August 2014.
(iv) Messrs Corr, Gosatti, Matich and McGrath resigned on 14 August 2014.

(ii) Share options of Wangle Technologies Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the ended 30 June 2016:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No. (i)	Net other change No.	At date of resignation No.	Balance at 30 June No.
2016						
Andrew Haythorpe	10,300,000	-	(300,000)	-	-	10,000,000
Keaton Wallace (ii)	-	-	-	7,442,433	-	7,442,433
Jason Gitmans (ii)	-	-	-	-	-	-
Cam Worth (iii)	-	-	-	-	-	-
James Robinson (iv)	7,975,000	-	(2,975,000)	-	5,000,000	
Harry Karelis (iv)	10,000,000	-	-	-	10,000,000	
2015						
Andrew Haythorpe (v)	-	-	-	10,300,000	-	10,300,000
James Robinson	-	-	-	7,975,000	-	7,975,000
Harry Karelis	-	-	-	10,000,000	-	10,000,000
Patrick Corr (vi)	-	-	-	-	-	
Trevor Gosatti (vi)	-	-	-	-	-	-
Brett Matich (vi)	-	-	-	-	-	-
Sean McGrath (vi)	-	-	-	-	-	-

(i) Conversion of options at $0.025 per option.
(ii) Mr Wallace and Mr Gitmans were appointed on 19 February 2016.
(iii) Mr Worth was appointed on 16 June 2016.
(iv) Mr Robinson and Mr Karelis resigned on 19 February 2016.
(v) Mr Haythorpe and Mr Karelis were appointed on 14 August 2014.
(vi) Messrs Corr, Gosatti, Matich and McGrath resigned on 14 August 2014.

(iii) Performance shares of Wangle Technologies Limited:

The following performance shares were held directly, indirectly or beneficially by key management personnel and their related parties during the ended 30 June 2016 (2015: NIL):

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No. (i)	At date of resignation No.	Balance at 30 June No.
2016						
Andrew Haythorpe	-	-	-	-	-	-
Keaton Wallace	-	-	-	-	-	-
Jason Gitmans	-	-	-	-	-	-
Cam Worth	-	-	-	20,000,000	-	20,000,000
James Robinson	-	-	-	-	-	-
Harry Karelis	-	-	-	-	-	-

(i) Mr Worth was appointed on 16 June 2016, these performance shares were issued for consultancy services provided prior to his appointment.

E. RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

Director remuneration is currently not linked to either long term or short term performance conditions. The Board feels that the terms and conditions of options and shares currently on issue to the directors are a sufficient, long term incentive to align the goals of the directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2015 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 30 November 2015. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- - END OF REMUNERATION REPORT - -

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 21.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS MEETINGS

The following table sets out information in relation to Board meetings held during the year:

Board of Directors			
Board Member	**Eligible to Attend**	**Attended**	**Circular Resolutions Passed**
Andrew Haythorpe	10	10	12
Keaton Wallace	4	4	4
Jason Gitmans	4	4	4
Cam Worth	1	1	-
James Robinson	6	6	8
Harry Karelis	6	6	8

PRINCIPAL ACTIVITIES

Wangle Technologies patent pending technology combines a range of advanced subsystems to deliver unparalleled acceleration and data optimisation. Wangle's solution allows today's devices to access tomorrow's bandwidth speeds while reducing data usage in a safe, secure and private environment.

Additionally, Wangle Technologies is developing a proprietary family protection product which is patent pending. This new approach to managing a family's internet content and the way they use it will provide information and real time alerts to concerned parties so they can make better, more informed choices for their family.

The platform Wangles technology sits on, has been designed and built to be compliant with the data interception and retention laws of the Australian Telecommunications (Interception and Access) Act 1979.

REVIEW OF OPERATIONS

COMPLETION OF ACQUISITION

On 22 February 2016, the acquisition of 100% of the A Class Shares in NexGen Networks Limited was completed by VTX Holdings Limited. Subsequently, the Company is to be renamed Wangle Technologies Limited, following receiving shareholder approval at the General Meeting held on 23 December 2015.

Accordingly, on Friday the 19th of February 2016, the Company issued the following securities in connection with the acquisition:

Pursuant to the prospectus dated 22 December 2015:

- 200,000 fully paid ordinary shares.

Issued in consideration for the acquisition of 100% of the A Class Shares in NexGen Networks Limited;

- 182,700,000 fully paid ordinary shares;
- 26,100,000 Class A Performance Shares1;
- 26,100,000 Class B Performance Shares2; and
- 26,100,000 Class C Performance Shares3.

Unquoted options issued in consideration for corporate advisory and investor relations services.

- 5,000,000 unquoted options exercisable at $0.075 each on or before 31 August 2018;
- 5,000,000 unquoted options exercisable at $0.10 each on or before 31 August 2018; and
- 5,000,000 unquoted options exercisable at $0.15 each at any time on and from the date on which the Optionholder has introduced institutional investors that together hold not less than 5% of the issued Shares of the Company within 18 month of the date of issue of the Options until 31 August 2018.

Performance Shares issued in consideration for technology development services:

- 5,000,000 Class A Performance Shares;
- 5,000,000 Class B Performance Shares;
- 5,000,000 Class C Performance Shares; and
- 5,000,000 Class D Performance Shares.

Further details on the classes for performance shares has been disclosed within the Company's prospectus dated 22 December 2015.

BOARD CHANGES

In accordance with the terms of the acquisition of NexGen, the following Board changes became effective on the 19 February 2016:

- Jason Gitmans and Keaton Wallace were appointed as Directors of the Company; and
- James Robinson and Harry Karelis resigned as Directors of the Company.

A further appointment took place on the 16th of June 2016 when the Company's Chief Technology Officer, Cam Worth, was been appointed as a Non-Executive Director of Wangle Technologies.

OVERVIEW OF WANGLE AND ITS BUSINESS

WANGLE APP

On 24 August 2016 the Company provided an update on the status of its Application "Wangle". The Board advised the market that the Wangle App was performing with excellent stability having completed the re-engineering required to comply with the interim data retention and interception requirements and which provided the foundation for full compliance.

Wangle has demonstrated clear competitive advantages through testing which will allow consumers to take advantage of:

- A VPN more than twice as fast as the industry standard OpenVPN;
- A secure and private network underpinned by proprietary encryption; and
- Significant data savings and speed increases.

Wangle App will launch as a free download on Google Play for Android users and via the Apple App Store for iOS users or before the 14th of October 2016.

