THE GRUDEN GROUP

31 August 2017

FY 2017 Preliminary Results

Highlights

- **Successful restructure and completion of integration of the business units**
- **Government, Digital Services and Performance Marketing business units continue to secure projects with blue chip clients**
- **Building momentum in MobileDEN with the securing of new leading brand name clients and delivering innovative loyalty, ordering and payment solutions**

Market leading technology agency, The Gruden Group Limited (ASX:GGL) (Gruden or the Company) has today submitted its Appendix 4E and is pleased to present a Preliminary Financial Report for the 12 month period ended 30 June 2017.

CORPORATE OVERVIEW

FY17 represented the Company's first full year as a listed entity. The Board and Management team were focused on the integration of the four businesses that were brought together as part of the transaction and which are now operating as one entity.

Following the successful integration and a review of the management structure, the CEO responsibilities are now shared between Executive Chairman Mr Stephen Harrison and founding Director and COO Todd Trevillion. Mr Tim Parker tendered his resignation as CEO post the year-end.

Other Board level changes that occurred during the year include Mr Warren Barry stepping down from the Board and his position as Executive Director. He continues in his position as Executive Sales Director and was replaced by Mr Terry Butler, a co-founder of Blackglass. Mr Gary Castledine also stepped down as Chairman and Mr Stephen Harrison (previously a non-executive director) took on the role as Executive Chairman. Mr Castledine remains on the board as a non-Executive Director.

FINANCIAL PERFORMANCE

Revenue for FY17 totalled $15.7 million (total income $16.36 million), reflecting a 21% increase on FY16. The increase was due to significant project wins and continued growth of the Company's established Digital Services, Government and Performance Marketing units. MobileDEN's revenue contribution is increasing with 13% of revenue attributable to MobileDEN in FY17 with a notable shift in revenue streams from services to licensing, transaction fee and maintenance annuity revenues.

The Company reported a net loss of $6.5 million (underlying loss of $4.1 million) for the year vs FY16 profit of $202k. The loss is in part due to the company's ongoing investment in MobileDEN, initial group integration costs and increased corporate costs with being a public company.

The 2H FY17 underlying loss of $1.6m was significantly lower than 1H FY17 $2.57m, a result of the restructure that took place at the end of 1H FY17 that saw a number of initiatives implemented during 2H FY17 to reduce expenditure and streamline the business' operations.

In FY18, expenditure is expected to be lower following completion of the restructure.

OPERATIONAL PROGRESS

The Company's four business units: Gruden Government, Gruden Performance Marketing, Gruden Digital Services and MobileDEN each recorded continued strong performance throughout the year.

Gruden's Government business unit continued to provide its best-in-class digital services to the government sector and secured a number of new contracts including the NSW Small Business Commissioner (OSBC). This win represented a material contract worth nearly $3 million over 3 years.

The Australian Government, in collaboration with the NSW Department of Finance, Services and Innovation also contracted Gruden Government for further enhancement of its whole of Government procurement information and tender system, AusTender. This represented another material contract with a revenue contribution of $1.8 million in total with $835.5k recognised in FY17 and the balance to come in FY18.

With the launch of the new Connect product, MobileDEN re-signed casual dining restaurant chain, Mad Mex. The Connect product will be rolled out to more than 50 casual dining restaurants across Australia and will replace Mad Mex's existing loyalty Apps.

Australia's leading café group, The Coffee Club, also chose MobileDEN to drive its ordering, payments and loyalty program to be rolled out across 300 of its stores.

The Company achieved premier Google Partner status recognising its specialisation in Search Advertising.

Gruden's Digital Services business unit has consistently delivered enterprise solutions to many of Australia's leading brands for over 20 years. Some of the notable client wins and deliveries secured during the year include Hanover Re, Secure Parking, Essential Energy and Frasers Property.

OUTLOOK

Revenue is increasing across all business units and there is a robust sales pipeline across the business.

The Company will continue to invest in the MobileDEN product, but are cognisant of ensuring a strong cash balance. The key focus in FY18 is therefore on driving revenue across the business and prudently managing the capital expenditure to build free cash flow.

THE GRUDEN GROUP

Gruden has a strong reputation in the market for providing transformational digital services to big brand names and it will continue to leverage this reputation to drive new client wins throughout FY18.

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About Gruden

The Gruden Group Limited is a market-leading provider of Digital Transformation services offering fully integrated fintech platforms in the digital marketplace, with over 100 staff and contractors, across five office locations. The Company comprises the award-winning Gruden Digital Services, Gruden Performance Marketing, award-winning Gruden MobileDEN and Gruden Government. Services offered across the group include digital marketing, web and mobile application development and mobile loyalty with point of sale integration.

For more information visit www.thegrudengroup.com

THE GRUDEN GROUP

ASX Preliminary Final Report – 30 June 2017

Lodged with the ASX under Listing Rule 4.3A

The Gruden Group Ltd
ABN 56 125 943 240

Appendix 4E: Preliminary Final report for year ending 30 June 2017

Name of entity	The Gruden Group Ltd
ABN	56 125 943 240
Financial year ended	30 June 2017
Previous corresponding reporting period	30 June 2016

Results for announcement to the market

Revenue from ordinary activities	up	N/A[1]	to	$15,700,032
Profit / (Loss) from ordinary activities after tax attributable to the owners of The Gruden Group Ltd	up	N/A[1]	to	($6,492,753)
Profit / (Loss) for the period attributable to the owners of The Gruden Group Ltd	up	N/A[1]	to	($6,492,753)

[1.] In the prior year, Results shown were shown post acquisition for the period 26 May 2016 to 30 June 2016.

Dividends

No dividends were paid or proposed to members during the year ended 30 June 2017 or in the previous year.

Brief explanation of results

A net loss after tax of $6,492,753 is reported by the Group for the year ended 30 June 2017 (30 June 2016: Profit of $201,597.

The 2017 loss included $1,559,134 impairment of goodwill and $1,077,537 derecognition of deferred tax assets relating to carry-forward tax losses. The 2016 net result included an income tax benefit of $1,160,022 relating largely to the recognition of carry-forward tax losses. Loss per share was 0.98 cents (2016: earnings per share 0.04 cents).

At 30 June 2017, cash and cash equivalents and other financial assets totalled $2,916,318 (2016: $5,672,513). Of that amount, $304,142 (2016: $365,151) was restricted cash (Refer Note 7 and Note 9).

For further explanation of the results please refer to the “Operating and Financial Review” within the Directors’ report of the Financial Report.

Review of consolidated financial results

Refer to the Directors’ report, financial statements and supporting notes in the attached Annual Report for the year ended 30 June 2017 for additional detail.

Discontinued operations

There were no operations that were discontinued during the year.

Events occurring after the balance sheet date

There are no matters or circumstances that have arisen since 30 June 2017 that have affected or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

Supplementary Appendix 4E information

Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

Net tangible assets per security

NTA backing	Current period	Previous period
Net tangible asset backing per ordinary security (undiluted)	0.10 cents	0.69 cents

Control gained or lost during the period

Control gained

There were no transactions entered into by the group during the year ended 30 June 2017 that resulted in control being gained over any entities.

Control lost

There were no transactions entered into by the group during the year ended 30 June 2017 that resulted in control being lost over any entities.

Subsidiaries

The consolidated results incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of incorporation	Class of Share	Equity Holding 30 June 2017	Equity Holding 30 June 2016
Controlled entity			%	%
Longreach Number 2 Pty Ltd	Australia	Ordinary	100%	100%
Gruden Pty Ltd	Australia	Ordinary	100%	100%
MobileDen Pty Ltd	Australia	Ordinary	100%	100%
Blackglass Pty Ltd	Australia	Ordinary	100%	100%
First People Digital Pty Ltd (previously Ixion Interactive Pty Ltd)	Australia	Ordinary	49%	100%

The proportion of ownership interest is equal to the proportion of voting power held.

Supplementary Appendix 4E information continued

Associates and joint venture entities

First People Digital Pty Ltd is a joint venture with Jarrak Holdings Pty Ltd as trustee of the 'NEB Trust'.

Report based on audited accounts

This report has been based on accounts which have been audited. A copy of the unqualified audit report can be found in the accompanying annual report.

GRUDEN

THE GRUDEN GROUP LTD

Annual Report 2017

TABLE OF CONTENTS

FROM THE CHAIRMAN

Dear Shareholder,

It is with great pleasure that I welcome you to this year's Annual Report for the financial year ended 30 June 2017. This year represents our first full year as a listed public company for The Gruden Group and I would like to take the opportunity to reflect on the business' progress.

Our listing on the ASX in May 2016 saw four businesses units come together under the Gruden umbrella. Since then, we have been focused on the seamless integration of all four businesses, which are now operating as one integrated group. Each business unit continues to deliver its clients a unique digital offering and the wider group is now able to leverage additional capabilities and competencies from across the business.

Our established Digital services, Government and Performance marketing business's are generating significant revenues and continuing to grow. This has enabled us to continue to invest in our innovative loyalty, payments and ordering application, MobileDEN. The MobileDEN platform has undergone a series of optimizations and improvements throughout the year, with the team consistently improving the technology and user experience. As a result of improvements and hard work from the team, MobileDEN is now powering the ordering and loyalty capabilities from leading brands including Red Rooster, Mad Mex and Starbucks with Coffee Club recently announced and to come online in 2017/18.

The new client wins during the year are both encouraging and self evident of the platform's capabilities and demand from the quick service restaurant (QSR) sector for innovative ordering, payment and loyalty applications that can easily integrate with their existing systems.

There have been significant client wins across the business with our Government business selected in a competitive tender by the NSW Small Business Commissioner (OSBC) to deliver and support a new system and the Australian Government, in collaboration with the NSW Department of Finance, Services and Innovation also contracted Gruden Government for further enhancement of its procurement information and tender system, AusTender, Australia's largest online platform.

We have consistently delivered digital strategy services and digital assets to some of Australia's leading brands with our Performance Marketing and Digital Services business units securing a number of new brand clients throughout the year.

Demand from Government and Corporates for digital assets is not expected to slow down. In a digital era, it is more important than ever for businesses to offer their customers a unique and superior user experience. E-commerce in particular is powered by platforms. Without a functioning and easy to use platform, consumers often abandon or give up on transactions. Furthermore, consumers want to feel valued and rewarded by the brands they are loyal to, making it increasingly pertinent that brands have a loyalty system that customers can easily access. Technology plays a key role in this and it is through MobileDEN and our Digital Services business that we intend to become a significant player in this market. With leading brands already using our technology and expertise for their ordering, loyalty and payments capabilities we are well positioned in this sector to expand further into the QSR market and other verticals.

I was delighted to recently take the position as Executive Chairman. Having been on the Board as a Non-Executive Director. Since then we have been working hard to restructure the business to position it for future profitable growth. I have been impressed by both the quality of our people and the achievements of the business and am excited by the potential of the MobileDEN and our other offerings in the market.

This year, the Board and management are focused on further progressing the growth of MobileDEN and we expect to see another year of milestones as we further optimize the product and roll it out across franchises nationwide. Whilst we will continue to invest in the technology and growth of the platform, we are cognizant of the need to manage the cost base, and it is a key priority to focus on building free cash flow and returning the business to profitability in FY18.

I would like to take this opportunity to thank our loyal shareholders for their continued support and I look forward to sharing our progress with you this year.

Yours Sincerely

Stephen Harrison

Executive Chairman

DIRECTORS REPORT

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as Gruden or the Group) consisting of The Gruden Group Ltd (referred to as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Operating and Financial Review

FY17 represented Gruden's first full year as a listed entity. The Company successfully completed its ASX listing in May 2016, upon which the four business units came together to operate as one entity, the Gruden Group. The integration of the four businesses was a focus for the Board and Management team throughout 2016-2017, and they are now operating as one fully integrated entity. During the last quarter of the financial year the management team has further streamlined the internal operation, delivering reductions in operating cost that will be evident in 2018.

The Company's four business units: Gruden Government, Gruden Performance Marketing, Gruden Digital Services and MobileDEN. Each business unit delivers its clients a unique digital offering enabling them to digitally transform their businesses and enhance the services they deliver to their customers.

Financial Overview

Revenue from continuing ordinary activities totaled $15.7 million (total income $16.36 million), an increase of 21% on FY16 ($13 million, full year including pre acquisition). The increase is attributable to continued client wins across the Company's established digital business units and growth of the MobileDEN platform, driving transactional and annuity revenues.

The Company reported a loss before income tax of $5.7 million v FY16 loss of $958k.

The underlying loss of $4.1million in FY17 v an underlying loss of $958k in FY16, is in part due to the investment in MobileDEN as it attributed to 33% of the loss and increased corporate costs associated with being a public company.

The 2H FY17 underlying loss before tax of $1.6m was significantly lower than 1H17 $2.57m, a result of the restructure that took place at the end of 1H17 that saw a number of initiatives implemented during 2H FY17 to reduce expenditure and streamline the businesses operation.

Operational Overview of Business Units

Gruden Government

Gruden's Government business unit continued to provide its best-in-class digital services to the government sector and secured a number of new contracts including being selected in a competitive tender by the NSW Small Business Commissioner (OSBC) to deliver and support a new system to streamline the current user experience and services offered to the OSBC's audience. The client win represented a material contract worth nearly $3 million over 3 years.

The Australian Government, in collaboration with the NSW Department of Finance, Services and Innovation also contracted Gruden Government for further enhancement of its whole of Government procurement

information and tender system, AusTender. This was a continuation of Gruden's initial build of the Government's AusTender platform. This represented another material contract with a total revenue contribution of $1.8 million.

