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Wangle Technologies™

ACN 096 870 978

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

ANNUAL REPORT

for the year ended 30 June 2017

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Jonathon Wild
Mr Sean Smith
Prof. Donna Cross
Mr James Robinson

Non-Executive Chairman
Managing Director and Chief Executive Officer
Non-Executive Director
Non-Executive Director

REGISTERED OFFICE

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Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

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EXCHANGE

Australian Securities Exchange (ASX)

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Perth WA 6000

ASX Code: WGL

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AUSTRALIA

LAWYERS

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DIRECTORS' REPORT

The directors of Wangle Technologies Limited (**ASX: WGL**) (**Company** or **Wangle**) submit herewith the annual financial report of the Company and its controlled entities (**Group**) for the financial year ended 30 June 2017 (**Report**).

DIRECTORS

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

MR JONATHON WILD (*Appointed 21 February 2017*)

NON-EXECUTIVE CHAIRMAN

Jon has been a marketing leader for the past twenty years across a diverse range of categories and companies including Unilever, British Telecom (where he launched the O2 brand in Europe), Telstra, Orbitz Worldwide and more recently at Groupon (NASDAQ:GRPN) in roles including CMO (APAC) and VP of Marketing (North America).

Jon has extensive mobile, digital and commercial experience having led marketing strategy from start-ups to large multinational corporate organisations. His passion for disruptive narratives combined with a strong understanding of how technology is constantly changing the interaction between people, brands and business have built Mr Wild's international reputation for marketing strategy leadership.

MR SEAN SMITH (*Appointed 25 January 2017*)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Sean has almost two decades of experience growing and leading teams for a range of different sized business' including ASX-list Australian companies, NYSE-listed global businesses and one of Australia's privately funded start-up success stories.

Most recently as Head of Customer Experience for Woolworth's Endeavour Drinks Group across its portfolio of liquor brands including Dan Murphy's, Cellarmasters, Langtons, WineMarket and BWS, Sean built customer experience and analytics teams focused on increasing customer retention, value and sustained profitability in a fast paced and crowded market environment.

Sean's extensive experience in the Australian marketplace includes Head of Marketing for online restaurant booking app, Dimmi, where he successfully launched the consumer proposition focusing on customer acquisition, retention and value growth.

He led brand, communications and data strategy for HotelClub, an online hotel booking site owned by multinational travel business Orbitz Worldwide, where his focus included customer lifecycle strategy, customer experience and owned media commercialisation.

Sean's experience and expertise includes general management, P&L responsibility, omni-channel retail, customer experience, data strategy, marketing technology and marketing strategy.

PROF. DONNA CROSS (*Appointed 12 April 2017*)

NON-EXECUTIVE DIRECTOR

Head of health education and promotion research at Telethon Kids Institute. Donna has an international reputation for developing community-based interventions; to reduce bullying including cyber related & other mental health harms amongst kids and teens. A Professor with the faculty of Medicine, Dentistry & Health Sciences at UWA and a member of AICD. In 2012 Donna received the WA 'Australian of the Year Award 'for services to children's health

MR JAMES ROBINSON *(Appointed 25 January 2017)*
NON-EXECUTIVE DIRECTOR

James has gained extensive capital markets and advisory experience during over 15 years with some of Western Australia's leading corporate advisory, funds management and stockbroking firms. Since co-founding the Cicero Group in 2008, he has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.

James currently serves as a General Partner of ESVCLP Fund Alchemy Venture Capital, a non-executive director of Jacka Resources Limited and as a founding shareholder of the Stone Axe Pastoral Company.