For further information and updates on the release of the Wangle App, please visit: www.wan.gl

The Company's marketing partner Dentsu Mitchell will commence the advertising and commercialisation strategy on 30 September 2016 ahead of the October launch.

Dentsu Mitchell undertook research and has identified seven key customer segments most receptive to making a VPN purchase equating to a measurable advertising audience of more than 3.3 million people.

A digital marketing and media plan was formulated to target these seven key areas including:

- An analysis on audience segments;
- A targeting and optimisation approach;
- Social media plan;
- Search plan;
- Reporting plan;
- Research plan
- Timing and phasing; and
- Content recommendations.

The Company is also developing a suite of innovative technology products that expands on the underlying network-based offering. These include a revolutionary new product based on the Company's latest patent application, Wangle Insites and Family Protection.

The technology will identify unusual network traffic and recognise changes in behaviour patterns in online usage. This intelligence can then be used to provide real time alerts were concerning changes are identified. This will be a new vertical and complimentary product offering and the first of its kind.

Wangle has signed a 3-year collaboration agreement with Telethon Kids Institute, one of Australia's largest and most successful medical research organisations. The collaboration will help expand the practical application of the technology.

WANGLE MICROCHIP

The Company's resources and focus this year has been on the development and commercialisation of the consumer App 'Wangle' ensuring its stability and compliance for its release.

This has meant a delay in the development of the microchip project with Power Skills, however the Company will recommence this project in due course and update the market accordingly.

ENTERPRISE

Further work is being undertaken in the enterprise sector, post App release, with updates to come as material news comes to hand.

FINANCIAL REVIEW

The Group has incurred a net loss after tax for the year ended 30 June 2016 of $7,729,649 (2015: $390,702), and a net cash outflow from operations of $1,313,951 (2015: $597,102). At 30 June 2016, the Group has net current assets of $3,148,354 (2015: $965,422) and net equity of $4,455,741 (2015: $984,699).

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2016:

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Revenues from ordinary activities	116,706	19,118	5,813	18,950	251,613
Loss from ordinary activities after tax attributable to members	(7,740,266)	(390,702)	(840,940)	(376,457)	(650,885)
Net loss for the period attributable to members	(7,740,266)	(390,702)	(840,940)	(376,457)	(650,885)
Share price at start of year ($)	0.041	0.001	0.001	0.001	0.001
Share price at end of year ($)	0.03	0.041*	0.001	0.001	0.001
Basic & diluted profit/(loss) per share	(0.014)	(0.001)*	(0.00027)	(0.00017)	(0.00053)

** Post-consolidation basis*

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure management's objectives and activities are aligned by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and Board monitoring of the progress against budgets.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Group completed the acquisition of NexGen Networks Limited, enabling the Group to expand into the significant and fast growing global mobile technology sector. NexGen is a New Zealand based software technology company, developing cutting edge software technology ready to market globally. Refer to the Review of Operations on page 14 for further details.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27 July 2016 the Company announced that it had lodged a patent for its latest technology which can identify unusual network traffic and recognise changes in behaviour patterns in online usage. This intelligence can be used to provide real time alerts where concerning changes are identified.

A combination of components make up the newly patented technology including creating network data summaries by platform and endpoint, mapping data summaries to applications and sessions, identifying session patterns and alerting concerned parties of variances from established baselines.

This developed technology allows Wangle to expand its offering and open up a new vertical of revenue for the Company whilst furthering its competitive advantage prior to release.

On 24 August 2016 the Company confirmed that the Wangle App is performing with excellent stability having completed the re-engineering required to comply with the interim data retention and interception requirements and provide the foundation for full compliance.

The Company further confirmed that the Wangle App will launch as a free download on Google Play for Android users and via the Apple App Store for iOS user, targeting an initial 500,000 paying subscribers through online marketing, on or before 14 October 2016.

The Company's marketing partner Dentsu Mitchell will commence the advertising and commercialisation strategy on September 30th, 2016 ahead of the October launch.

On 30 August 2016 the Company announced that it had signed a 3-year collaboration agreement with Telethon Kids Institute, one of Australia's largest and most successful medical research organisations. The collaboration will help expand the practical application of the technology.

On 29 September 2016 the Company issued a further 2,000,000 fully paid ordinary shares arising on the conversion of options in the Company to raise a total of $50,000.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities to date have not been subject to any particular and significant environmental regulation under Laws of either the Commonwealth of Australia or a State or Territory of Australia.

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Wangle Technologies Limited against costs incurred in defending conduct involving:

a) A breach of duty,

b) A contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

Wangle has agreed to indemnify all directors and executive officers of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of Wangle, except where the liability has arisen as a result of a wilful breach of duty in relation to the Company. The agreement stipulates that Wangle will meet the full amount of any such liabilities, including costs and expenses. The Company has paid a total of $8,000 in insurance premiums, relating to Director and Officer insurance, during the financial year.

DIVIDENDS

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

OPTIONS

During the 2016 financial year, the Group issued 15,000,000 options. These options have an expiry date of 31 August 2018 and various exercise prices as follows:

Expiry Date	Number of Options	Exercise Price
31 August 2018	5,000,000	$0.075
31 August 2018	5,000,000	$0.10
31 August 2018	5,000,000	$0.15

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Group are important. Non-audit services were provided by the Company's current auditors, Pitcher Partners Corporate & Audit (WA) Pty Ltd as detailed below.

The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid/ payable to Pitcher Partners BA&A Pty or related entities for non-audit services	30 June 2016 $	30 June 2015 $
Preparation of Investigating Accountants Report	12,013	-

COMPLIANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance policies and practices of the Company are reviewed annually in accordance with the standards required of the Company by the Directors, the ASX, ASIC and other relevant stakeholders, to ensure that the highest appropriate governance standards are maintained, commensurate with the size and operations of the Company.

The ASX Corporate Governance Council released the third edition of its Corporate Governance Principles and Recommendations on 27 March 2014 to take effect for the first full financial year commencing on or after 1 July 2014. The Company's Corporate Governance Statement, and associated policy documents complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as appropriate, having regard to the size of the Company and the nature of its enterprise. The Corporate Governance Statement can be found on the Company's web site:
www.wangletechnologies.com.au

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Company are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Company's expense obtain independent professional advice to properly discharge his responsibilities.

BOARD COMPOSITION

The Board consists of one Executive and three Non-Executive Directors. Details of their skills, experience and expertise and the year of office held by each director have been included in the Directors' Report. The number of Board meetings and the attendance of the directors are set out in the Directors' Report.