The past year has seen us offer a new range of services to Government departments and businesses specifically in the area of Managed Cloud Services which has been possible due to our AWS Certified Government Partner status. Being selected as a panel member on the Commonwealth Cloud Services Panel has seen us migrate the AusTender platform into the cloud, being one of the first major Government platforms to make the transition.

Gruden's Government credentials are continually expanding due to our success at both the federal and state level. This past year has seen our inclusion on the number of Government panels increase to 7, which provides us with a pre-approved status level for agencies looking for a wide range of digital and technology services.

MobileDEN

In the lead up towards the end of the year, MobileDEN has built up strong momentum. In conjunction with a number of other initiatives, it launched its new Connect product. Connect is a specialist loyalty App that leverages off the core MobileDEN platform that integrates with any brands existing POS and loyalty system, allowing for complete oversight across all franchises, whilst providing a real time marketing and engagement feed that pushes relevant content and offers to a brands loyal customers.

With the launch of the new Connect product, MobileDEN re-signed casual dining restaurant chain, Mad Mex, as its first customer for the new product. Mad Mex will use Connect to provide an enhanced digital customer loyalty program to its customers. The Connect product will be rolled out to more than 50 casual dining restaurants across Australia and will replace Mad Mex's existing loyalty Apps.

Australia's leading café group, The Coffee Club, also chose MobileDEN to drive its ordering, payments and loyalty program. The contract will see MobileDEN rolled out across The Coffee Club's ~300 stores throughout Australia and will provide The Coffee Club's customers with a free, seamlessly integrated mobile app to access their loyalty program rewards and incentives, order ahead capabilities, as well as creating a convenient and engaging customer experience for the mobile and digital channel.

This year also saw MobileDEN launch the Red Rooster Home Delivery website that's powered Red Rooster's hugely successful home delivery service nationwide. This core offering of MobileDEN's has gone from strength to strength and has seen continual month-on-month growth in both the transactions provisioned through the platform and the number of orders / customers using this platform. The result of leveraging MobileDEN has introduced a new and growing revenue stream to Red Rooster and has allowed MobileDEN to continually optimise and enhance its product offering to our clients and brands.

Other developments for MobileDEN included a strategic partnership with PayPal, the online global payments system. The partnership enabled MobileDEN, to process payments through PayPal. More importantly, the integration of PayPal into the MobileDEN platform expedites the on-boarding process of brands and their franchises and enhances the service provided to MobileDEN's brand customers. It provides a seamless reporting tool from a single source that will enable brands to easily consolidate the transactions processed by franchisee/store and payment method (cash, credit card, loyalty points or PayPal), giving more oversight. It also enables MobileDEN to process payments on behalf of the individual franchisee and reduces the liability for its customers.

MobileDEN continues to outperform and illustrates to the business the success of a growing licensing and transaction revenue stream, ultimately increasing our annuity revenue. We continue to invest into the ongoing development and enhancement of MobileDEN and we look forward to seeing greater successes in the coming financial year.

Gruden Performance Marketing

The Performance Marketing business unit is a Google Premier Partner agency, placing it in the top 10% of digital agencies nationally for our best practice and results driven approach. We use an omni-channel approach for our campaigns and have 12 years' experience driving engagement, leads, transactions, and app downloads.

We help our clients to be found by their core audiences through targeted and geo-localised ads across a range of digital channels, or through high ranking organic search results.

Our core expertise is in SEO, SEM, social media, content, email marketing, and conversion rate optimization where we work with a range of clients from nationwide retailers such as Betta, all the way through to large property developers such as Frasers Property.

Some of the notable projects over the past 12 months have been Frasers Property, Ausgrid, Housing Industry Association (HIA), Betta Home Living, Globus Family of Brands, Penrith Panthers, and Westmead Breast Cancer Institute, as well as significant new wins with key brands such as public listed companies RosterElf and TikForce.

Gruden Digital Services

Gruden's Digital Services business unit has consistently delivered enterprise solutions to many of Australia's leading brands for over 20 years. Over the past year we've experienced a significant increase in the complexity and size of projects we service, as well as a significant shift from traditional websites to developing transformational business platforms. This has resulted in us increasing our capabilities and breadth of services to deliver these complex platforms, as well as strengthen our service delivery in products such as the industry leading Sitecore Experience Platform.

This growth is under pinned by our newly revised engagement strategy, where our strategy and consulting division have helped enterprise and large corporate clients clearly map out, define and derive their digital transformational roadmap to compete and stay relevant in the new digital age.

Some of the notable client wins and deliveries secured during the year include Hanover Re, Secure Parking, Essential Energy and Frasers Property.

A Full Service Technology Agency

The culmination and collaboration of all business units within Gruden provides our clients with a wide range of leading digital and technology services to help transform and maintain their business in the online world. By focusing on a measurable return on investment and delivering strong customer experiences and technology solutions, the Gruden Group is well positioned to build on the momentum experienced in FY17.

Board Changes

Mr Warren Barry stepped down from the Board and his position as Executive Director. Mr Barry continues in

his position as National Sales Director and remains committed to the development and growth of the business. Mr Barry was replaced by Terry Butler, a co-founder of Blackglass. Mr Butler's career spans 45 years and has held Executive and Senior Management positions in a range of business sectors and industries. He has considerable entrepreneurial and commercial skills and is the Managing Director and founder of ENRAMS Australia Pty Ltd. Mr Butler also completed twenty-five years' service with the Royal Australian Navy.

Mr Gary Castledine also stepped down as Chairman and Mr Stephen Harrison (previously a non-executive director) took on the role as Executive Chairman. Mr Castledine, remains on the board and continues as a non-Executive Director.

Following the year-end, CEO Mr Tim Parker tendered his resignation. Mr Parker was the Company's inaugural CEO following the merger of the Group's businesses and was instrumental in transitioning the Company to an integrated group of businesses. Following a comprehensive review of the management structure and operations, Mr Parker stepped down and Executive Chairman Mr Stephen Harrison and founding Director and COO Todd Trevillion have assumed the CEO responsibilities.

Review of consolidated financial results

The financial year ended 30 June 2017 is the first full year of operations for the Group post acquisition.

On 26 May 2016, The Gruden Group Ltd (previously known as Exoma Energy Limited) completed the acquisition of the business and assets of Blackglass Pty Ltd, MobileDEN Pty Ltd, Gruden Pty Ltd and Ixion Interactive Pty Ltd, for a consideration of $5,691,552, settled by issue of ordinary and performance shares in The Gruden Group Ltd.

Directors' Report continued

Statement of profit or loss

For the year ended 30 June 2017, the net loss after tax was $6,492,753 compared to a profit of $201,597 for the year ended 30 June 2016. The change in operating results is not comparable year on year as in the 2016 year, results shown are post acquisition for 1 month only (period 26 May 2016 to 30 June 2016).

Statement of Profit or Loss	Year ended 30 June 2017	Year ended 30 June 2016	Change
Revenue from services	13,152,988	1,159,784	11,993,204
Revenue from media buying	2,547,044	204,520	2,342,524
Total Revenue	**15,700,032**	**1,364,304**	**14,335,728**
Other income	663,752	279,926	383,826
Total Income	**16,363,784**	**1,644,230**	**14,719,554**
Cost of sales	(12,648,771)	(944,111)	(11,704,660)
Employee expenses	(4,112,973)	(429,401)	(3,683,572)
General administrative expenses	(1,472,963)	(532,150)	(940,813)
Consultants, legal and other professional fees	(141,039)	(370,661)	229,622
Occupancy costs	(837,685)	(391,723)	(445,962)
Other costs	(199,013)	(86,042)	(112,971)
EBITDA	**(3,048,660)**	**(1,109,858)**	**(1,938,802)**
Other depreciation and amortisation expenses	(1,119,446)	(3,935)	(1,115,511)
Finance Income	38,736	155,957	(117,221)
Finance costs	(843)	(589)	(254)
Underlying profit (loss) before income tax	**(4,130,213)**	**(958,425)**	**(3,171,788)**
Impairment of goodwill	(1,559,134)	-	(1,559,134)
Reported profit/ (loss) before income tax	**(5,689,347)**	**(958,425)**	**(4,730,922**
Income tax benefit / (expense)	(803,406)	1,160,022	(1,963,428)
Reported profit/ (loss) after income tax	**(6,492,753)**	**201,597**	**(6,694,350)**

In the 2016 year, results shown are post acquisition for the period 26 May 2016 to 30 June 2016.

- Revenue generated in the year of $15,700,032 was from providing IT services of $13,152,988 and media buying of $2,547,044.

- Other income for the year of $663,752 included sub-lease rental earned of $370,365 (2016: $279,926), and government grants from R & D rebates of $252,219.
- Cost of sales of $12,648,771 represents direct costs incurred to generate the revenue of $15,700,032, resulting in a gross profit of $3,051,261 (gross margin of 19%).
- Consultants, legal and other professional fees have decreased by $229,622 due to higher amount incurred in the prior year resulting from the acquisition.
- Occupancy costs have increased by $445,962 as a result of the additional office space occupied by the acquired Group.
- Depreciation and amortisation expenses of $1,119,466 primarily represent the amortisation of Intangibles - software and customer contracts.
- Finance income has reduced by $117,221 due to the utilisation of funds for the development of the MobileDEN platform and working capital of the Gruden Group.
- Impairment of goodwill of $1,559,134 was relating to the goodwill attributed at acquisition to MobileDEN which was impaired as the carrying amount of goodwill exceeded the recoverable amount.
- Income tax expense of $803,406 was mainly due to the derecognition of deferred tax assets relating to carry-forward tax losses, and the add back of impairment costs. The 2016 net result included an income tax benefit of $1,160,022.

Cash flow overview

Statement of cash flow	Year ended 30 June 2017	Year ended 30 June 2016	Change
Net cash outflows from operating activities	(1,973,342)	(1,288,669)	(684,673)
Net cash outflows from investing activities	(721,844)	(11,142)	(710,702)
Net cash outflows from financing activities	-	(150,000)	150,000
Net decrease in cash held	(2,695,186)	(1,449,811)	(1,245,375)
Cash and cash equivalents at beginning of year	5,307,362	6,757,173	(1,449,811)
Cash and cash equivalents at the end of year	**2,612,176**	**5,307,362**	**(2,695,186)**

Operating activities

Cash outflows from operating activities for the year ended 30 June 2017 were $1,973,342, which is $684,673 higher than the prior period. The increase is attributed to the 12 month operating business activity in comparison to 1 month in the prior year.

Investing activities

Cash outflows from investing activities amounted to $721,844 in the current year compared to an outflow of $11,142 in the previous period. The increase of $710,702 is due to payments for Plant and equipment of $207,977 and development of the MobileDEN software platform of $718,327 which was offset by government grants received of $200,341.

Financing activities

Cash outflows relating to financing activities in the prior year of $150,000, was the repayment of loans in the acquired businesses.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents at 30 June 2017 of $2,612,176 reduced by $2,695,186 on the previous year (30 June 2016: $5,307,362). The reduction was mainly due to payments for operating activities of $1,973,342, net investment in the MobileDEN platform of $517,986 and payments for plant and equipment of $207,977 .

Trade and other receivables

Trade and other receivables decreased by $108,297 to $1,846,880.

Plant and equipment

The plant and equipment increased by $110,139 as a result of acquisitions of $212,230 during the year offset by the depreciation charge for the year of $97,972.

Intangible assets

The intangible assets decreased by $2,062,622 as a result of the impairment of goodwill in MobileDEN of $1,559,134 and amortisation of software and customer contracts of $1,021,474, offset by additions to the MobileDEN platform of $517,986.

Deferred tax assets

Deferred tax assets reduced by $782,575 mainly due to the derecognition of tax losses of $1,077,537 as it is not probable within the immediate future that taxable profit will be available for offset.

Trade and other payables

Trade and other payables decreased by $83,474 during the year.

Provisions

The provisions balance current and non-current of $773,437 increased by $236,290.

Deferred revenue

Deferred revenue of $1,213,233 increased by $723,392, which represented billings in advance of work completed and reflects the structure of the new contracts entered to.

Contributed equity

Contributed equity increased by $1,465,122 due to the issue of shares to employees and the conversion of the Class A performance shares.

Directors' Report continued

Directors

The directors of The Gruden Group Ltd who held office at any time during the financial year and up to the date of this report were:

Director	Date of Appointment	Date of Resignation
Stephen Harrison	26 October 2009	-
Gary Castledine	20 August 2014	-
Todd Trevillion	13 May 2016	-
Terry Butler	22 June 2017	-
Warren Barry	13 May 2016	22 June 2017

Principal activities and significant changes in principal activities

The principal activities of the Group are the provision of specialist technology and digital marketing services for clients wanting to interact and engage with their customers via mobile, web and various digital channels.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the year.

Dividends

The directors recommend that no dividend be paid or declared at this point in time. No amounts have been paid or declared by way of dividend during the financial year.

Review of operations

The loss after tax of the Group for the financial year ended 30 June 2017 was $6,492,753 (2016: profit of $201,597). The 2017 loss included $1,559,134 impairment of goodwill and $1,077,537 derecognition of deferred tax assets relating to carry-forward tax losses. The 2016 net result included an income tax benefit of $1,160,022 relating largely to the recognition of carry-forward tax losses. Loss per share was 0.98 cents (2016: earnings per share 0.04 cents).

At 30 June 2017, cash and cash equivalents and other financial assets totalled $2,916,318 (2016: $5,672,513). Of that amount, $304,142 (2016: $365,151) was restricted cash (refer Note 7 and Note 9).