Along with his various personal interests, he is also Managing Director of the Cicero Group. James is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

MRS LOREN KING
COMPANY SECRETARY

As well as being a Partner at and Company Secretary of the Cicero Corporate Services Pty Ltd, Mrs King holds the positions of Non-Executive Director and Company Secretary at Brookside Energy Limited (ASX: BRK), Blaze International Limited (ASX: BLZ), Lustrum Minerals Limited (ASX: LRM) and Red Fox Capital Limited. Additionally, Loren currently serves as the Company Secretary of Fraser Range Metals Group Limited (ASX: FRN) and Andes Resources Limited. Past Non-Executive Director and/or Company Secretarial positions include Intiger Group Limited (AIM), MMJ Phytotech Limited (ASX: MMJ), Property Connect Holdings Limited (PCH), Alcideon Group Limited (ALC) and ZipTel Limited (ASX: ZIP).

Mrs King has a Bachelor of Psychology, is a Fellow Member of the Governance Institute of Australia holding a Graduate Diploma of Applied Corporate Governance and has a Certificate IV in Financial Services (Bookkeeping).

FORMER DIRECTORS

MR ANDREW HAYTHORPE *(Resigned 21 February 2017)*
NON-EXECUTIVE CHAIRMAN

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

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

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

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

MR JASON GITMANS (Resigned 25 January 2017)
MANAGING DIRECTOR

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

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

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

MR KEATON WALLACE (Resigned 25 February 2017)
NON-EXECUTIVE DIRECTOR

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

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

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

MR CAMERON (CAM) WORTH (Resigned 21 February 2017)
EXECUTIVE DIRECTOR & CHIEF TECHNOLOGY OFFICER

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

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

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

DIRECTORS' SHAREHOLDINGS

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

Director	Ordinary Shares		Options over Ordinary Shares	
	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)
Mr Jonathon Wild	1,000,000	1,000,000	-	-
Mr Sean Smith	1,750,000	1,750,000	-	-
Professor Donna Cross	-	-	-	-
Mr James Robinson	1,000,000	1,000,000	5,000,000	-

ROUNDING OF AMOUNTS

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

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report on pages 8 - 14. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Share-based compensation
- D. Directors' equity holdings
- E. Relationship between the remuneration policy and company performance

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

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

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

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

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- The directors and executives who receive the superannuation guarantee contribution, as required by the government, received 9.5% of base salary for the year ended 30 June 2017 and do not receive any other retirement benefits.
- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

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

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NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive directors consists of directors' fees, payable in advance. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Company's Non-Executive directors are eligible to receive fees for their services and the reimbursement of reasonable expenses.

SERVICE CONTRACTS

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

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

Mr Jon Wild – Non-Executive Chairman (Appointed 21 February 2017)

The Company entered into a consultancy agreement with Mr Jon Wild in respect of his appointment as a Non-Executive Chairman of the Company.

Mr Wild is paid a fee of \$8,000 per month for his services as Non-Executive Chairman and is reimbursed for all reasonable expenses incurred in performing his duties.

The Company has agreed to issue Mr Wild with 5 million options exercisable at \$0.10 and expire on 31 August 2018. Directors' have resolved to seek shareholder approval for the issue of share options to Mr Wild at the Company's upcoming Annual General Meeting.

The agreement may be terminated:

- (a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
- (b) in accordance with the law or the Company's constitution.

Payments for Mr Wild's services are made to Wild Consulting, a related entity.

Mr Sean Smith – Managing Director and Chief Executive Officer (Appointed 25 January 2017)

The Company and Mr Sean Smith entered into an employment agreement on 20 January 2017 for his role as Managing Director and Chief Executive Officer of the Company which commenced on 25 January 2017 and continues until terminated under the termination provisions outlined below. The principal terms of this agreement are as follows.

- (a) Remuneration payable to Mr Sean Smith shall be:
 - (i) \$20,000 per month inclusive of superannuation;
 - (ii) 5 million options to acquire shares in Wangle vesting on the commencement of Mr Smith's employment exercisable at 10 cents per option and expiring on 31 August 2018; and
 - (iii) 5 million options to acquire shares in Wangle vesting on the 12-month anniversary of commencement of Mr Smith's employment exercisable at 10 cents per option and expiring on 31 August 2018.