The Board will decide on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate nomination committee. Until the situation changes the Board of Wangle will carry out any necessary nomination committee functions.

SHARE TRADING POLICY

Directors, officers and employees are prohibited from dealing in Wangle shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the Company by any director or officer of the Company.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

For, and on behalf of, the Board of the Company,

Andrew Haythorpe
Chairman
Perth, Western Australia this 30th day of September 2016

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Wangle Technologies Limited and its controlled entities

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Wangle Technologies Limited and the entities it controlled during the year.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2016

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the year ended on that date;

(c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the year ended 30 June 2016.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the Corporations Act 2001.

For, and on behalf of, the Board of the Company,

Andrew Haythorpe
Chairman
Perth, Western Australia this 30th day of September 2016

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report of Wangle Technologies Limited (the "Company"), and its controlled entities (together the "Group") which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the consolidated financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Opinion

In our opinion:

(a) the consolidated financial report of Wangle Technologies Limited and its controlled entities 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 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2016. 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 Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wangle Technologies Limited and its controlled entities for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2016

	Notes	2016 $	2015 $
Continuing operations			
Revenue	4	53,977	-
Interest income	4	62,729	19,118
Research and development costs, materials and consultants		(208,567)	(24,627)
Directors' fees, salaries, superannuation and consulting costs		(409,276)	(170,306)
Depreciation expenses		(9,684)	(4,856)
Public company costs, fees, share registry, shareholder costs		(165,467)	(59,989)
Occupancy costs		(73,720)	4,361
Legal fees		(268,769)	(18,232)
Audit fees		(36,058)	(25,147)
Insurances		(13,665)	(8,567)
Interest expenses		(2,730)	(438)
Foreign exchange expense		29,449	-
Other expenses from ordinary activities		(128,871)	(13,019)
Corporate fees		(114,195)	(89,000)
Share-based payments		(357,846)	-
Impairment expense	3.3	(6,086,956)	-
Loss before income tax expense		**(7,846,355)**	**(409,820)**
Income tax (benefit)/expense		-	-
Loss for the year from continuing operations		**(7,729,649)**	**(390,702)**
Other comprehensive income		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		(7,740,266)	-
Loss attributable to non-controlling interests		10,617	-
		(7,729,649)	**(390,702)**
Loss per share			
From continuing operations			
Basic and diluted loss per share (cents per share)	6	(0.014)	(0.001)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 $	2015 $
Current assets			
Cash and cash equivalents	20	3,245,569	937,776
Trade and other receivables	8	240,603	20,686
Other current assets	10	-	100,000
Total current assets		3,486,172	1,058,462
Non-current assets			
Plant and equipment	9	82,337	19,277
Development costs	11	1,195,362	-
Intellectual property	11	29,688	
Total non-current assets		1,307,387	19,277
Total assets		**4,793,559**	**1,077,739**
Liabilities			
Current liabilities			
Trade and other payables	12	297,645	93,040
Other financial liabilities		40,173	-
Total current liabilities		337,818	93,040
Total liabilities		**337,818**	**93,040**
Net assets		**4,455,741**	**984,699**
Equity			
Issued capital	13	21,102,320	11,415,813
Reserves	14	2,304,327	660,074
Accumulated losses		(18,837,303)	(11,091,188)
Non-controlling interest		(113,603)	-
Total equity		**4,455,741**	**984,699**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2016

	Share Capital $	Option Premium Reserve $	Performance Share Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling Interests $	Total $
Balance at 1 July 2014	9,811,391	657,097	-	-	(10,700,486)	-	(231,998)
Consolidated loss for the year	-	-	-	-	(390,702)	-	(390,702)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(390,702)**	**-**	**(390,702)**
Shares/options issued during the year	1,679,013	2,977	-	-	-	-	1,681,990
Share/option issue costs	(74,591)	-	-	-	-	-	(74,591)
Balance at 30 June 2015	**11,415,813**	**660,074**	**-**	**-**	**(11,091,188)**	**-**	**984,699**
Balance at 1 July 2015	11,415,813	660,074	-	-	(11,091,188)	-	984,699
Consolidated loss for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Total comprehensive income for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	(124,220)	(124,220)
Shares/options issued during the year	5,265,656	-	-	-	-	-	5,265,656
Shares issued on the acquisition of subsidiary	4557,948	60,113	1,583,941	199	(5,849)	-	6,196,352
Share/option issue costs	(137,097)	-	-	-	-	-	(137,097)
Balance at 30 June 2016	**21,102,320**	**720,187**	**1,583,941**	**199**	**(18,837,303)**	**(113,603)**	**4,455,741**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,463,067)	(615,782)
Receipts from customers		89,117	-
Interest received	4	62,729	19,118
Interest paid		(2,730)	(438)
Net cash used by operating activities	20.1	**(1,313,951)**	(597,102)
Cash flows from investing activities			
Payments for property, plant and equipment		(47,309)	-
Payments in relation to acquisition		(236,420)	(100,000)
Payments for intangible assets; development costs	11	(1,193,200)	-
Payments for intangible assets; intellectual property	11	(29,688)	-
Net cash generated by investing activities		**(1,506,617)**	**(100,000)**
Cash flows from financing activities			
Proceeds from issues of shares	13	5,265,458	1,679,013
Payments of share issue costs		(137,097)	(74,591)
Proceeds from issue of options		-	2,977
Net cash generated by financing activities		**5,128,361**	**1,607,399**
Net (decrease)/increase in cash and cash equivalents		2,307,793	910,297
Cash and cash equivalents at the beginning of the year		937,776	27,479
Cash and cash equivalents at the end of the year	20	**3,245,569**	**937,776**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

1. GENERAL INFORMATION

Wangle Technologies Limited (the Company and controlled entities) is a limited company incorporated in Australia. The principal activity in the course of the financial year was the development, compliance and commercialisation of the Wangle Application.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and its controlled entities (collectively the Group).

The financial statements were authorised for issue by the directors on 30 September 2016.

2.1. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

2.1.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Board Standards (**AASBs**) set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

2.1.2. Financial position

The consolidated 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. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2016 of $7,729,649 (2015: $390,702), and a net cash outflow from operations of $1,313,951 (2015: $597,102). At 30 June 2016, the Group has net current assets of $3,148,354 (2015: $965,422) and net equity of $4,455,741 (2015: $984,699).

The Directors are satisfied that, having reviewed the performance of the Company and forecasts for the forthcoming year, the Group has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors have adopted the going concern basis for the preparation of the consolidated financial statements.