Further information on the operations of the Group and its business strategies and prospects is set out in the Operating and Financial Review of this Annual Report.

Directors' Report continued

Events since the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have affected or may significantly affect the operations, results of those operations, or state of affairs of the Group in future financial years.

Likely developments and expected results of operations

Gruden is well positioned to build upon its digital transformational capabilities through its core service offerings across all business units, as well as capitalise on the unique offering that MobileDEN brings to its clients and shareholders.

With the world focused on digital engagement and transformation, Gruden is well positioned to be the partner of choice for many companies and government agencies due to our experience and breadth of capabilities.

A continuing focus on building our annuity revenue streams to bolster our existing service revenue will be a focus in the coming years.

Information about Directors

Stephen Harrison BEc, CPA
Non-Executive Director - Chairman from 22 June 2017

Non-Executive Director since 26 October 2009. Mr Harrison has over 30 years of experience in the financial services, funds management, private equity and accounting fields. He has held director positions with Investec Funds Management and the Australian subsidiary of US based fund manager Sanford C. Bernstein. Previously, he was National Director, Financial Services for BDO Nelson Parkhill, Chartered Accountants. Mr Harrison has been a founder and held directorships in a number of listed companies both in Australia and overseas.

Other current directorships	Nil
Former directorships in last 3 years	Kairiki Energy Limited (15 February 2013 – 15 June 2016)
Special responsibilities	Chairman of the Board from 22 June 2017 and Chairman of the Audit and Remuneration Committees from 26 May 2016
Interests in shares and options	Ordinary Shares: 35,375,545

Gary Castledine
Non-Executive Director – Appointed 20 August 2014

Non-Executive Director since 20 August 2014. Mr Castledine has over 20 years' experience in stockbroking and capital markets. He was previously a founding director and the head of corporate with a Perth, Western Australia based specialist boutique securities dealer and corporate advisory firm. Mr Castledine is currently specialising in corporate finance with boutique investment banking and corporate advisory firm Westar Capital Ltd. Mr Castledine's experience has enabled him to gather an extensive suite of clients in a corporate advisory role which has seen him involved in many capital raisings and IPO's across a spectrum of industries. He is currently a member of the Stockbrokers Association of Australia.

Other current directorships	Non-executive Chairman of Vector Resources Ltd since 24 February 2009
Former directorships in last 3 years	WHL Energy Limited (5 February 2016 – 1 March 2017) Laconia Resources Ltd (8 May 2015 – 18 October 2016)
Special responsibilities	Chairman of the Board from 27 February 2015 to 22 June 2017 and Member of the Audit and Remuneration Committees from 26 May 2016
Interests in shares and options	Ordinary Shares: 16,601,408

Directors' Report continued

Todd Trevillion
Executive Director – Appointed 13 May 2016

Executive Director since 13 May 2016. Mr Trevillion was the Co-Founder of Gruden, as well as it's CEO, for the first 20 years. His experience in developing digital businesses, commercialisation of web assets and platforms, monetisation of mobile apps in enterprise, government and start-up communities has been a constant driver since the beginning of the internet.

Todd was instrumental in the development of the MobileDEN platform which today is an award-winning mobile cloud platform – servicing some of the world's best-known brands to transact, interact and engage with their customer through the mobile marketplace.

Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member of the Remuneration Committee from 26 May 2016
Interests in shares and options	Ordinary Shares: 60,385,828
	Class B Performance shares: 19,762,912

Terry Butler
Non-Executive Director – Appointed 22 June 2017

Non-Executive Director since 22 June 2017. Mr Butler was a co-founder of Blackglass. His career, spanning 45 years, includes executive and senior management positions in industry, and twenty five years' service with the Royal Australian Navy. He has been the recipient of two Australian Defence Force Commendations for professionalism, performance and service, and during his service years achieved the rank of Senior Office. Mr Butler is Managing Director and founder of ENRAMS Australia Pty Ltd. Prior to starting this company in 2009, he held directorships and executive positions in defence and aerospace, biotech, business process outsourcing, online services, environmental engineering and programme management organisations.

Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member of the Remuneration Committee from 22 June 2017
Interests in shares and options	Ordinary Shares: 59,437,876
	Class B Performance shares: 19,125,375

Warren Barry BSc, MBA
Executive Director – Appointed 13 May 2016, resigned 22 June 2017

Mr Barry has over 20 years of digital marketing experience and was the Managing Director and founder of Blackglass (2005) which is a fully integrated digital marketing business. Mr Barry has been actively involved in taking two companies to listing on the ASX. Mr Barry ran one of Australia's largest digital agencies (Patts Digital) from 2001-2005 which provided him the opportunity to work with some of Australia's leading brands.

Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Nil
Interests in shares and options	Ordinary Shares: 58,500,375
	Class B Performance shares: 19,125,375

Other current directorships and former directorships in the last 3 years are directorships for listed entities only and exclude directorships of other types of entities, unless otherwise stated.

Directors' Report continued

Company Secretary

Neville Bassett
Appointed 3 February 2015

Mr Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions, and includes significant knowledge and exposure to the Australian financial markets. Mr Bassett has experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. He is a director or company secretary of a number of public and private companies.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors held during the financial year, and the numbers of meetings attended by each director were:

Director	Meetings of Directors		Meetings of Audit & Risk Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend
Gary Castledine	8	9	2	2
Steven Harrison	9	9	2	2
Warren Barry	9	9	-	-
Todd Trevillion	9	9	-	-

No meetings were held by the Remuneration Committee.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number
5 May 2017	23 December 2017	$0.05	3,500,000
5 May 2017	23 December 2017	$0.10	3,500,000
5 May 2017	30 June 2019	$0.05	5,000,000
5 May 2017	30 June 2019	$0.10	5,000,000
			17,000,000

No shares have been issued on exercise of options during the year or since the end of the year to the date of this report.

90,000,000 Class B performance shares were issued as part consideration for the acquisition of the Gruden group of companies during the year ended 30 June 2016 and remain on issue. 90,000,000 Class A performance shares converted to ordinary shares during the year. Refer to Notes 15 and 16 for further information.

Indemnity and insurance of officers

The Company has entered into agreements with directors to indemnity them against any claims and related expenses that may arise in their capacity as directors and officers of the Company or a related body corporate, except where the liability arises out of conduct involving a lack of good faith and subject to the provisions of the *Corporations Act 2001*.

During the financial year, the Company paid premiums for directors' and officers' liability insurance. The contract prohibits disclosure of the details of the nature of the liabilities covered or the premium paid.

Directors' Report continued

Environmental Regulations

The Group's environmental obligations are regulated under both State and Commonwealth law. All environmental performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. The Group has a policy of at least complying with, but in most cases exceeding, its statutory environmental performance obligations. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2017 or subsequent to year end.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

The auditor of the Group is UHY Haines Norton, Sydney.

Details of the amounts paid or payable to the auditors for audit services provided during the year are set out in the financial statements.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for these two reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

The auditor of the Group, UHY Haines Norton, did not provide any non-audit services during the year. There are no officers of the Group who are former partners of UHY Haines Norton.

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is given on page 24.

This report is made in accordance with a resolution of the Board.

Stephen Harrison
Chairman

31 August 2017

REMUNERATION REPORT

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of The Gruden Group Ltd and for other key management personnel.

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

During the course of the financial year, the entire Board considered remuneration matters.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain suitably skilled non-executive directors, while incurring a cost that is acceptable to shareholders.

The Constitution of the Company and the ASX Listing Rules specify that the non-executive directors' aggregate maximum remuneration shall be determined from time to time by shareholders at a General Meeting. The maximum remuneration was set at $500,000 by a resolution approved at the Annual General Meeting held on 24 November 2010.

The remuneration of non-executive directors for the year ended 30 June 2017 is detailed in Table A of this report. The level of fees for directors was set by the Board on 1 May 2010 and has not been increased since that time.

Directors also received additional consultancy fees for providing consulting services to the Group, details of which appear in Table B of this report.

Other key management personnel remuneration

The Group aims to reward other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group in order to:

- reward key management personnel for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of key management personnel with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of other key management personnel may from time to time be fixed by the Board. As noted above, the Board's policy is to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering long term incentives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the whole Board and the process consists of a review of company-wide and individual performance, relevant comparative remuneration in the market and internal, and where appropriate, external advice on policies and practices. Other key management personnel are given the opportunity to receive fixed remuneration in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration of other key management personnel for the year ended 30 June 2017 is detailed in Table C of this report.

Short term incentives

During the year, no short term cash incentive bonuses were paid to key management personnel.

Remuneration Report continued

Details of KMP Remuneration

Group performance

The table below shows the performance of the Group for the past five years.

Year End Period	Net Profit/(Loss)	Share Price at the beginning of the financial year	Share Price at the end of the financial year	Market capitalisation	Dividend paid per share
	$	$	$	$	$
For the year ended 30/06/2013	(1,973,480)	0.100	0.013	5,427,635	Nil
For the year ended 30/06/2014	(4,267,633)	0.017	0.017	7,097,676	Nil
For the year ended 30/06/2015	(1,723,665)	0.017	0.040	16,913,868	Nil
For the year ended 30/06/2016	201,597	0.040	0.040	24,553,868	Nil
For the year ended 30/06/2017	(6,492,753)	0.040	0.016	11,293,062	Nil

Employment contracts

It is the Board's policy that employment contracts are entered into with all directors, executives and employees. In relation to the executive directors, the contracts are currently in progress. Contracts do not provide for pre-determined annual increases to compensation values or method of payment. The amount of compensation is determined by the Board in accordance with the remuneration principles described above.

All non-executive directors have received letters outlining the key terms of their appointment.

Other key management personnel are entitled to their statutory entitlements of accrued annual leave and long service leave together with any outstanding superannuation on termination. No other termination payments are payable.

Remuneration Report continued

Terms of employment contracts for key management personnel during the financial year

Name	Term of Agreement	Fixed Remuneration (including Superannuation)	Equity-based entitlements	Notice Period
Warren Barry – National Sales Director	Ongoing	$302,220 pa	Nil	6 months
Todd Trevillion – Executive Director	Ongoing	$302,220 pa	Nil	6 months
Brent Trimnell-Ritchard – Group Client Services Director	Ongoing	$245,312 pa	Nil	6 months
Tim Parker – Chief Executive Officer	Resigned 24 July 2017	$328,500 pa (based on 4 days per week)	10 million options in two tranches of 5 million each, granted 5 May 2017 and expiring 30 June 2019. Tranche A: exercise price 5 cents Tranche B: exercise price 10 cents	12 weeks
Ross Ioppolo – Chief Financial Officer	Terminated 19 December 2016	$273,750 pa	7 million options in two tranches of 3.5 million each, granted 5 May 2017 subsequent to his termination and expiring 23 December 2017. Tranche A: exercise price 5 cents Tranche B: exercise price 10 cents	8 weeks

Remuneration Report continued

Table A - Directors' remuneration

	Primary benefit		Post-Employment		Total	
	Salary and fees	Non monetary benefits	Super	Retirement benefits		Performance related
	$	$	$	$	$	%
For the year ended 30 June 2017						
Non-executives						
Gary Castledine	60,000	-	-	-	60,000	**0%**
Stephen Harrison	60,000	-	-	-	60,000	**0%**
Terry Butler (a)	-	-	-	-	-	**0%**
Executive director						
Warren Barry (b)	104,329	-	10,683	-	115,012	**0%**
Total	**224,329**	**-**	**10,683**	**-**	**235,012**	**0%**
	$	$	$	$	$	%
For the year ended 30 June 2016						
Non-executives						
Gary Castledine	60,000	-	-	-	60,000	**0%**
Stephen Harrison	60,000	-	-	-	60,000	**0%**
Neville Bassett (c)	60,000	-	-	-	60,000	**0%**
Total	**180,000**	**-**	**-**	**-**	**180,000**	**0%**

(a) Appointed 22 June 2017.
(b) Resigned as a director 22 June 2017. Mr Barry remains key management personnel.
(c) Resigned as a director 13 May 2016. Mr Bassett remains appointed as Company Secretary.

Certain directors provided consulting services to the Group during the year. These services were charged to the Group based on time and nature of work undertaken.

The total amount payable while they held positions as directors are as listed below:

Table B - Consulting fees paid to directors

	Company	Amount paid or payable
For the year ended 30 June 2017		$
Stephen Harrison		58,618
Warren Barry (a)	Barry Consulting Pty Ltd	208,888
Todd Trevillion	Spruson Investments Pty Ltd and Gruden Holdings Pty Ltd	293,887
For the year ended 30 June 2016		$
Gary Castledine	Perizia Investments Pty Ltd	50,000
Neville Bassett (b)	Mandevilla Pty Ltd	50,000
Stephen Harrison		107,000
Warren Barry (c)	Barry Consulting Pty Ltd	25,210
Todd Trevillion (c)	Spruson Investments Pty Ltd	26,261

(a) Resigned as a director 22 June 2017. Mr Barry remains key management personnel.
(b) Resigned as a director 13 May 2016. Mr Bassett remains appointed as Company Secretary.
(c) Appointed 13 May 2016. Remuneration for the year ended 30 June 2016 relates to the post-acquisition period only.