Directors' have resolved to seek shareholder approval for the issue of share options to Mr Sean

Smith, at the Company's upcoming annual general meeting. Subject to obtaining the requisite shareholder approval at that meeting, directors will issue the share options to the Managing Director and Chief Executive Officer.

(b) the agreement may be terminated:

- (i) by either party without cause with 3 months' written notice or if the Company elects to with payment in lieu of notice;
- (ii) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; or
- (iii) by Mr Smith immediately, by giving notice, if the Company is in breach of a material term of this agreement.

Prof. Donna Cross – Non-Executive Director (Appointed 12 April 2017)

The Company entered into a consultancy agreement with Prof. Donna Cross in respect of her appointment as a Non-Executive Director of the Company.

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

The Company has agreed to issue Prof. Cross with 3 million options exercisable at \$0.10 and expire on 31 August 2018. Directors' have resolved to seek shareholder approval for the issue of share options to Prof. Cross at the Company's upcoming Annual General Meeting.

The agreement may be terminated:

- (a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
- (b) in accordance with the law or the Company's constitution.

Payments for Prof. Cross' services are made to Sante Holdings Pty Ltd, a related entity.

Mr James Robinson – Non-Executive Director (Appointed 25 January 2017)

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

Mr Robinson is paid a fee of \$7,000 per month for his services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing his duties.

The Company has agreed to issue Mr Robinson with 3 million options exercisable at \$0.10 and expire on 31 August 2018. Directors' have resolved to seek shareholder approval for the issue of share options to Mr Robinson at the Company's upcoming Annual General Meeting.

The agreement may be terminated:

- (a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
- (b) in accordance with the law or the Company's constitution.

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

B. DETAILS OF REMUNERATION

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

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

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

The table below shows the 2017 and 2016 figures for remuneration received by the Company's directors and key management personnel:

Directors	Short-term Employee Benefits				Post-employment	Total
	Salary & fees \$	Super-annuation \$	Reimbursements \$	Other Benefits \$	Prescribed Benefits \$	
2017						
Jonathon Wild ⁽ⁱ⁾ ^(xiv)	32,000	-	246	6,000	-	38,246
Sean Smith ⁽ⁱⁱ⁾	95,681	9,090	6,839	15,000	-	126,610
James Robinson ⁽ⁱⁱⁱ⁾ ^(xv)	36,581	-	1,733	7,000	-	45,314
Donna Cross ^(iv) ^(xvi)	12,500	-	-	-	-	12,500
Andrew Haythorpe ^(v)	40,000	-	-	-	-	40,000
Cam Worth ^(vi) ^(vi)	197,435	18,553	1,969	-	-	217,957
Keaton Wallace ^(vii) ^(xvii)	180,000	-	5,389	-	-	185,389
Jason Gitmans ^(viii) ^(xviii)	69,000	-	777	-	4,333	74,110
	663,197	27,643	16,953	28,000	4,333	740,126
2016						
Andrew Haythorpe	60,000	-	4,892	-	-	64,892
Cam Worth ^(viii)	48,103	-	-	-	-	48,103
Keaton Wallace ^(ix)	35,907	-	1,337	-	-	37,244
Jason Gitmans ^(ix) ^(xviii)	60,000	-	-	50,000 ^(x)	7,333 ^(xi)	117,333
James Robinson ⁽ⁱⁱⁱ⁾ ^(xv)	40,000	-	-	40,000 ^(xii)	-	80,000
Harry Karelis ^(xviii) ^(xix)	40,000	-	-	-	-	40,000
	284,010	90,000	6,229	-	7,333	387,572

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.

(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017

(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.

(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.

(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.

(vi) Mr Worth was not entitled to Directors Remuneration during the financial year. His salary of \$197,434 was received in consideration for his role as Chief Technology Officer, a position he held for the whole year.

(vii) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.

(viii) Mr Worth was appointed on 16 June 2016 and was not entitled to Directors Remuneration during the financial year. His salary of \$48,103 was received in consideration for his appointment as Chief Technology Officer on 22nd March 2016.