2.1.3. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.1.4. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

2.2. PRINCIPLES OF CONSOLIDATION

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

2.2.1. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquisition; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.2.2. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.2.3. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.2.4. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2.5. 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. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction 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 the 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 gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies and foreign operations

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

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

2.3. ASSET ACQUISITION

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 *Income Taxes* applies. No goodwill will arise on the acquisition.

2.4. TAXATION

2.4.1. Income tax

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 the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore 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 recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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 legally enforceable right of set-off exists, 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.

2.4.2. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2.4.3. Fair Value

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

2.5. PLANT AND EQUIPMENT

2.5.1. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1h Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

2.5.2. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

2.5.3. Depreciation

Depreciation is charged to the income statement on a diminishing value or straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

Class of fixed asset	Depreciation rate (%)
Plant and Equipment	20
Motor Vehicles	20
Office Equipment	20-40
Furniture and Fittings	20
Computer Equipment	40-100

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

2.6. RESEARCH & DEVELOPMENT EXPENDITURE

The Group capitalises all research and development costs as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following has been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit, which will normally be the useful life of the asset.

During the period of development, the asset is tested for impairment annually.

2.7. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 2.4.1) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

2.8. FINANCIAL INSTRUMENTS

2.8.1. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.8.2. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

2.8.3. Classification and Subsequent Measurement

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

2.8.4. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

2.8.5. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

2.8.6. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

2.8.7. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

2.8.8. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2.8.9. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

2.9. EMPLOYEE BENEFITS

2.9.1. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled wholly within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

2.9.2. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

2.9.3. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

2.9.4. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

2.9.5. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2.10. SHARE BASED PAYMENTS TRANSACTIONS

Under AASB 2 Share Based Payments, the Group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. For Options the fair value is determined using a Black-Scholes model.

2.11. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

2.12. CONTINGENT LIABILITY

Contingent liabilities are not recognised but are disclosed in the financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable and the amount can be reliably estimated, a provision is recognised.

The amount disclosed as a contingent liability is the best estimate of the settlement.

2.13. EARNINGS PER SHARE

2.13.1. Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

2.13.2. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2.14. LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2.15. REVENUE AND OTHER INCOME

Interest revenue is recognised in accordance with Note 2.8.9 Finance income and expenses.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of GST (Note 2.4.2 Goods and Services Tax (GST)).

2.15.1. Government grants

Government grants are recognised under AASB 120 where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Income from the Research & Development (R&D) Tax Offset is recognised in profit before tax over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Expenditure on research and development is capitalised to the balance sheet in the year in which it is incurred (Note 2.6 Research & Development Expenditure).

2.16. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.17. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.17.1. Key judgements and estimates - Business Combinations

Refer Note 2.2.1 Business combinations on page 30.

2.17.2. Key Estimate - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 7 Income Tax on page 49.

2.17.3. Key Estimate - Intangible assets and amortisation

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

2.17.4. Key Estimate – Provision for R&D

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the amount refundable on accrual basis. In determining the amount of the R&D provision at year end, there is an estimation process utilising a conservative approach. Any changes to the estimation are recorded in the subsequent Financial Year.

2.17.5. Share Based Payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

2.17.6. Research & Development Assets

The Company's accounting policy for capitalised development expenditure is set out in Note 2.6. The application of this policy necessarily requires management to make certain estimates and assumptions as to the future events and circumstances of the Company. Any such estimate and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the expenditures relate to aspects of the asset no longer utilised, or it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

2.17.7. Impairment of Assets

In determining the recoverable amount of assets, in the absences of quoted market prices, estimations are made regarding the present value of future cash flows using asset specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

2.18. NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. Any new, revised or amending AASBs that are not yet mandatory have not been early adopted. The adoption of these AASBs did not have any significant impact on the financial performance or position of the Group.

2.19. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

AASBs that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

2.19.1. AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (**OCI**) or financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (**ECL**) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

2.19.2. AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. 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 those goods or services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand- alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

2.19.3. AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

3. ASSET ACQUISITION TREATMENT

3.1. NEXGEN NETWORKS PTY LTD

On 26 February 2016 Wangle Technologies Limited acquired 65.25% of the issued shares in NexGen Networks Limited (**NexGen**), a New Zealand based software technology company, for consideration of $5,953,708. The acquisition is expected to increase the group's market share and reduce cost through economies of scale.

Under accounting standard AASB 3 Business Combinations, an entity is required to make an assessment of whether assets acquired and liabilities assumed as part of a transaction constitutes a business and provide guidance on making this determination. If the assets acquired do not meet the definition of a business, the transaction is accounted for as an asset acquisition.
A 'business' is defined in AASB 3 (para B7) as consisting of 'inputs and processes applied to those inputs that have the ability to create outputs'. Para B10 outlines factors to consider in determining whether a set of activities is a business, these include:

- *whether planned principal activities have begun;*
- *whether there are employees, intellectual property and other inputs and processes that could be applied to inputs;*
- *whether a plan to produce outputs is being pursued; and*
- *ability to access customers that will purchase outputs.*

Analyses of the NexGen at the date of shareholder approval against the above criteria indicates that the Licences do not meet the definition of a business for the following reasons:

- *NexGen was only very recently incorporated when the transaction process commenced and was done so to create a "structure" for the research & development activities that were being undertaken in relation to the new Wangle technology*
- *No proprietary/intellectual property was held or deemed held at the time that the transaction process commenced, all development expenditure at this time was included in the profit and loss as no licence/patents/formalised IP was in place*
- *NexGen did not have any employees and minimal established processes and procedures. All development activity was outsourced to contractors.*
- *A plan to produce outputs or identification of potential customers had not yet occurred given the early stage of the project.*

Given the above, the acquisition of NexGen will be accounted for as an asset acquisition in the consolidated financial statements of the Group.

3.2. CONTINGENT CONSIDERATION FOR ACQUISITION OF B CLASS SHARES IN NEXGEN TECHNOLOGIES LIMITED (NEXGEN)

3.2.1. Potential non-cash consideration

The Company has agreed to grant to each of the B Class Vendors a 'Put Option' being the right to require the Company to purchase 100% of the NexGen B Class Shares on issue (being 34.75% of the total issued capital of NexGen).