Remuneration Report continued

Table C - Remuneration of other key management personnel

	Primary Benefit			Post Employment		Equity	Total	
	Salary and fees	Non monetary benefits	Performance bonus (STI)	Super	Termination benefits	Options (LTI)	Performance related	
	$	$	$	$	$	$	$	%
For the year ended 30 June 2017								
Tim Parker (a)	290,942	6,000	-	28,497	-	28,850	**354,289**	-
Ross Ioppolo (b)	152,536	-	-	14,174	83,333	2,240	**252,283**	-
Brent Trimnell-Ritchard	238,548	-	-	-	-	-	**238,548**	-
Warren Barry (c)	2,338	-	-	239	-	-	**2,577**	-
Total	**684,364**	**6,000**	**-**	**42,910**	**83,333**	**31,090**	**847,697**	**-**
For the year ended 30 June 2016								
Tim Parker (d)	26,923	500	-	2,375	-	-	**29,798**	
Ross Ioppolo (d)	18,589	-	-	1,979	-	-	**20,568**	-
Brent Trimnell-Ritchard (d)	18,660	-	-	-	-	-	**18,660**	-
Total	**64,172**	**500**	**-**	**4,354**	**-**	**-**	**69,026**	**-**

(a) Resigned 24 July 2017.
(b) Terminated 19 December 2016.
(c) Resigned as a director on 22 June 2017 but remains key management personnel. His remuneration in this table relates only to the period from 23 June 2017.
(d) Remuneration for the year ended 30 June 2016 relates to the post-acquisition period only.

Table D - Shareholdings of key management personnel

The number of ordinary shares in the Company held during the financial year by each director of The Gruden Group Ltd and other key management personnel of the Group, including their related parties, is set out below.

	Balance at start of year	Conversion of performance shares	Other changes (c)	Held at appointment / resignation	Balance at end of year
Directors					
Gary Castledine	16,601,408	-	-	-	16,601,408
Stephen Harrison	35,375,545	-	-	-	35,375,545
Todd Trevillion (a)	40,622,916	19,762,912	-	-	60,385,828
Terry Butler (b)	-	-		59,437,876	59,437,876
Warren Barry (c)	40,312,500	19,125,375	(937,500)	(58,500,375)	-
Key management personnel					
Warren Barry (c)	-	-	-	58,500,375	58,500,375
Brent Trimnell-Ritchard (d)	38,455,721	18,486,338	-	-	56,942,059
Total	**171,368,090**	**57,374,625**	**(937,500)**	**59,437,876**	**287,243,091**

(a) Mr Trevillion also holds 19,762,912 Class B Performance Shares.
(b) Mr Butler also holds 19,125,375 Class B Performance Shares.
(c) Mr Barry resigned as a director on 22 June 2017, but remains key management personnel. He also holds 19,125,375 Class B Performance Shares. 937,500 shares were disposed of in an off-market trade.
(d) Mr Trimnell-Ritchard also holds 18,486,338 Class B Performance Shares.

Remuneration Report continued

Table E - Option holdings of key management personnel

	Balance at start of year	Granted as remuneration	Balance at end of year
Key management personnel			
Tim Parker (a)	-	10,000,000	10,000,000
Ross Ioppolo (b)	-	7,000,000	7,000,000
Total	**-**	**17,000,000**	**17,000,000**

(a) Resigned 24 July 2017.
(b) Terminated 19 December 2016. Mr Ioppolo still holds 7,000,000 options.

The holdings for each key management person include holdings of the individual (whether held directly, indirectly or beneficially) as well as the holdings of their related parties (whether held directly, indirectly or beneficially).

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Loans to or from key management personnel

There were no loans to or from key management personnel during the year.

Other transactions and balances with key management personnel

Directors and director-related entities	Amounts owed $
For the year ended 30 June 2017	
Gary Castledine (Perizia Investments Pty Ltd)	11,000
Stephen Harrison	6,600

Voting and comments made at the Company's 2016 Annual General Meeting

At the Company's 2016 AGM, the Remuneration Report was passed by more than 75% on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Stephen Harrison
Chairman

31 August 2017

UHY Haines Norton
Chartered Accountants

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sydney@uhyhn.com.au
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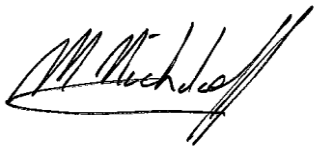
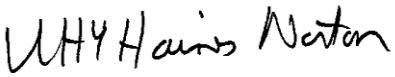
Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As auditor for the audit of The Gruden Group Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Gruden Group Limited and the entities it controlled during the period.





Mark Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Sydney

Date 31 August 2017

ANNUAL FINANCIAL REPORT

ANNUAL FINANCIAL REPORT

30 June 2017

Financial Report Table of Contents

These financial statements are the consolidated financial statements of the Group, consisting of The Gruden Group Ltd and its subsidiaries. The financial statements are presented in Australian dollars.

The Gruden Group Ltd is a public listed company, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office	Principal Place of Business
c/- Westar Capital Limited Level 4 216 St Georges Terrace Perth WA 6000	Level 10 220 George Street Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 31 August 2017.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our website www.thegrudengroup.com.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Note	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
Revenue	3	15,700,032	1,364,304
Cost of sales		(12,648,771)	(944,111)
Gross profit		3,051,261	420,193
Other income	3	663,752	279,926
Operating expenses	4(a)	(7,883,119)	(1,813,912)
Operating loss		(4,168,106)	(1,113,793)
Finance income		38,736	155,957
Finance costs		(843)	(589)
Impairment of goodwill		(1,559,134)	-
Loss before income tax		(5,689,347)	(958,425)
Income tax (expense) / benefit	5	(803,406)	1,160,022
(Loss) / profit after tax from continuing operations		(6,492,753)	201,597
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(6,492,753)	201,597
(Loss) / profit attributable to:			
Owners of the parent		(6,492,753)	201,597
Total comprehensive (loss) / income attributable to:			
Owners of the parent		(6,492,753)	201,597
		Cents	**Cents**
Earnings per share			
Basic (loss) / profit per share (weighted average)	23	(0.98)	0.04
Diluted (loss) / profit per share (weighted average)	23	(0.98)	0.04

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2017

	Note	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
ASSETS			
Current assets			
Cash and cash equivalents	7	2,612,176	5,307,362
Trade and other receivables	8	1,846,880	1,955,177
Other financial assets	9	-	6,500
Total current assets		4,459,056	7,269,039
Non-current assets			
Trade and other receivables	8	60,000	60,000
Other financial assets	9	304,142	358,651
Plant and equipment	10	223,490	113,351
Intangible assets	11	5,879,334	7,941,956
Deferred tax assets	5	537,354	1,319,929
Total non-current assets		7,004,320	9,793,887
Total assets		11,463,376	17,062,926
LIABILITIES			
Current liabilities			
Trade and other payables	12	2,326,230	2,409,704
Income tax payable		-	99,930
Provisions	13	714,844	493,683
Deferred revenue	14	1,213,233	489,841
Total current liabilities		4,254,307	3,493,158
Non-current liabilities			
Provisions	13	58,593	43,460
Deferred tax liability	5	728,760	707,929
Total non-current liabilities		787,353	751,389
Total liabilities		5,041,660	4,244,547
Net assets		6,421,716	12,818,379
EQUITY			
Contributed equity	15	29,785,414	28,320,292
Reserves	15	725,460	2,094,492
Accumulated losses		(23,741,158)	(17,596,405)
Total equity		6,421,716	12,818,379

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2017

		Attributable to owners of The Gruden Group Ltd				
	Note	Contributed equity $	Accumulated losses $	Option reserve $	Performance share reserve $	Total $
Balance at 1 July 2016		28,320,292	(17,596,405)	-	2,094,492	12,818,379
Loss for year		-	(6,492,753)	-	-	(6,492,753)
Total comprehensive loss for year		-	(6,492,753)	-	-	(6,492,753)
Transactions with owners in their capacity as owners						
Issue of shares to employees	15	65,000	-	-	-	65,000
Issue of options to employees	24	-	-	31,090	-	31,090
Transfer from reserve on conversion of Class A performance shares	15	1,400,122	-	-	(1,400,122)	-
Balance 30 June 2017	**15**	**29,785,414**	**(23,741,158)**	**31,090**	**694,370**	**6,421,716**
Balance at 1 July 2015		24,603,232	(21,789,840)	3,991,838	-	6,805,230
Profit for year		-	201,597	-	-	201,597
Total comprehensive income for year		-	201,597	-	-	201,597
Transactions with owners in their capacity as owners						
Issue of shares for consultancy services		120,000	-	-	-	120,000
Transfer of reserve on option expiry			3,991,838	(3,991,838)		-
Issue of shares for acquisition of subsidiaries	16	3,597,060	-	-	2,094,492	5,691,552
Balance 30 June 2016	**15**	**28,320,292**	**(17,596,405)**	**-**	**2,094,492**	**12,818,379**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2017

	Note	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
Cash inflow / (outflow) from operating activities			
Receipts from customers		**18,061,218**	**1,344,517**
Government grant receipts related to operating activities		**252,219**	**-**
Payments to suppliers and employees		**(20,725,309)**	**(3,201,572)**
Interest received		**52,305**	**156,641**
Interest paid		**(843)**	**(5,558)**
Sub-lease rental received		**387,068**	**417,303**
Net cash outflow from operating activities	**7**	**(1,973,342)**	**(1,288,669)**
Cash inflow / (outflow) from investing activities			
Net cash acquired	**16**	**-**	**352,605**
Loan to company subsequently acquired		**-**	**(350,000)**
Payments for plant and equipment		**(207,977)**	**(13,747)**
Payments for intangible assets		**(718,327)**	**-**
Government grant receipts related to capitalised software		**200,341**	**-**
Proceeds from disposal of plant and equipment		**4,119**	**-**
Net cash outflow from investing activities		**(721,844)**	**(11,142)**
Cash inflow / (outflow) from financing activities			
Repayment of borrowings		**-**	**(150,000)**
Net cash outflow from financing activities		**-**	**(150,000)**
Net decrease in cash and cash equivalents		**(2,695,186)**	**(1,449,811)**
Cash and cash equivalents at beginning of year		**5,307,362**	**6,757,173**
Cash and cash equivalents at end of year	**7**	**2,612,176**	**5,307,362**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of The Gruden Group Ltd and its subsidiaries. The Gruden Group Ltd is a publicly listed entity and a for-profit entity for the purpose of preparing the financial statements.

(a) Basis of preparation

These financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements also comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Going concern

Based on its current commitments, the Group has sufficient cash to meet its debts as and when they fall due, and accordingly the financial report has been prepared on a going concern basis.

The Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and judgments, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgment does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.

Historical cost convention

The financial statements have been prepared on an accruals basis and are measured at historical cost, except for assets and liabilities acquired in business combinations, which are initially measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Gruden Group Ltd as at 30 June 2017 and the results of all subsidiaries for the year then ended. The Gruden Group Ltd and its subsidiaries together are referred to in this financial report as Gruden or the Group.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 1. Summary of significant accounting policies continued

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of The Gruden Group Ltd.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquiree's net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are with limited exceptions, measured initially at their fair values at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for the allocation of resources and assessing performance of the operating segments, has been identified as the Executives and Board of The Gruden Group Ltd.

Note 1. Summary of significant accounting policies continued

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is The Gruden Group Ltd's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except where they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(f) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below:

- **Sale of goods / licensing of software products**
  Revenue from the sale of goods and/or the licensing of software products is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods or software products.
- **Rendering of services**
  Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion is determined as follows:
  (i) Revenue from time and materials contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.
  (ii) Revenue from fixed-price contracts is recognised by reference to the stage of completion of the contract activity at balance date, determined as the proportion of contract hours incurred for work to date compared to the estimated total contract hours, except where this would not be representative of the stage of completion. Variations in contract work and claims are included to the extent that they have been agreed with the customer. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
- **Interest income**
  Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.
- **Sublease income**
  Payments received under operating leases (net of any incentive paid to the lessee) are recognised in the profit and loss on a straight line basis over the period of the lease.
- **Government grants**
  Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as a deduction in arriving at the asset's carrying value. Grants relating to costs are recognised in the profit and loss over the period they are intended to compensate, as Other Income.
- **Other revenue**
  Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Summary of significant accounting policies continued

(g) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, and short term deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables

Trade receivables, which are generally due for settlement within thirty days, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable for which an allowance had been recognised becomes uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to other income in profit or loss.

Other receivables are recognised at amortised cost, less any provision for impairment.

Amounts expected to be received within 12 months are classified as current.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 18). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(j) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. They are also not recognised when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that is has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Note 1. Summary of significant accounting policies continued

(j) Income tax continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Tax consolidation legislation

The Gruden Group Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate The Gruden Group Ltd for any current tax payable assumed and are compensated by The Gruden Group Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to The Gruden Group Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(k) Other taxes

GST

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part 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 taxation authority is included with other receivables or payables in the Statement of Financial Position.

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.

(l) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment losses. The depreciable amount of all plant and equipment is calculated on a straight-line basis over the asset's useful life to the Group, commencing from the time the asset is held ready for use. Estimates of useful lives are:

- Office furniture and fittings – 3 to 5 years
- Computer equipment – 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each reporting period. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the time value of money and the risks specific to the asset are considered. 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, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. An item of plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Note 1. Summary of significant accounting policies continued

(m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Government grants related to intangible assets, including non-monetary grants at fair value, are presented in the statement of financial position as a deduction in arriving at the asset's carrying value.The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Software

Software acquired separately is initially recognised at cost. Government grants related to software are offset with the carrying value. Software acquired in a business combination is initially measured at fair value at acquisition date. Software is amortised on a straight-line basis over 5 years. It is subsequently carried at cost less accumulated amortisation and impairment.

Customer contracts and relationships

Customer contracts and relationships were initially measured at fair value at acquisition date and are amortised on a straight-line basis over a period based on the timing of the projected cash flows of the contracts and relationships, which has been assessed to be 8 years. They are subsequently carried at cost less accumulated amortisation and impairment.