The B Class Vendors may exercise the Put Option at any time within 12 months after the commencement date of 29 October 2015. Should the Company receive written notice from the B Class Vendors stating they wish to exercise the Put Option, the following will be issued as consideration:

(a) 97,300,000 fully paid ordinary shares; and

(b) 41,700,000 Performance Shares consisting of three equal classes (Class A – C) convertible into fully paid ordinary shares upon satisfaction of the relevant milestones for each class. Further details on the classes for performance shares has been disclosed within the Company's prospectus dated 22 December 2015.

The Directors' best estimate of the above equity issues is that it would have a $2.144m impact on the Company's share capital and Statement of Comprehensive Income.
The timing of these issues is entirely within the control of the B Class Vendors as the execution of the Put Option is at their discretion.

There are currently no other contingent liabilities.

3.3. ASSET ACQUISITION

3.3.1. Current period

On 26 February 2016 Wangle Technologies Limited acquired 65.25% of the issued shares in NexGen Networks Limited, a New Zealand based software technology company, for consideration of $5,953,708. The acquisition is expected to increase the group's market share and reduce cost through economies of scale.

Details of the purchase consideration, the net assets acquired and intangible assets acquired are as follows:

Purchase consideration:	
Cash paid	100,000
Acquisition Shares	5,853,708
Total purchase consideration	5,953,708

The assets and liabilities recognised as a result of the acquisition are as follows:

	FAIR VALUE
Cash	284,306
Receivables	92,029
PPE	25,435
Development Costs	2,162
Creditors	(111,457)
Loans	(549,943)
Net Identifiable assets acquired	(257,467)
Less: Non-controlling interest (34.75%)	(124,220)
Add: Intangible assets fully impaired on acquisition	6,086,956
	5,953,708

(i) Acquisition-related costs:

Acquisition-related costs of $60,113 are included in share-based payments in the Statement of comprehensive income.

(ii) Contingent consideration:

The contingent consideration arrangement requires the Company to pay B Class shareholders in NexGen Networks Limited.

Refer to Note 3.2: Contingent Consideration for further details.

4. REVENUE

4.1. REVENUE FROM CONTINUING OPERATIONS

	2016 $	2015 $
Revenue	53,977	-
Interest received	62,729	19,118
	116,706	19,118

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

Audit fees	36,058	25,147
Superannuation	1,285	-
	37,343	25.147

6. LOSS PER SHARE

6.1. BASIC LOSS PER SHARE

	2016 Cents Per Share	2015 Cents Per Share
From continuing operations	(0.014)	(0.001)
From discontinued operations	-	-
Total basic loss per share	(0.014)	(0.001)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2016 Cents Per Share	2015 Cents Per Share
Loss for the year from continuing operations	(7,740,266)	(390,702)
Loss for the year	(7,740,266)	(390,702)
	No.	**No.**
Weighted average number of ordinary shares for the purposes of basic loss per share	550,056,095	270,298,607

6.2. DILUTED LOSS PER SHARE

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	No.	No.
Unlisted options exercisable at $0.025 on or before 31 August 2018	62,034,867	99,019,734
Unlisted options exercisable at $0.075 on or before 31 August 2018	5,000,000	-
Unlisted options exercisable at $0.10 on or before 31 August 2018	5,000,000	-
Unlisted options exercisable at $0.15 on or before 31 August 2018	5,000,000	-

7. INCOME TAX

7.1. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2016 $	2015 $
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

Loss before tax	(7,7,29,649)	(390,702)
Income tax expense/(benefit) calculated at 28.5% (2015: 30%)	(2,202,950)	(117,211)
Adjustment in respect of previous current income tax	1,904	(68,780)
Effect of expenses that are not deductible on determining taxable profit/(loss)	1,931,863	27,131
Other deductible items	(14,049)	(17,232)
Effect of unused tax losses not recognised as deferred tax assets	283,232	176,092
Income tax expense in consolidated statement of comprehensives income	-	-

The tax rate used for the 2016 year of 28.5% (2015: 30%) is the corporate tax rate of payable by small business entities on taxable profits under Australian law.

7.2. TAX LOSSES

Deferred tax assets on the unused 2016 revenue tax loss of $8,302,537 (2015: $7,364,210) and 2016 capital loss of $140,760 (2015: $140,760) have not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

(a) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

(b) The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

7.3. UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets recognised directly in equity	37,232	30,090
Revenue income tax losses not brought to account at 28.5% (2015: 30%)	2,366,223	2,167,035
Capital income tax losses not brought to account at 28.5% (2015: 30%)	40,117	42,228
Other temporary differences	6,906	285
Effect of unused tax losses not recognised as deferred tax assets	283,232	176,092
Unrecognised deferred tax assets relating to the above temporary differences	2,450,478	2,239,638

8. CURRENT TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Trade debtors	386,847	386,847
Provision for impairment (i)	(386,847)	(386,847)
Sundry debtors and prepayments	240,603	20,686
	240,603	20,686

(i) As at 30 June 2016, current trade receivables of the Group with a value of $386,847 were impaired. The amount of the provision was $386,847 (2015: $386,847).

Trade receivable are non-interest bearing and generally on terms of 14-60 days.
No provision for impairment at year end is considered necessary.

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2015: $NIL).

Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

9. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Plant and equipment at cost	347,120	379,838
Accumulated depreciation and impairment	(343,075)	(374,841)
	4,045	4,997
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(74,411)	(71,692)
	11,561	14,280
Office equipment at cost	70,624	64,596
Accumulated depreciation	(64,596)	(64,596)
	6,028	-
Office furniture at cost	20,995	17,991
Accumulated depreciation	(18,032)	(17,991)
	2,963	-
Computer - at cost	63,711	-
Accumulated depreciation	(5,971)	-
	57,740	-
Total accumulated depreciation and impairment	82,337	19,277

9.1. MOVEMENT IN CARRYING AMOUNTS:

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Office Furniture $	Computer Equipment $	Total $
Carrying amount at 30 June 2014	6,170	17,631	-	332	-	24,133
Disposals	-	-	-	-	-	-
Depreciation expense	(1,173)	(3,351)	-	(332)	-	(4,856)
Carrying amount at 30 June 2015	4,997	14,280	-	-	-	19,277
Acquisitions	-	-	6,028	3,005	63,712	74,744
Depreciation expense	(952)	(2,719)	-	(42)	(5,971)	(9,684)
Carrying amount at 30 June 2016	4,045	11,561	6,028	2,963	57,741	82,337

10. OTHER CURRENT ASSETS

Financial information relating to the other current asset is set out below:

	2016 $	2015 $
Balance at the beginning of the year	100,000	-
Additions:		
Payments in relation to acquisition	-	100,000
Total	-	100,000
Less:		
Acquisition of subsidiary	(100,000)	-
Balance at the end of the year	-	100,000