(n) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates these designations at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the reporting period which are classified as non-current assets. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired. Impairment exists if events have occurred since the initial recognition of the asset that has an impact on the estimated future cash flows of the financials asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, and default or delinquency in interest or principal repayments.

Note 1. Summary of significant accounting policies continued

(o) Impairment of non-financial assets and goodwill

The Group assesses at the end of each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. Goodwill impairment is not reversed.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) 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. The amounts are unsecured and are usually paid within thirty days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months from the reporting date. They are recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. No liabilities are recognised for non-accumulating sick leave.

The liability for long service leave and other employee entitlements expected to be wholly settled more than 12 months from the reporting date is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Note 1. Summary of significant accounting policies continued

(r) Equity-based compensation benefits

Equity-based compensation benefits are provided to employees via an Incentive Option Scheme.

The fair value of incentive options issued to employees for no cash consideration is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised in reserves over the period during which the employees become unconditionally entitled to the shares, options or rights. When the shares are issued, options exercised or rights converted to shares, the value is transferred to Contributed Equity.

The fair value of incentive options are determined using option pricing models that take into account the exercise price, term of the options, the share price at grant date, expected volatility of the underlying share and the risk free interest rate for the term of the options.

The assessed fair value at grant date of incentive options granted to employees is allocated equally over the period of service to which the benefit relates up to the actual or expected vesting date with the quantity of options being included in the measurement of the transaction being adjusted to reflect the number of options which are expected to, or actually vest.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

(ii) 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 tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in the Group's normal operating cycle; it is held for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Summary of significant accounting policies continued

(v) New accounting standards and interpretations

In the year ended 30 June 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore no change is necessary to Group accounting policies.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is as follows.

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9 (issued December 2014)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. Financial assets are measured at amortised cost or fair value through other comprehensive income if certain restrictive conditions are met. All other financial assets are measured at fair value through profit or loss. All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income. The new impairment model in AASB 9 is based on an 'expected loss' model rather than an 'incurred loss' model. Entities are required to account for expected credit losses when financial instruments are first recognised. New hedge accounting requirements include changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. The impact of this standard will depend on the Group's financial assets and liabilities at the time of application.	1 January 2018	1 July 2018

Note 1. Summary of significant accounting policies continued

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 15	Revenue from Contracts with Customers	The core principle of AASB 15 is that an entity recognises 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 introduces a 5-step approach to revenue recognition: • Step 1: Identify the contract(s) with the customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. The Group will adopt this standard from 1 July 2018 and is currently assessing the impact.	1 January 2018	1 July 2018
AASB 16	Leases	The key features of the standard are: • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments and payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. A lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently. Enhanced disclosure requirements will improve information disclosed about a lessor's risk exposure. The Group will recognise a right-of-use asset and liability for its office premises leases and any other leases it has at the date of application of the standard. Depreciation of the lease assets and interest on the lease liability will be recognised in profit or loss.	1 January 2019	1 July 2019

Note 1. Summary of significant accounting policies continued

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2016-1	Amendment to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	This standard clarifies the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. The Group does not have debt instruments measured at fair value at this time.	1 January 2017	1 July 2017
AASB 2016-5	Amendment to Australian Accounting Standards – Clarification and Measurement of Share-based Payment Transactions	This standard clarifies how to account for certain types of share-based payments, including: • The effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. This standard will have no impact other than on future issues of these particular types of share-based payments, in which case the Group will apply the new standard.	1 January 2018	1 July 2018
AASB 2017-1	Amendment to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments	The amendments clarify certain requirements in various standards, including measuring and associate or joint venture at fair value [AASB 128].	1 January 2018	1 July 2018

Note 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its plant, equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovation or some other unforeseen event.

The Group has recognised software and customer contracts and relationships intangibles at their fair value as a result of the acquisition of the Gruden entities, and in the case of software, for later purchases. As at 30 June 2017 the carrying value of software is $3,400,607 (2016: $3,628,220) and customer contracts and relationships is $1,931,125 (2016: $2,207,000). The Group estimates the useful lives of these intangible assets to be 5 years and 8 years respectively. The actual useful lives may be shorter or longer than estimated, depending on technical innovations and competitor actions.

Impairment tests for goodwill

The Group tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1(o).

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. These calculations use cash flow projections based on financial budgets approved by the Board of Director's covering a three to five year period.

Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated in Note 11. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The key assumptions used in the value in use calculation for each CGU that has significant goodwill allocated to it is disclosed in Note 11. At 30 June 2017, an impairment charge of $1,559,134 (2016: nil) was recognised to reduce the carrying amount of goodwill attributed to MobileDEN to zero.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recoverability of deferred tax assets

Judgment is required in assessing whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets are recognised only when it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Deferred tax assets of $1,077,537 relating to carried forward tax losses of the Group were derecognised during the year. The Group's tax losses can be carried forward indefinitely, subject to a continuity of ownership test or same business test, and have no expiry date.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting estimates and judgements continued

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Employee benefits provision

As discussed in note 1(q), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue and other income

	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
Revenue		
Revenue from services provided	**13,152,988**	1,159,784
Revenue from media buying	**2,547,044**	204,520
	15,700,032	1,364,304
Other income		
Government grants	**252,219**	-
Sub-lease rental	**370,365**	279,926
Bad debts recovered	**37,786**	-
Other	**3,382**	-
	663,752	279,926

Note 4. Operating expenses

	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
(a) Expenses and losses from continuing operations		
Depreciation		
Depreciation and amortisation expense	**1,119,446**	3,935
Employee benefits		
Wages and salaries	**2,504,161**	175,014
Consulting and directors' fees (i)	**785,722**	211,481
Superannuation	**241,903**	16,134
Movement in employee benefits provisions	**117,321**	6,814
Share-based payments	**96,090**	-
Redundancy expenses	**109,982**	-
Other employee-related costs	**257,794**	19,958
	4,112,973	429,401

i. Part of Mr Trevillion's 2016 consulting fees were classed as cost of sales.

Note 4. Operating expenses continued

	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
(a) Expenses and losses from continuing operations continued		
Other expenses		
General and administrative expenses	**672,741**	407,562
Contractor fees	**380,978**	65,166
Consultants' fees	**-**	225,000
Legal and other professional fees	**141,039**	145,661
Recruitment expenses	**322,590**	45,831
Insurance	**49,385**	42,980
Occupancy costs	**837,685**	391,723
Software and licenses	**96,656**	13,591
Travel and accommodation	**149,626**	42,586
Loss on disposal of plant and equipment	**-**	476
	2,650,700	1,380,576
Total	**7,883,119**	1,813,912
(b) Employee benefits expense included in cost of sales		
Wages and salaries	**4,847,518**	422,617
Superannuation	**478,180**	39,159
Movement in employee benefits provisions	**119,780**	(2,692)
Other employee-related costs	**453,813**	28,897
	5,899,291	487,981

Note 5. Income tax

	Consolidated for year ended 30 June 2017 $	Consolidated for year ended 30 June 2016 $
Components of income tax (expense) / benefit		
Current tax	-	-
Deferred tax	**(803,406)**	287,528
Recognition of prior year tax losses	-	771,395
Recognition of prior year temporary differences	-	101,099
Income tax (expense) / benefit as per the statement of profit or loss and other comprehensive income	**(803,406)**	1,160,022
Reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(5,689,347)**	(958,425)
Income tax benefit at the Australian tax rate of 30% (2016: 30%)	**1,706,804**	287,528
Add /(less) non-assessable income/non-deductible expenses:		
Impairment of goodwill	**(467,740)**	-
Share-based payments	**(28,827)**	-
Non-deductible amortisation	**(26,712)**	-
Other non-deductible expenses	**(16,278)**	-
Derecognition of prior year tax losses	**(1,077,537)**	-
Current year (unrecognised) / recognised tax losses	**(893,116)**	771,395
Recognised temporary differences	-	101,099
Income tax (expense) / benefit	**(803,406)**	1,160,022
Deferred tax assets		
Business-related costs	**225,341**	-
Employee benefit provisions	**232,032**	161,143
Deferred revenue	-	58,978
Provision for doubtful debts	**784**	22,271
Other	**79,197**	-
Tax losses	-	1,077,537
	537,354	1,319,929
Deferred tax liabilities		
Intangible assets	**723,787**	702,956
Plant and equipment	**4,973**	4,973
	728,760	707,929
Net deferred tax (liabilities) / assets	**(191,406)**	612,000

Note 5. Income tax continued

Movement in net deferred tax assets

	Tax losses $	Business-related costs $	Employee benefits provisions $	Deferred revenue $	Provision for doubtful debts $	Other payables $	Intangible assets $	P&E $	Total $
At 1 July 2016	1,077,537	-	161,143	58,978	22,271	-	(702,956)	(4,973)	612,000
Charged/credited to profit or loss	(1,077,537)	225,341	70,889	(58,978)	(21,487)	79,197	(20,831)	-	(803,406)
At 30 June 2017	**-**	**225,341**	**232,032**	**-**	**784**	**79,197**	**(723,787)**	**(4,973)**	**(191,406)**
At 1 July 2015	-	-	-	-	-	-	-	-	-
Recognised from prior year	771,395	-	-	81,800	-	19,299	-	-	872,494
Acquisition of subsidiaries (refer to Note 16)	-	-	159,907	-	-	-	(702,956)	(4,973)	(548,022)
Charged/credited to profit or loss	306,142	-	1,236	(22,822)	22,271	(19,299)	-	-	287,528
At 30 June 2016	**1,077,537**	**-**	**161,143**	**58,978**	**22,271**	**-**	**(702,956)**	**(4,973)**	**612,000**

As at 30 June 2017, the Group has estimated unrecognised tax-effected tax losses of $4,749,005 (2016: $3,625,812) that will be available indefinitely for offset against future taxable profits, subject to the satisfaction of loss integrity and utilisation rules. No deferred tax assets have been recognised for tax losses as at 30 June 2017 (2016: $1,077,537). A deferred tax asset has not been recognised in respect of the unrecognised tax losses because it is not probable within the immediate future that taxable profit will be available against which the Group can utilise the benefits from the deferred tax asset.

The Group has capital losses arising in Australia of $1,354,150 at 30% (2016: $1,354,150) that are available indefinitely for offset against future capital gains of the income tax consolidated group, subject to the satisfaction of loss integrity and utilisation rules.

Note 6. Segment information

Description of segments

Management has determined the operating segments based on the reports reviewed by the Executives and Board, as the chief operating decision makers. These reports focus on Business Units and indicate three reportable operating segments:

Reportable Segment	Description of Activities
Digital Services	Performance marketing, provision of digital services and web based business solutions to customers
Government Practice	Provision of government digital business platforms and services
MobileDEN	Development and provision of mobile applications including mobile loyalty with point of sale integration

Management monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on a measure of profit or loss before significant items and tax.

There are cash funding arrangements and inter-business unit charges at cost between the reportable segments.

Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia.

Revenue from the top three customers represented $3.1m (19.8% of the Group's total revenue), $1.8m (11.3% of the Group's total revenue) and $1.5m (9.5% of the Group's total revenue).

Basis of accounting for purposes of reporting segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the chief operating decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The Group does not allocate assets or liabilities to each segment because management does not include this information in its measurement of the performance of the operating segments.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. All such transactions are eliminated on consolidation for the Group's financial statements. Some corporate charges are allocated to reporting segments based on the segments' overall proportion of usage within the Group.

Unallocated items

Interest received, borrowing costs, corporate costs and income tax expense / benefit are not allocated to operating segments as they are not considered part of the core operations of any segment.

Note 6. Segment information continued

Year ended 30 June 2017	Digital Services	Government Practice	MobileDEN	Unallocated	Total
	$	$	$	$	$
Revenue from services	5,704,670	5,473,798	1,974,520	-	13,152,988
Revenue from media buying	2,547,044	-	-	-	2,547,044
Revenue from continuing operations	**8,251,714**	**5,473,798**	**1,974,520**	**-**	**15,700,032**
Cost of sales	(7,184,629)	(3,695,642)	(1,768,500)	-	(12,648,771)
Gross profit	**1,067,085**	**1,778,156**	**206,020**	**-**	**3,051,261**
Other income	40,387	-	13,607	609,758	663,752
Other operating expenses	(255,445)	(150,520)	(1,061,297)	(5,296,411)	(6,763,673)
Profit / (loss) before finance, tax, depreciation and amortisation	**852,027**	**1,627,636**	**(841,670)**	**(4,686,653)**	**(3,048,660)**
Depreciation and amortisation	(99,061)	(398,975)	(529,240)	(92,170)	(1,119,446)
Impairment of goodwill	-	-	(1,559,134)	-	(1,559,134)
Finance income	-	58	-	38,678	38,736
Finance costs	-	-	-	(843)	(843)
Profit / (loss) before tax	**752,966**	**1,228,719**	**(2,930,044)**	**(4,740,988)**	**(5,689,347)**

Year ended 30 June 2016	Digital Services [i]	Government Practice [i]	MobileDEN [i]	Unallocated [ii]	Total
	$	$	$	$	$
Revenue from services	629,135	393,420	120,812	16,417	1,159,784
Revenue from media buying	204,520	-	-	-	204,520
Revenue from continuing operations	**833,655**	**393,420**	**120,812**	**16,417**	**1,364,304**
Cost of sales	(520,535)	(206,147)	(201,012)	(16,417)	(944,111)
Gross profit	**313,120**	**187,273**	**(80,200)**	**-**	**420,193**
Other income	-	-	-	279,926	279,926
Other operating expenses	(57,568)	(10,485)	(31,123)	(1,710,801)	(1,809,977)
Profit / (loss) before finance, tax, depreciation and amortisation	**255,552**	**176,788**	**(111,323)**	**(1,430,875)**	**(1,109,858)**
Depreciation and amortisation	(612)	-	-	(3,323)	(3,935)
Finance income	-	-	-	155,957	155,957
Finance costs	-	-	-	(589)	(589)
Profit / (loss) before tax	**254,940**	**176,788**	**(111,323)**	**(1,278,830)**	**(958,425)**

i. Represents one month of results of companies acquired in business combination transaction dated 26 May 2016 (refer to Note 16).

ii. Unallocated represents one month of results of companies acquired in business combination transaction dated 26 May 2016 and 12 months of The Gruden Group Ltd (previously Exoma Energy Ltd).

Note 7. Current assets – cash and cash equivalents

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Cash at bank	**2,612,176**	5,307,362

Cash at bank earns interest at the floating rates based on daily bank deposit rates.

Short-term deposits were made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to cash at the end of the year

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and investment in money market instruments, net of outstanding bank overdrafts.

The above figures reconcile to cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows.

Financing facilities

The Group does not have a bank overdraft facility.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Reconciliation of (loss) / profit after tax to net cash flows from operating activities:		
(Loss) / profit after tax for the year	**(6,492,753)**	201,597
Depreciation and amortisation expense	**1,119,446**	3,935
Impairment of goodwill	**1,559,134**	-
Share-based payments	**96,090**	120,000
Net loss on disposal of assets	**-**	476
Changes in operating assets and liabilities:		
- Decrease in trade and other receivables	**108,297**	64,298
- Decrease in other financial assets	**61,009**	-
- Increase/(decrease) in payables and deferred revenue	**535,735**	(523,074)
- Decrease in provisions for employee benefits	**236,294**	4,121
- Movement in recognised tax losses and other deferred tax assets	**803,406**	(1,160,022)
Net cash outflow from operating activities	**(1,973,342)**	(1,288,669)

Non-cash financing and investing activities

Ordinary and performance shares were issued on 13 May 2016 in consideration for the acquisition of the Gruden companies. Refer to Notes 15 and 16 for further details.

During the 2015-16 financial year, consulting fees of $120,000 due and payable as at 30 June 2015 were satisfied by the issue of 6,000,000 ordinary fully paid shares. Approval was granted by shareholders at the 2015 annual general meeting. Refer to Notes 15, 19 and 24.

Note 8. Current and non-current assets – trade and other receivables

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Current:		
Trade receivables (i)	**1,717,213**	1,774,699
Less: provision for doubtful debts (i)	**(2,612)**	(74,485)
	1,714,601	1,700,464
Other receivables (ii)	**55,891**	154,374
Prepayments	**76,388**	100,339
Total	**1,846,880**	1,955,177
Non-current:		
Environmental security deposits – Queensland Government	**60,000**	60,000
Total	**60,000**	60,000

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. The amount of the allowance/impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(ii) Other receivables

These amounts include interest, GST refunds and other tax refunds receivable. Other amounts generally arise from transactions outside the usual operating activities of the Group.

Current other receivables includes nil receivables from a related entity (2016: $1,616) and a $1,241 bond (2016: $1,241).

(iii) Fair values of trade and other receivables

Due to the short-term nature of current receivables, their carrying amount is assumed to be same as their fair value. For non-current receivables, the fair values are not significantly different to their carrying amounts.

(iv) Ageing of past due trade receivables not impaired

	Current	< 1 month	1 month	2 months	3 months	Older	Total
30 June 2017							
Gross trade receivables	**1,569,246**	**52,914**	**58,366**	**31,702**	**-**	**2,373**	**1,714,601**
30 June 2016							
Gross trade receivables	1,368,651	193,243	60,732	52,852	7,295	17,691	1,700,464

Note 9. Current and non-current assets – other financial assets

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Current:		
Restricted cash balances:		
Current portion of fixed deposits provided as guarantee	-	6,500
Total	-	6,500
Non-current:		
Restricted cash balances:		
Non-current portion of fixed deposits provided as guarantee	**304,142**	358,651
Total	**304,142**	358,651

The fair values of the non-current other financial assets are not significantly different to their carrying amounts.

Note 10. Non-current assets – plant and equipment

	Office furniture and fittings $	Computer equipment $	Total $
Year ended 30 June 2017			
At 1 July 2016, net of accumulated depreciation	**41,719**	**71,632**	**113,351**
Additions	**108,437**	**103,793**	**212,230**
Disposals	**-**	**(4,119)**	**(4,119)**
Depreciation charge for the year	**(44,062)**	**(53,910)**	**(97,972)**
At 30 June 2017, net of accumulated depreciation	**106,094**	**117,396**	**223,490**
At 30 June 2017			
Cost	**151,458**	**172,481**	**323,939**
Accumulated depreciation	**(45,364)**	**(55,085)**	**(100,449)**
Net book amount	**106,094**	**117,396**	**223,490**
Year ended 30 June 2016			
At 1 July 2015, net of accumulated depreciation	**-**	**-**	**-**
Acquisition of subsidiaries (refer to Note 16)	**36,386**	**66,521**	**102,907**
Additions	**7,111**	**7,744**	**14,855**
Disposals	**(476)**	**-**	**(476)**
Depreciation charge for the year	**(1,302)**	**(2,633)**	**(3,935)**
At 30 June 2016, net of accumulated depreciation	**41,719**	**71,632**	**113,351**
At 30 June 2016			
Cost	**43,021**	**74,265**	**117,286**
Accumulated depreciation	**(1,302)**	**(2,633)**	**(3,935)**
Net book amount	**41,719**	**71,632**	**113,351**

Note 11. Non-current assets – intangible assets

	Software and platform $	Customer contracts and relationships $	Goodwill $	Total $
Year ended 30 June 2017				
At 1 July 2016	**3,628,220**	**2,207,000**	**2,106,736**	**7,941,956**
Additions	**718,327**	**-**	**-**	**718,327**
Government grant received	**(200,341)**	**-**	**-**	**(200,341)**
Amortisation charge for the year	**(745,599)**	**(275,875)**	**-**	**(1,021,474)**
Impairment losses	**-**	**-**	**(1,559,134)**	**(1,559,134)**
At 30 June 2017, net book amount	**3,400,607**	**1,931,125**	**547,602**	**5,879,334**
At 30 June 2017				
Cost	**4,146,206**	**2,207,000**	**2,106,736**	**8,459,942**
Accumulated amortisation	**(745,599)**	**(275,875)**	**-**	**(1,021,474)**
Provision for impairment losses	**-**	**-**	**(1,559,134)**	**(1,559,134)**
Net book amount	**3,400,607**	**1,931,125**	**547,602**	**5,879,334**
Year ended 30 June 2016				
At 1 July 2015	-	-	-	-
Acquisition of subsidiaries (refer to Note 16)	3,606,970	2,207,000	2,106,736	7,920,706
Additions	21,250	-	-	21,250
At 30 June 2016, net book amount	3,628,220	2,207,000	2,106,736	7,941,956
At 30 June 2016				
Cost	3,628,220	2,207,000	2,106,736	7,941,956
Accumulated amortisation	-	-	-	-
Net book amount	3,628,220	2,207,000	2,106,736	7,941,956

Note 11. Non-current assets – intangible assets continued

Intangible assets are allocated to the Group's cash-generating units as follows:

	Software and platform $	Customer contracts and relationships $	Goodwill $	Total $
Year ended 30 June 2017				
Cash-generating unit:				
Digital Services	**-**	**650,610**	**-**	**650,610**
Government Practice	**1,562,548**	**1,280,515**	**547,602**	**3,390,665**
MobileDEN	**1,838,059**	**-**	**-**	**1,838,059**
	3,400,607	**1,931,125**	**547,602**	**5,879,334**
Year ended 30 June 2016				
Cash-generating unit:				
Digital Services	-	743,554	-	743,554
Government Practice	1,080,220	1,463,446	547,602	3,091,268
MobileDEN	2,548,000	-	1,559,134	4,107,134
	3,628,220	2,207,000	2,106,736	7,941,956

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of each CGU is based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board covering a three to five year period, with the key assumptions being CGU earnings and projected capital expenditure from MobileDEN's product development activities.

A terminal growth rate of 1.5% was applied and a pre-tax discount of 20%, reflecting the time value of money and the Group's cost of capital, was utilised. The terminal growth rate is determined based on the current long term growth rate of the business, as ascertained at the time of the acquisition. The major inputs and assumptions used in performing an impairment assessment that requires judgement include revenue forecasts, operating cost projections, customer numbers and churn, discount rates, growth rates and future technology paths.

As at 30 June 2017, the goodwill relating to MobileDEN was impaired as the carrying amount of goodwill exceeded the recoverable amount. The recoverable amount of the Government Practice CGU is greater than the carrying amount and based on sensitivity analysis performed, no foreseeable changes in the assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

As disclosed in Note 2, management has made judgements and estimates in respect of impairment testing of goodwill. Sensitivities of key assumptions are as follows:

- Revenue would need to decrease by more than 15% for the Government Practice segment before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would need to increase to 54% for the Government Practice segment before goodwill would need to be impaired, with all other assumptions remaining constant.

Note 11. Non-current assets – intangible assets continued

The Group also tests whether Software and Platform has suffered any impairment on an annual basis. The recoverable amount of each CGU is based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by Board covering a three to five year period, with the key assumptions being CGU earnings and for MobileDen with no development activities.

A terminal growth rate of 1.5% was applied and a pre-tax discount of 20%, reflecting the time value of money and the Group's cost of capital, was utilised. The terminal growth rate is determined based on the current long term growth rate of the business, as ascertained at the time of the acquisition. The major inputs and assumptions used in performing an impairment assessment that requires judgement include revenue forecasts, operating cost projections, customer numbers and churn, discount rates, growth rates and future technology paths.

As at 30 June 2017, the recoverable amount of the software platform relating to Government Practice CGU is greater than the carrying amount and based on sensitivity analysis performed, no foreseeable changes in the assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

Also, the software platform relating to MobileDEN was not impaired as the carrying amount did not exceed the recoverable amount.

Note 12. Current and non-current liabilities – trade and other payables

	Consolidated 30 June 2017 $	Consolidated 30 June 20165 $
Current		
Trade payables (i)	**1,072,872**	1,015,356
Accruals and other payables (ii)	**1,253,358**	1,394,348
Total	**2,326,230**	2,409,704

The carrying amounts of trade and short term payables are assumed to be the same as their fair values, due to their short term nature.

i. Trade payables are non-interest bearing and generally payable within normal time frames for the industry.

ii. Accruals and other payables are non-interest bearing. They include GST payable and amounts payable to related entities of $6,528 (2016: $6,528). The 2016 amount also included $34,693 for the estimated shortfall between sublease revenue and head lease expense of office premises.

Note 13. Current and non-current liabilities – provisions

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Current		
Employee benefits	**714,844**	493,683
Total	**714,844**	493,683
Non-current		
Employee benefits	**58,593**	43,460
Total	**58,593**	43,460

$435,500 of employee benefits is expected to be settled within the next 12 months (2016: $314,800).

Note 14. Current and non-current liabilities – deferred revenue

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Current		
Deferred revenue – billing in advance of work completed (i)	**1,213,233**	293,248
Deferred revenue – sublease	**-**	196,593
Total	**1,213,233**	489,841

i. Represents revenue received in advance of work being completed.

Note 15. Contributed equity and reserves

Movement in ordinary shares:

Date	Details	Number of shares	$
30 June 2015	**Balance**	**422,846,696**	**24,603,232**
2 September 2015	Issue of shares in consideration for consultancy services (i)	6,000,000	120,000
22 December 2015	Cancellation of shares	(3,000,000)	(60,000)
22 December 2015	Issue of shares in consideration for consultancy services (i)	3,000,000	60,000
13 May 2016	Issue of shares for acquisition of Gruden companies (ii)	185,000,000	3,597,060
30 June 2016	**Balance**	**613,846,696**	**28,320,292**
18 October 2016	Issue of shares to employees (iii)	1,969,695	65,000
13 December 2016	Conversion of Class A performance shares	90,000,000	1,400,122
30 June 2017	**Balance**	**705,816,391**	**29,785,414**

i. The issue of shares in consideration for consultancy services related to services recognised and payable as at 30 June 2015.
ii. Refer to Note 16 for further details.
iii. The shares were issued to employees for no consideration and had a deemed value of $0.033 per share. Refer to Note 24 for further details.

Performance shares:

The performance shares were issued on 13 May 2016 as part of the consideration for the acquisition of the Gruden companies. Refer to Note 16 for further details.

90,000,000 Class A performance shares converted to ordinary shares on 13 December 2016, upon satisfaction of the performance milestone of generation of at least $10 million of consolidated gross revenue in any 12 month consecutive period.

Class	Expiry	Performance milestones for conversion	Number of shares	$
Class B	12 May 2018	Generation of at least $16 million of consolidated gross revenue in any 12 month consecutive period	90,000,000	694,370

Note 15. Contributed equity and reserves continued

Terms and conditions of contributed equity

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitles to one vote, and upon a poll each share is entitled to one vote.

Performance shares will rank equally with ordinary shares on conversion and convert on a 1 for 1 basis. Perfomance shares do not entitle the holder to dividends, to vote at an annual general meeting of the Company, or to participate in new issues of capital such as bonus issues or entitlement issues.

Nature and purpose of reserves:

Option reserve

This reserve is used to record the value of options issued.