11. INTANGIBLE ASSETS

	2016 $	2015 $
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-
Goodwill at cost		
Amount written off – goodwill	49,998	49,998
	(49,998)	(49,998)
	-	-
Software development costs capitalised during the period[(i)]	1,195,362	-
Intellectual property cost capitalised during the period	29,688	-
	1,225,050	-

(i) Development of the Wangle Application was still in progress at year end

12. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Current		
Unsecured trade creditors	194,918	27,071
Sundry creditors and accruals	102,727	65,969
	297,645	93,040

13. ISSUED CAPITAL

	2016 $	2015 $
717,744,168 fully paid ordinary shares (2015: 325,000,000)	21,102,320	11,415,813

13.1. FULLY PAID ORDINARY SHARES

	2016		2015	
	No.	$	No.	$
Balance at beginning of year	325,000,000	11,415,813	3,141,972,236	9,811,391
Shares issued at $0.0005	-	-	1,385,000,000	692,500
Consolidation on a 1:20 basis	-	-	(4,300,623,565)	-
SPP Placement at $0.01	-	-	98,651,329	986,513
Conversion of options	209,844,168	5,255,656	-	-
Prospectus placement $0.05	200,000	10,000	-	-
Acquisition - A Class shares	182,700,000	4,557,948	-	-
Share issue costs	-	(137,097)	-	(74,591)
Balance at end of year	717,744,168	21,102,320	325,000,000	11,415,813

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

13.2. SHARE OPTIONS ON ISSUE

Share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2016, the Company has:

- 62,034,867 unlisted share options on issue (2015: 99,019,734) exercisable on a 1:1 basis for 62,034,867 shares (2015: 99,019,734) at an exercise price of $0.025 cents on a post-consolidation basis. The options expire on 31 August 2018;

- 5,000,000 unlisted share options on issue (2015: NIL) exercisable on a 1:1 basis for 5,000,000 shares (2015: NIL) at an exercise price of $0.075 cents on a post-consolidation basis. The options expire on 31 August 2018;

- 5,000,000 unlisted share options on issue (2015: NIL) exercisable on a 1:1 basis for 5,000,000 shares (2015: NIL) at an exercise price of $0.10 cents on a post-consolidation basis. The options expire on 31 August 2018; and

- 5,000,000 unlisted share options on issue (2015: NIL) exercisable on a 1:1 basis for 5,000,000 shares (2015: NIL) at an exercise price of $0.15 cents on a post-consolidation basis. The options expire on 31 August 2018.

14. RESERVES

	2016 $	2015 $
Option reserve balance at beginning of year	660,074	657,097
Options issued during the year	60,113	2,977
Option reserve balance at end of the financial year	720,187	660,074

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

	2016 $	2015 $
Performance share reserve balance at beginning of year	-	-
Performance share issued during the year	1,583,941	-
Performance share reserve balance at end of the financial year	1,583,941	-

The reserve arises on the on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 30 June 2016 none of the Company's performance shares had been issued. Amounts will be transferred out of reserve and into accumulated losses when performance shares expire or lapse.

15. SHARE OPTIONS

Each option issued converts into one ordinary share of Wangle Technologies Limited on exercise. Options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

15.1. MOVEMENTS IN SHARE OPTIONS DURING THE YEAR

The following reconciles the share options outstanding at the beginning and end of the year:

	2016		2015	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	275,000,000	0.025	3,125,000,000	0.00125
Consolidation on a 1:20 basis	-	-	(2,968,750,000)	-
Granted during the year	15,000,000[(i)]	0.108	118,750,000	0.025
Exercised during the year	(209,844,168)	0.025	-	-
Expired during the year	(3,120,965)	0.025	-	-
Balance at end of the year	77,034,867	0.041	275,000,000	0.025
Exercisable at end of the year	77,034,867	0.041	275,000,000	0.025

(i) Options issued as consideration for advisory and investor relations services

15.2. SHARE OPTIONS EXERCISED DURING THE YEAR

During the year 209,844,168 options were converted into shares (2015: NIL).

15.3. SHARE OPTIONS OUTSTANDING AT THE END OF THE YEAR

The share options of 77,034,867 outstanding at the end of the year had a weighted average exercise price of $0.041 (2015: $0.025) and a weighted average remaining contractual life of 791 (2015: 1,148 days).

16. SHARE BASED PAYMENTS

Share based payments made during the year ended 30 June 2016 are summarised below.

16.1. RECOGNISED SHARE BASED PAYMENT EXPENSE

	2016 $	2015 $
Unlisted options issued to consultants in lieu of services provided	60,113	-
Performance shares issued to a consultant in lieu of services	297,733	-
	357,846	-

(1) The Company issued 15,00,000 options (2015: nil) to advisory and investor relation consultants as payment for their services provided during the year. These options comprise:
   a. 5,000,000 unquoted options exercisable at $0.075 each on or before 31 August 2018;
   b. 5,000,000 unquoted options exercisable at $0.01 each on or before 31 August 2018;
   c. 5,000,000 unquoted options exercisable at $0.15 each on or before 31 August 2018

   The value assigned to these payments has been determined using the Black Scholes Model as it is considered to provide the most appropriate value for unlisted options in the Company. See 16(b) for detailed terms and assumptions.

(2) The Company issued 20,000,000 performance shares (2015: nil) to Cameron Worth for services provided in his role as an independent technical and commercial advisor engaged by the Company (prior to his appointment as Non-Executive Director). The value assigned to this payment has been made with reference to the underlying value of the Company's share price and the probability of performance targets being achieved.

16.2. OPTIONS GRANTED DURING THE YEAR

The Company granted the following options in June 2016:

Number of Options Issued	Issue Date	Vesting Date	Expiry Date	Exercise Price	Total Value (i)	Recipient
5,000,000	23 June 2015	23 June 2015	31 August 2018	$0.075	$20,084.48	Consultants
5,000,000	23 June 2015	23 June 2015	31 August 2018	$0.10	$20,045.50	Consultants
5,000,000	23 June 2015	23 June 2015	31 August 2018	$0.15	$19,983.02	Consultants

(i) As the options issued are unlisted, the Company determined the most appropriate value using the Black Scholes Model.