Peformance share reserve

This reserve is used to record the fair value of the Class B performance shares issued as part consideration for the acquisition of subsidiaries (refer to Note 16). The Class A performance shares converted to ordinary shares on 13 December 2016.

Note 16. Business combinations

There were no acquisitions in the year ending 30 June 2017.

On 26 May 2016, The Gruden Group Ltd (previously known as Exoma Energy Limited) completed the acquisition of 100% of the shares of Blackglass Pty Ltd, MobileDEN Pty Ltd, Gruden Pty Ltd and Ixion Interactive Pty Ltd, leading specialist technology and digital marketing companies providing an end-to-end offering for its clients wanting to interact with their customers via mobile, web and various digital channels.

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

Purchase consideration	$
Cash paid	-
Ordinary shares issued	3,597,060
Class A Performance shares	1,400,122
Class B Performance shares	694,370
Total purchase consideration	**5,691,552**

The fair value of the ordinary shares and Class A and Class B performance shares was determined by reference to the fair value of the acquiree's equity interest as this was a more reliable measure of fair value of the equity interests granted by the acquirer. As the Class A and Class B performance shares meet the definition of equity instruments under accounting standards, they have been classified by the Group as equity. Refer note 15 for relevant terms and conditions.

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

	Fair value $
Assets	
Plant and equipment	102,907
Cash and cash equivalents	352,605
Trade and other receivables	1,712,628
Other financial assets	1,241
Deferred tax assets	159,907
Software	3,606,970
Customer contracts	2,207,000
	8,143,258
Liabilities	
Trade payables	(2,435,307)
Provision for employee benefits	(533,022)
Loans from related parties	(517,187)
Other liabilities	(364,997)
Deferred tax liability	(707,929)
	(4,558,442)
Total identifiable net assets acquired	3,584,816
Add: Goodwill	2,106,736
Net assets acquired	**5,691,552**

Note 16. Business combinations continued

Revenue and profit contribution

The acquired business contributed revenues of $1,364,304 and pre-tax net loss of $134,068 to the Group for the period 26 May 2016 to 30 June 2016. These amounts have been calculated using the Group's accounting policies.

If the acquisition had occurred on 1 July 2015, consolidated revenue and net loss before tax for the Group for the year ended 30 June 2016 would have been $12,968,234 and $1,657,960 respectively.

Acquisition-related costs

Acquisition-related costs of $170,978 were included in other expenses in the profit or loss and in operating cash flows in the statement of cash flows.

Goodwill

Goodwill is attributable mainly to the value of the workforce, future revenues from those customers which are not current and expected and future synergies.

Purchase consideration – net cash inflow

Analysis of cash flows on acquisition	$
Net cash acquired	352,605
Net inflow of cash – investing activities	352,605

Note 17. Financial risk management objectives and policies

Capital risk management:

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets.

Financial instruments:

The Group holds the following financial instruments:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Financial assets		
Cash and cash equivalents (including restricted cash) and other financial assets	**2,916,318**	5,672,513
Trade and other receivables	**1,846,880**	2,015,177
Financial liabilities		
Trade and other payables	**2,326,230**	2,409,704

Financial risk management objectives:

The Group is exposed to market risk (including currency risk, fair value interest rate risk and commodity risk), credit risk, liquidity risk and cash flow interest risk. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Interest rate risk:

Exposure to interest rate risk arises on cash and term deposits recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The sensitivity analysis below has been determined on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the year and held constant throughout the reporting period. A sensitivity of 0.5% has been selected, as this is considered reasonable considering the current market conditions (2016: 0.5%).

At 30 June 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit/(loss) would have been affected as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Profit/(loss)		
+ 0.5% (50 basis points) (2016: +1.0% (100 basis points))	**14,582**	28,369
- 0.5% (50 basis points) (2016: -1.0% (100 basis points))	**(14,582)**	(28,369)

These movements would not have any impact on other reserves, other than accumulated losses. The Group's exposure to interest rate risk is minimal as it has no borrowings with variable interest rates. The risk is attributable to the Group's exposure to interest rates on its variable rate deposits.

Note 17. Financial risk management objectives and policies continued

Credit risk management:

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 invests 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 publicly available financial information and its own trading record 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 conducted is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management on a continuous basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Deposits are held at three different banks to increase investment diversification.

Cash deposits are placed with a range of financial institutions.

	Consolidated 30 June 2017 $	**Consolidated 30 June 2016 $**
Cash and cash equivalents (including restricted cash) and other financial assets		
Counter parties with external credit rating (Standard & Poors)		
AA-	**2,778,537**	3,334,235
Other	**137,781**	2,338,278
Total	**2,916,318**	5,672,513

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Group's maximum exposure to credit risk is limited to the carrying value of the financial assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk to any single debtor group or group of debtors under financial arrangements entered into by the Group.

The maximum exposure to credit risk at the reporting date was:

	Consolidated 30 June 2017 $	**Consolidated 30 June 2016 $**
Cash and cash equivalents (including restricted cash)	**2,916,318**	5,672,513
Trade and other receivables	**1,846,880**	2,015,177

There are no derivative contracts in place (2016: nil).

Note 17. Financial risk management objectives and policies continued

Liquidity risk management:

Ultimate responsibility for liquidity risk management rests with the Board, who has built 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 and had access to $2.6 million in cash and deposits as at 30 June 2017 (2016: $5.3m). The Group continuously monitors forecast and actual cash flows.

The following table details the expected maturity of the Group's financial liabilities based on the earliest date of maturity or payment respectively.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Within one year	**2,326,230**	2,409,704
Between one and five years	**-**	-
	2,326,230	2,409,704

Fair value:

The fair values of all monetary financial assets and liabilities approximate their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form. The aggregate fair values and carrying amounts of financial assets and liabilities are disclosed in the Statement of Financial Position and in the notes to and forming part of the financial statements.

Note 18. Operating lease commitments

Commitments for minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Within one financial year	**475,052**	740,072
Later than one and before five years	**246,168**	504,715
Total	**721,220**	1,244,787

Future minimum lease payments expected to be received in relation to non-cancellable sub-lease of operating lease:

Within one financial year	**-**	317,093
Later than one and before five years	**-**	-
Total	**-**	317,093

Operating leases primarily comprise leases of premises under normal terms and conditions.

Note 19. Key management personnel disclosures

Key management personnel compensation:

The following compensation table includes remuneration paid to key management personnel and directors, but excludes fees paid for consulting services to directors:

	For year ended 30 June 2017 $	For year ended 30 June 2016 $
Short-term employee benefits	**914,693**	296,143
Post-employment benefits	**53,593**	4,354
Share-based payments	**31,090**	-
Termination benefits	**83,333**	-
Total	**1,082,709**	300,497

Detailed remuneration disclosures are provided in the Remuneration Report.

Apart from the detail in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end. Certain non-executive directors provided consulting services to the Group during the year.

Note 19. Key management personnel disclosures continued

Loans to or from key management personnel:

Loans from Warren Barry of $100,000 and Brent Trimnell-Ritchard of $50,000 were outstanding as at the date of acquisition of the Gruden group of companies. These loans plus interest of 12.5% (Barry $3,425, Trimnell-Ritchard $1,175) were repaid during June 2016.

Other transactions and balances with key management personnel:

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

The following table provides details of transactions that occurred with related parties for the relevant financial period.

Related parties – directors and director-related entities	Consulting fees paid to related parties $	Capital purchases from related parties $	Amounts owed to related parties (i) $	Amounts receivable from related parties $
For the year ended 30 June 2017				
Gary Castledine (Perizia Investments Pty Ltd)	-	-	11,000	-
Stephen Harrison	58,618	-	6,600	-
Todd Trevillion (Spruson Investments Pty Ltd)	151,110	-	-	-
Warren Barry (ii)	366,138	-	-	-
Gruden Holdings Pty Ltd (iii)	258,660	-	-	-
Mushy One Trust (iv)	122,656	-	-	-
Décor Project Interiors Pty Ltd (v)	-	89,455	-	-
Gruden Asia Limited (HK) (vi)	-	-	1,249	-
For the year ended 30 June 2016				
Gary Castledine (Perizia Investments Pty Ltd)	50,000	-	49,500	-
Neville Bassett (Mandevilla Pty Ltd) (vii)	50,000	-	5,500	-
Stephen Harrison	107,000	-	12,100	-
Todd Trevillion	26,261	-	-	-
Warren Barry (vii)(viii)	25,210	-	220,062	-
Gruden Holdings Pty Ltd (iii, ix)	114,809	-	67,282	-
Gruden Asia Limited (HK) (vi)	-	-	1,249	-
Mars2Oz Solutions SDN BHD (vi)	-	-	-	1,616
Gruden (China) Pty Ltd (vi)	-	-	87,330	-
Spruson Investments (vi)	-	-	1,184	-

i. The amounts owed include both consulting fees and directors' fees. Directors' fees are disclosed in the remuneration report that forms part of the Directors' Report.
ii. Mr Barry resigned as a director on 22 June 2017 and remains key management personnel. $157,250 was paid during the year ended 30 June 2017 for consulting services provided in 2015.
iii. Mr Trevillion and Mr Trimnell-Ritchard are directors of Gruden Holdings Pty Ltd.
iv. Mr Trimnell-Ritchard is a beneficiary of the Mushy One Trust.
v. Mr Trevillion's wife is a director of Décor Project Interiors Pty Ltd.
vi. Mr Trevillion is a director of these companies.
vii. Resigned as a director 13 May 2016.
viii. The amount owed for 30 June 2016 represents consulting fees for services provided prior to the acquisition of the Gruden group of companies, and commissions payable for new business generated prior to the acquisition.
ix. $114,809 was paid in June 2016 to Gruden Holdings Pty Ltd by MobileDEN Pty Ltd for services provided prior to the acquisition. $62,003 is payable by Gruden Pty Ltd to Gruden Holdings Pty Ltd as final settlement for the restructure of Gruden Holdings Pty Ltd prior to the acquisition and $5,279 is payable for an additional related party amount.

Note 20. Remuneration of auditor

During the year, the following fees were paid or payable for services provided by the auditors:

	For year ended 30 June 2017 $	For year ended 30 June 2016 $
UHY Haines Norton		
- Audit services	**38,000**	-
Pitcher Partners:		
- Audit services	**28,000**	65,000
- Taxation services	**13,004**	-
- Other consulting services	**-**	22,500
Total	**79,004**	87,500

Note 21. Contingencies

There are no outstanding contingent liabilities not provided for in the financial statements of the Group as at 30 June 2017 other than bank guarantees totalling $304,142 provided by the National Australia Bank:

- $233,537 to the landlord of level 10, 220 George St, Sydney in support of the Group's lease obligations.
- $70,605 to the landlord of level 6, 220 George St, Sydney in support of the Group's lease obligations.

The bank guarantees are secured by term deposits.

As at 30 June 2016, the Group had bank guarantees totalling $365,151 provided by the National Australia Bank:

- $358,651 to the landlord of the office premises at 40 Creek St, in support of the Group's lease obligations.
- $6,500 to the landlord of the Longreach yard, in support of the Group's lease obligations.

Note 22. Events occurring after the reporting period

There are no matters or circumstances that have arisen since 30 June 2017 that have affected or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

Note 23. Earnings per share

	Consolidated 30 June 2017 cents	Consolidated 30 June 2016 cents
Basic and diluted earnings per share:		
(Loss) / earnings per share from continuing operations	**(0.98)**	0.04
Total basic (loss) / earnings per share	**(0.98)**	0.04
Total diluted (loss) / earnings per share	**(0.98)**	0.04
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**664,291,277**	427,761,764
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**664,291,277**	475,761,764

Note 24. Equity-based payments

Year ended 30 June 2017

Shares issued to employees

1,969,695 shares were issued to 65 employees for no consideration as an incentive. The shares had a deemed value of $0.033 per share, based on the market value of the shares.

Options issued under Incentive Option Scheme

17 million options were issued in four tranches to an employee and former employee on 5 May 2017. The options were valued using a binomial model. The table below shows the number of options in each tranche, the fair value per option and the assumptions used in the valuation.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of options	3,500,000	3,500,000	5,000,000	5,000,000
Fair value per option (cents)	0.060	0.004	0.406	0.171
Total value	$2,100	$140	$20,300	$8,550
Expiry date	23 December 2017	23 December 2017	30 June 2019	30 June 2019
Exercise price ($)	$0.05	$0.10	$0.05	$0.10
Expected volatility	90%	90%	90%	90%
Dividend yield	Nil	Nil	Nil	Nil
Risk-free rate	1.5%	1.5%	1.73%	1.73%

The following table is a summary of the movement of options that have been issued under the Incentive Option Scheme.

	2017 number	2016 number	2017 weighted average exercise price $	2016 weighted average exercise price $
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	17,000,000	-	0.075	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	17,000,000	-	0.075	-
Exercisable at the end of the year	17,000,000	-	-	-

Options expense of $31,090 was charged against profit or loss for the year (2016: nil).

The weighted average remaining contractual life for the share-based payment options outstanding as at 30 June 2017 was 1.36 years.

The range of exercise prices for share-based payment options outstanding as at 30 June 2017 was $0.05 to $0.10.

No options were on issue as at 30 June 2016.

Year ended 30 June 2016

Consulting fees of $60,000 due and payable to Mr Stephen Harrison as at 30 June 2015 were satisfied by the issue of 3,000,000 ordinary fully paid shares during the 2015-16 financial year.

A further $60,000 of consulting fees due and payable to a non-related party as at 30 June 2015 were also satisfied by the issue of 3,000,000 ordinary fully paid shares during the 2015-16 financial year.