Number of Options	Underlying share price (VWAP)	Exercise price	Expected volatility	Expiry date (years)	Expected dividends	Risk free rate	Probability of share issue	Value per option
5,000,000	$0.007	$0.075	316%	3.19	Nil	2.03%	61.02%	$0.004
5,000,000	$0.007	$0.10	316%	3.19	Nil	2.03%	61.02%	$0.004
5,000,000	$0.007	$0.15	316%	3.19	Nil	2.03%	61.02%	$0.004

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17. FINANCIAL INSTRUMENTS

17.1. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2015.

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

17.2. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of directors provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include interest rate risk, liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks by making use of credit risk policies and future cash requirements. These are approved by the Board of directors and are reviewed on a regular basis.

17.3. INTEREST RATE RISK

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits. The Group's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

17.3.1. Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by $16,228 (2015: $4,689). Where interest rates decreased, there would be an equal and opposite impact on the loss.

17.3.2. Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 2.

At risk amounts are as follows:

Financial assets

	2016 $	2015 $
Cash and cash equivalents	3,245,569	937,776
Trade and other receivables	240,603	20,687
	3,486,172	958,463

17.4. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, identifying when further capital raising initiatives are required. The Group presently has no significant source of operating income; it is reliant on equity contributions and cooperation of creditors and lenders to continue as a going concern.

	Contractual cash flows				
	Carrying amount $	<6 months $	>6-12 months $	>12 months $	Total contractual cash flows $
2016					
Financial assets:					
Cash and cash equivalents	3,245,569	3,245,569	-	-	3,245,569
Trade and other receivables	240,603	-	240,603	-	240,603
	3,486,172	3,245,569	240,603	-	3,486,172
Financial liabilities:					
Trade and other payables	297,645	297,645	-	-	297,645
Other financial liabilities	40,173	40,173	-	-	40,173
	337,818	337,818		-	337,818
2015					
Financial assets:					
Cash and cash equivalents	937,776	937,776	-	-	937,776
Trade and other receivables	20,686	-	20,687	-	20,686
	958,462	937,776	20,687	-	958,462
Financial liabilities:					
Trade and other payables	93,040	93,040	-	-	93,040
	93,040	93,040	-	-	93,040

17.5. CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's bank has an "AA-" long term issuer rating by Standards & Poors (S&P).

17.5.1. Impairment losses

As at 30 June 2016 the Board decided that the intangible asset acquired as part of the NexGen Networks Limited acquisition would not derive future economic benefits for the Group and thus recorded an impairment of $6,086,956 in recognition of this. No impairment losses were recognised for the year ended 30 June 2015. Refer to Note 3.3 for an analysis of the impaired loss.

18. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2.2. Details of subsidiary companies are as follows:

Entity	Incorporation	2016 Ownership	2015 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%
NexGen Networks Limited	New Zealand	65.25%	Nil
VTX Holdings (Singapore) Pte. Ltd	Singapore	100%	Nil
Wangle Operations Pty Ltd	Australia	100%	Nil

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

19.1. DETAILS OF KEY MANAGEMENT PERSONNEL

MR ANDREW HAYTHORPE
NON-EXECUTIVE CHAIRMAN

MR JASON GITMANS *(Appointed 19 February 2016)*
MANAGING DIRECTOR

MR KEATON WALLACE *(Appointed 19 February 2016)*
NON-EXECUTIVE DIRECTOR

MR CAMERON (CAM) WORTH (*Appointed 16 June 2016)*
EXECUTIVE DIRECTOR & CHIEF TECHNOLOGY OFFICER

MR JAMES ROBINSON *(Resigned 19 February 2016)*
NON-EXECUTIVE DIRECTOR

MR HARRY KARELIS *(Resigned 19 February 2016)*
NON-EXECUTIVE DIRECTOR

19.2. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Group is set out below:

	2016 $	2015 $
Short-term employee benefits	374,010	169,806
Post-employment benefits	7,333	-
Other benefits	201,905	150,687
	582,438	320,493

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 7 to 13.

20. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Wangle Technologies Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

20.1. LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There have been no loans to key management personnel during the year.

20.2. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

Key management personnel compensation

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 7 to 13.

Key management personnel related parties

Transactions with related parties (if any) of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 7 to 13.

Key management personnel equity holdings

The equity holdings of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 7 to 13.

21. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2016 $	2015 $
Cash and cash equivalents	3,245,569	937,776

21.1. RECONCILIATION OF (LOSS)/PROFIT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/profit for the year	(7,729,649)	(390,702)
Non-cash items		
Depreciation	9,684	4,856
Impairment of intangible assets	6,086,956	
Share based payments	357,846	
	(1,275,163)	(385,846)
Movements in working capital		
(Increase) in prepayments	(167)	(9,409)
(Increase) in trade and other receivables	(133,568)	(100,000)
(Decrease) in trade and other payables	94,947	(201,847)
Net cash used in operating activities	(1,313,951)	(697,102)

21.2. NON-CASH TRANSACTIONS

In the prior year, the Group did not enter into any non-cash financing activities as reflected in the consolidated statement of cash flows.

22. COMMITMENTS

	Executive Fees	Development Services	Corporate Fees
Agreement Start date	19/02/2016	26/04/2016	18/08/2014
Expiry date	n/a	26/04/2018	n/a
Monthly amount	15,000	60,000	7,000
Terms of agreement	90 days' notice	90 days' notice (i)	180 days' notice
Within 12 months to June 2016	45,000	219,000	42,000
Within 2 <5 years	-	-	-
Total	45,000	219,000	42,000

(i) *If the contract for development services is terminated, a termination fee is payable to the service provider totalling 5% of the minimum remaining monthly payments due under the Contract but for the termination.*

23. REMUNERATION OF AUDITORS

The auditor of Wangle Technologies Limited and its subsidiary is Pitcher Partners Corporate & Audit (WA) Pty Ltd, who were appointed at the 2011 Annual General Meeting held on 23 January 2012.

	2016 $	2015 $
Audit and review of the financial statements	36,058	25,147
Non-audit services (i)	12,013	-
	48,071	25,147

(i) *$12,013 was paid to Pitcher Partners BA&A Pty Ltd during the 2016 financial year (2015: $Nil) for the preparation of the Investigating Accountant's Report for inclusion in the Company's 22 December 2015 Prospectus.*

24. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the Wangle Application. The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

25. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

26. EVENTS AFTER THE REPORTING PERIOD

On 27 July 2016 the Company announced that it had lodged a patent for its latest technology which can identify unusual network traffic and recognise changes in behaviour patterns in online usage. This intelligence can be used to provide real time alerts where concerning changes are identified.

A combination of components make up the newly patented technology including creating network data summaries by platform and endpoint, mapping data summaries to applications and sessions, identifying session patterns and alerting concerned parties of variances from established baselines.

This developed technology allows Wangle to expand its offering and open up a new vertical of revenue for the Company whilst furthering its competitive advantage prior to release.

On 24 August 2016 the Company confirmed that the Wangle App is performing with excellent stability having completed the re-engineering required to comply with the interim data retention and interception requirements and provide the foundation for full compliance.

The Company further confirmed that the Wangle App will launch as a free download on Google Play for Android users and via the Apple App Store for iOS user, targeting an initial 500,000 paying subscribers through online marketing, on or before 14 October 2016.

The Company's marketing partner Dentsu Mitchell will commence the advertising and commercialisation strategy on September 30th, 2016 ahead of the October launch.

On 30 August 2016 the Company announced that it had signed a 3-year collaboration agreement with Telethon Kids Institute, one of Australia's largest and most successful medical research organisations. The collaboration will help expand the practical application of the technology.

On 29 September 2016 the Company issued a further 2,000,000 fully paid ordinary shares arising on the conversion of options in the Company to raise a total of $50,000.

27. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2016 $	2015 $
Current assets		
Cash and cash equivalents	3,176,756	937,776
Trade and other receivables	116,195	20,686
Other current assets	913,664	100,000
Total current assets	4,206,615	1,058,462
Non-current assets		
Plant and equipment	-	-
Development costs	952,035	-
Intellectual property	29,688	
Total non-current assets	981,723	-
Total assets	**5,188,338**	**1,058,462**
Liabilities		
Current liabilities		
Trade and other payables	99,104	54,278
Total current liabilities	99,104	54,278
Total liabilities	**99,104**	**54,278**
Net assets	**5,089,234**	**1,004,184**
Equity		
Issued capital	16,656,195	11,537,187
Reserves	660,074	660,074
Accumulated losses	(12,227,035)	(11,193,077)
Total equity	**5,089,234**	**1,004,184**
Statement of comprehensive income		
Total (loss)/profit and comprehensive (expense)/income	(1,033,958)	(443,845)

27.1. THE PARENT ENTITY HAS THE FOLLOWING COMMITMENTS:

	Executive Fees	Corporate Fees
Agreement Start date	19/02/2016	18/08/2014
Expiry date	n/a	n/a
Monthly amount	15,000	7,000
Terms of agreement	90 days' notice	180 days' notice
Within 12 months to June 2016	45,000	42,000
Within 2 <5 years	-	-
Total	45,000	42,000

28. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of directors and authorised for issue on 30 September 2016.

ADDITIONAL SHAREHOLDERS' INFORMATION

Wangle Technologies Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are the following number of Ordinary fully paid shares

	Number of shares
Balance at the beginning of the year	325,000,000
Movements of share options during the year and to the date of this report	394,744,167
Total number of shares at the date of this report	**719,744,168**

SHARES UNDER OPTION

At the date of this report there are 75,034,867 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	275,000,000
Movements of share options during the year and to the date of this report	(199,965,133)
Total number of options outstanding at the date of this report	**75,034,867**

The balance is comprised of the following:

Number of options	Expiry date	Exercise price (cents)	Listed/Unlisted
60,034,867	31 August 2018	$0.025	Unlisted
5,000,000	31 August 2018	$0.075	Unlisted
5,000,000	31 August 2018	$0.10	Unlisted
5,000,000	31 August 2018	$0.15	Unlisted

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Wangle Technologies Limited has the following substantial shareholders as at 29 September 2016:

Name	Number of shares	Percentage of issued capital
THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD	61,250,000	8.51%
CARDUP SYNDICATE HOLDINGS PTY LTD (THE CARDUP SYNDICATE A/C)	50,200,000	6.97%

RANGE OF SHARES AS AT 29 SEPTEMBER 2016

Range	Total Holders	Units	% Issued Capital
1 - 1,000	273	137,378	0.02%
1,001 - 5,000	169	434,843	0.06%
5,001 - 10,000	76	650,569	0.09%
10,001 - 100,000	933	44,724,194	6.21%
100,001 - > 100,001	795	673,797,184	93.62%
Total	**2,246**	**719,744,168**	

UNMARKETABLE PARCELS AS AT 29 SEPTEMBER 2016

	Minimum parcel size	Holders	Units
Minimum $500.00 parcel at $0.044 per unit	11,364	535	1,405,016

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 29 SEPTEMBER 2016

	HOLDER NAME	Units	%
1	THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD	61,250,000	8.51%
2	CARDUP SYNDICATE HOLDINGS PTY LTD (THE CARDUP SYNDICATE A/C)	50,200,000	6.97%
3	ALIKABAY PTY LTD	23,625,000	3.28%
4	INDOMAIN ENTERPRISES PTY LTD	22,950,000	3.19%
5	OURO PTY LTD	15,000,000	2.08%
6	GOLDEN POWER LTD	12,950,000	1.80%
7	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY (SUPER FUND A/C)	12,000,000	1.67%
8	OZ RETRO PTY LTD (GOLD RUSH FAMILY A/C)	10,500,000	1.46%
9	MR JONATHAN MARK WILD & MRS JUSTYNA WILD (THE WILD FAMILY A/C)	10,000,000	1.39%
10	TOPLINK HOLDINGS PTY LTD	8,750,000	1.22%
11	THE TRUST COMPANY (AUSTRALIA) LIMITED (MOF A/C)	8,300,000	1.15%
12	MR PAUL STEWART DUNSHEA	7,713,864	1.07%
13	MR ANDREW JOHN HAYTHORPE & MRS RAGEN HAYTHORPE (AJH SUPERANNUATION FUND A/C)	6,800,000	0.94%
14	MR PAUL SIMON DONGRAY (THE DONGRAY FAMILY NO 2 A/C)	6,000,000	0.83%
15	MR GREG LORNE MACKENZIE & MICHELLE MARY MACKENZIE (TELSON A/C)	6,000,000	0.83%
16	MR KENNETH RUSSELL GRYLLS	5,563,585	0.77%
17	MR HUGH ANTHONY SHARPE	4,940,000	0.69%
18	MR KEATON PAUL WALLACE	4,710,844	0.65%
19	U C MONDELLO PTY LTD	4,375,000	0.61%
20	MR ROBERT GREGORY LOOBY (FAMILY ACCOUNT)	3,900,000	0.54%
Total of Top 20 Holders of ORDINARY SHARES		**285,528,293**	**39.78%**