The value of the shares was based on the fair value of the services received.

Note 25. Subsidiaries

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

All subsidiaries are consolidated. There are no contractual arrangements that would require the parent to provide financial support to the subsidiaries. No subsidiaries have significant restrictions (statutory, contractual or regulatory) on their ability to access or use the assets and settle the liabilities of the Group.

Name	Country of incorporation	Class of share	% Equity interest 2017	% Equity interest 2016	Principal activities
Longreach Number 2 Pty Ltd	Australia	Ordinary	100%	100%	Dormant
Gruden Pty Ltd (i)	Australia	Ordinary	100%	100%	Maintenance and integration of IT systems
MobileDEN Pty Ltd (i)	Australia	Ordinary	100%	100%	IT development
Blackglass Pty Ltd (i)	Australia	Ordinary	100%	100%	Digital marketing and web development
First People Digital Pty Ltd (ii)	Australia	Ordinary	49%	100%	IT / digital projects in indigenous businesses

i. Acquired 26 May 2016.
ii. Joint Venture

Note 26. Parent entity disclosures

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	For year ended 30 June 2017 $	For year ended 30 June 2016 $
Current assets	**380,189**	4,964,575
Total assets	**6,421,889**	13,148,475
Current liabilities	**173**	330,888
Total liabilities	**173**	330,888
Net assets	**6,421,716**	12,817,587
Equity		
Contributed equity	**28,385,292**	28,320,292
Reserves	**725,460**	2,094,492
Accumulated losses	**(22,689,036)**	(17,597,197)
Total equity	**6,421,716**	12,817,587
Total comprehensive (loss) / profit	**(6,491,961)**	200,805

Note 26. Parent entity disclosures continued

(b) Guarantees entered into by the parent entity

There are no outstanding contingent liabilities not provided for in the financial statements of the parent entity as at 30 June 2017.

As at 30 June 2016, the parent entity had bank guarantees totalling $365,151 provided by the National Australia Bank:

- $358,651 to the landlord of the office premises at 40 Creek St, in support of the Company's lease obligations.
- $6,500 to the landlord of the Longreach yard, in support of the Company's lease obligations.

The bank guarantees are secured by term deposits.

(c) Operating lease commitments of the parent entity

Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:

	For year ended 30 June 2017 $	For year ended 30 June 2016 $
Within one financial year	-	423,274
Later than one and before five years	-	-
Total	-	423,274

Sublease:

Future minimum lease payments expected to be received in relation to non-cancellable sublease of operating lease:

Within one financial year	-	317,093
Later than one and before five years	-	-
Total	-	317,093

(d) Significant accounting policies of the parent entity

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and receipt may be an indicator of an impairment of the investment.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes and additional disclosures included in the Directors' Report designated as audited, are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date.

(b) as stated in Note 1, the financial statements also comply with International Financial Reporting Standards.

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and the Head of Finance required by Section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a Resolution of the Board of Directors.

Stephen Harrison
Chairman

31 August 2017

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Gruden Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Gruden Group Limited (the Company) and its subsidiaries (together the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key audit matter	How our audit addressed the area of focus
Going concern basis for preparation *(Refer to Note 1 (a) Going concern)*	
The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgment required by us in evaluating the Group's assessment of going concern. The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and judgments, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgment does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.	Our audit procedures included, amongst others: We analysed the cash flow projections by: • Analysing the impact of reasonably possible changes in projected cash flows and their timing, to the projected cash positions. Assessing the resulting impact on the ability of the Group to pay its debts as and when they fall due and continue as a going concern. The specific areas we focused on were based on the results of our tests of the accuracy of previous Group cash flow projections and sensitivity analysis on the key cash flow projection assumptions. • Assessing the planned levels of operating and capital expenditures to the Group's historical results, results since year end, and our understanding of the business, industry and economic conditions of the Group. • We used our knowledge of the client, its industry and status to assess the level of associated uncertainty. • We critically assessed the levels of uncertainty, as it related to the Group's ability to continue as a going concern, within these assumptions and judgments, focusing on the Group's planned levels of operational and capital expenditures and the ability of the Group to manage cash outflows within available resources.

- We evaluated the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans and accounting standards requirements.

Valuation of goodwill and other intangible assets (AU$5,879,334)

(Refer to Note 2 Critical accounting estimates and judgments – Impairments tests for goodwill and non-financial assets and Note 11 Non-current assets - intangibles)

The Group's annual testing of goodwill and other intangible assets for impairment is a key audit matter owing to the high level of judgement required by us in assessing the assumptions the Group applied in their valuation models. The most significant assumptions incorporated in the Group's assessment of impairment of the Group's goodwill and other intangible assets include forecast cash flows, discount rates applied, and the assumptions underlying forecast growth.

As a result of the Group's annual testing performed, an impairment of goodwill of $1,559,134 was recognised for the year.

Other intangible assets include a significant amount of capitalised software. Judgement is required in assessing the extent that costs can be recognised as an asset and whether the capitalised software should be impaired.

Our audit procedures included, amongst others:

- We assessed the Group's determination of their CGUs based on our understanding of the operations of the Group's business. We also analysed how operating results are aggregated and are monitored and reported internally.
- We assessed the Group's key forecast cash flow and growth assumptions, including those relating to forecast cash flows, discount rates, growth assumptions, and terminal growth rates. This included comparing the Group's assumptions to external data, such as published economic growth projections, as well as our own assessments in relation to key inputs such as discount rates.
- We also compared previous forecasts to actual results to assess the performance of the business and the historical accuracy of forecasting.
- We performed a sensitivity analysis on key assumptions such as discount rates, forecast growth rates and terminal growth rates to identify those CGUs at higher risk of impairment, to inform our further procedures to identify management bias.

	• We assessed the evaluation of indicators that capitalised software intangible assets may be impaired and the estimated useful lives of the assets. With respect to the capitalised software intangible asset, we focused our testing on the evaluation of the commercial feasibility. • We evaluated the recognition criteria applied to the software costs incurred and capitalised during the financial year against the requirements of the accounting standards.
Recoverability of deferred tax assets (AU$537,354) *(Refer to Note 2 Critical accounting estimates and judgments - Taxes and Note 5 Income tax)* Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient future taxable profits will be generated in order for the benefits of the deferred tax assets to be realised. These benefits are realised by reducing tax payable on future taxable profits. During the year, no deferred tax assets have been recognised on current year tax losses and the Group de-recognised the deferred tax assets relating to prior year tax losses of $1,077,537. We focused on this matter because of the impact on the financial report and because significant judgement is required to assess whether there will be sufficient future taxable profits to utilise the recognised deferred tax assets.	Our audit procedures included, amongst others: • We assessed the Group's ability to utilise the deferred tax assets by obtaining calculations of forecast taxable income for the next five years and agreeing these to the latest Board approved budget and forecast. • We recalculated deferred tax asset balances which comprise a combination of timing differences between tax and accounting values and tax losses. • We considered the Group's methodologies, assumptions and estimates in relation to the likelihood of generating future taxable profits to support the recognition of deferred tax assets. • We assessed whether deferred tax assets had been appropriately recognised in the financial report based on the extent to which they can be recovered by future taxable profits.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on the Remuneration Report

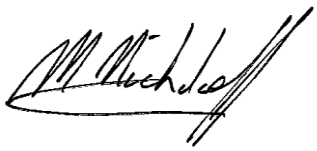
Opinion on the Remuneration Report

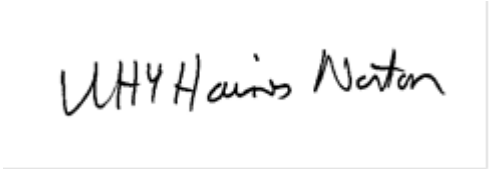
We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of The Gruden Group Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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





Mark Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Sydney
Date: 31 August 2017

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 28 August 2017.

Distribution of equity securities:
Analysis of numbers of equity security holders by size of holding:

Holding	Total holders	% of issued capital
1 - 1,000	36	0.00
1,001 - 5,000	118	0.06
5,001 - 10,000	148	0.19
10,001 - 100,000	788	4.75
100,001 - 9,999,999,999	369	94.99
Total	**1,459**	**100.00**

	Number of shares in minimum parcel size	Holders	Units
Less than marketable parcel	31,250	710	10,899,418

Substantial holders:
Substantial holders in the Company are set out below:

Name	Number of shares	Class of shares
SPRUSON CORPORATION PTY LTD <BOOYAH FAMILY A/C>	60,385,828	Ordinary
ANT (ACT) NOMINEES PTY LIMITED <BUTLER FAMILY A/C>	58,437,876	Ordinary
BARRY CONSULTING PTY LTD <BARRY FAMILY A/C>	58,437,875	Ordinary
BTR HOLDINGS PTY LTD <MUSHY ONE A/C>	56,488,421	Ordinary
MARINDO NOMINEES PTY LTD	41,250,000	Ordinary
BRIAN JAMES BARKER +	37,543,051	Ordinary
MSJ CAPITAL PTY LIMITED	35,375,545	Ordinary

Shareholder Information continued

The names of the 20 largest holders of fully paid ordinary shares as at 28 August 2017:

Rank	Name	Number of shares	Percentage
1.	SPRUSON CORPORATION PTY LTD <BOOYAH FAMILY A/C>	60,385,828	8.56
2.	ANT (ACT) NOMINEES PTY LIMITED <BUTLER FAMILY A/C>	58,437,876	8.28
3.	BARRY CONSULTING PTY LTD <BARRY FAMILY A/C>	58,437,875	8.28
4.	BTR HOLDINGS PTY LTD <MUSHY ONE A/C>	56,488,421	8.00
5.	MARINDO NOMINEES PTY LTD	41,250,000	5.84
6.	BRIAN JAMES BARKER +	37,543,051	5.32
7.	MSJ CAPITAL PTY LIMITED	35,375,545	5.01
8.	PERSHING AUSTRALIA NOMINEES PTY LTD <WESTAR CAPITAL LIMITED A/C>	24,386,696	3.46
9.	MEDIDEW PTY LTD	12,879,317	1.82
10.	BLUESEAS INVESTMENTS PTY LTD <ASEAN SUPER FUND A/C>	12,370,623	1.75
11.	GOLDFIRE ENTERPRISES PTY LTD	10,500,000	1.49
12.	CHEMBANK PTY LIMITED <CABAC SUPER FUND A/C>	10,285,707	1.46
13.	MRS MELANIE THERESE VERHEGGEN	9,449,256	1.34
14.	KAPIRI HOLDINGS PTY LTD	8,855,142	1.25
15.	BROWN BRICKS PTY LTD <HM A/C>	8,000,000	1.13
16.	TT NICHOLLS PTY LTD <NICHOLLS SUPER FUND A/C>	6,650,000	0.94
17.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	6,568,550	0.93
18.	JASMAH INVESTMENTS PTY LTD <JASMAH INVESTMENT A/C>	5,960,799	0.84
19.	SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY S/FUND A/C>	5,050,000	0.72
20.	ASEAN CAPITAL PTY LTD	3,962,559	0.56
Total		**472,837,245**	**66.99**
Total all ordinary shares		**705,816,391**	**100.00**

Performance shares

Details of unquoted performance shares on issue as at 28 August 2017:

Class	Expiry	Performance milestones for conversion	Number of shares	Number of holders
Class B	12 May 2018	Generation of at least $16 million of consolidated gross revenue in any 12 month consecutive period	90,000,000	5

Shareholder Information continued

Holdings of more than 20% of each class:

Holder	Class B
Barry Consulting Pty Ltd ATF Barry Family Trust	19,125,375
Spruson Corporation Pty Ltd ATF Booyah Family Trust	19,762,912
ANT (ACT) Nominees Pty Ltd ATF Butler Family Trust	19,125,375
BTR Holdings Pty Ltd ATF Mushy One Trust	18,486,338

The performance shares convert to ordinary fully paid shares on a one for one basis.

The Class A performance shares were converted to ordinary shares during the period after the performance milestones were met.

Restricted Securities

The Company has on issue the following restricted securities:

Class of Security	Number	Date cease to be restricted securities
Ordinary shares fully paid	124,823,703	25 May 2018
Class B Performance Shares	38,888,287	25 May 2018

On-market Buy-back
There is no current on-market buy-back.

Consistency with business objectives
The Company has used its cash and assets in a form readily convertible to cash that it had at the time re-compliance in a way consistent with its stated business objectives.

Corporate Governance
The Group's corporate governance policies can be accessed at https://www.thegrudengroup.com/corporate-governance/.

COMPANY INFORMATION

The Gruden Group Ltd	**ABN 56 125 943 240**	
Directors	Stephen Harrison	Executive Chairman
	Terry Butler	Non-executive Director
	Gary Castledine	Non-executive Director
	Todd Trevillion	Executive Director
Company Secretary	Neville Bassett	
Registered Head Office	c/- Westar Capital Limited Level 4 216 St Georges Terrace Perth WA 6000 Telephone: +61 8 6268 2622 Web: www.thegrudengroup.com	**Postal Address:** PO Box 7315 Perth WA 6850
Share Registry	**Computershare Investor Services Pty Limited** Level 11 172 St Georges Terrace Perth WA 6000 Telephone: +61 8 9323 2000 1300 557 010 (within Australia) Fax: +61 8 9323 2033	
Auditor	**UHY Haines Norton** Level 11 1 York Street Sydney NSW 2000	

OUR MISSION

To become a world leading technology company delivering intelligent interactions for global businesses, brands and Governments.

GRUDEN
INTELLIGENT INTERACTIONS