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

(x) Payment of \$50,000 to Mr Gitmans upon completion of the acquisition of NexGen Networks Limited on 26 February 2016 as consideration for accepting the role of Managing Director with the Company.

(xi) Mr Gitmans received a living allowance of \$500 per week whilst he resides in Australia.

(xii) Mr Robinson received an additional one-off discretionary bonus in February 2016 for additional services provided in the fiscal year ending 30 June 2016, in relation to the acquisition of NexGen Networks Limited.

(xiii) Mr Karelis resigned on 19 February 2016.

(xiv) Director fees for Jonathon Wild were paid to Wild Consulting, a related entity.

(xv) Director fees for James Robinson were paid to Sabrelina Pty Ltd, a related entity.

(xvi) Director fees for Donna Cross were paid to Sante Holdings Pty Ltd, a related entity.

(xvii) Consultancy fees for Keaton Wallace were paid to Cardup Syndicate Holdings Pty Ltd, a related entity.

(xviii) Director fees for Jason Gitmans were paid to Stitch Ministry, a related entity.

(xix) Director fees for Harry Karelis were paid to Gemelli Nominees Pty Ltd, a related entity.

RELATED PARTY TRANSACTIONS

Simplisite Business Solutions (**Simplisite**), a company related to Cam Worth, provided various software and support services to the Group including the development and commercialisation of the Wangle App. During the year, Simplisite provided services to the amount of \$784,140 (2016: \$1,174,191). As at 30 June 2017, an amount payable of \$2,970 (2016: \$121,854) remains outstanding.

A monthly fee of \$10,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd (**CCS**), a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. Since Mr Robinson's reappointment as a Director of the Company, CCS provided services to the amount of \$50,303 (2016: \$195,676). As at 30 June 2017, a nil amount payable (2016: nil) remains outstanding.

ZipTel Limited (**ZipTel**), a company related to Keaton Wallace; provided support staff and office amenities to the Group. During the year, ZipTel provided services to the amount of \$8,931 (2016: \$2,962). As at 30 June 2017, a nil amount payable (2016: \$458) remains outstanding.

C. SHARE-BASED COMPENSATION

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

There were no options granted or other share-based compensation issued to directors or executives during the year (2016: NIL). It is however the intention of the Company to obtain shareholder approval at its upcoming annual general meeting to issue options to directors as per the terms of their service contracts, detailed on pages 9 and 10.

D. DIRECTORS' EQUITY HOLDINGS

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

The following fully paid ordinary shares were held directly, indirectly or beneficially by key management personnel and their related parties during the year ended 30 June 2017:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild ⁽ⁱ⁾	-	-	1,000,000	-	-	1,000,000
Sean Smith ⁽ⁱⁱ⁾	-	-	1,000,000	-	-	1,000,000
James Robinson ⁽ⁱⁱⁱ⁾	-	-	1,000,000	-	-	1,000,000
Donna Cross ^(iv)	-	-	-	-	-	-
Andrew Haythorpe ^(v)	21,800,000	-	-	-	21,800,000	-
Cam Worth ^(v)	23,625,000	-	-	16,750,000 ^(vii)	-	40,375,000
Keaton Wallace ^(vi)	54,910,844	-	22,193,049	15,500,000 ^(vii)	-	92,603,893
Jason Gitmans ^(vi)	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.

(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.

(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.

(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.

(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.

(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.

(vii) Conversion of Class A and Class B Performance Shares.

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

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

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

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

(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.

(iv) Mr Karelis resigned on 19 February 2016.

(ii) Share options of Wangle Technologies Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2017 and 30 June 2016:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No. (viii)	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild ⁽ⁱ⁾	-	-	-	-	-	-
Sean Smith ⁽ⁱⁱ⁾	-	-	-	-	-	-
James Robinson ⁽ⁱⁱⁱ⁾	-	-	-	5,000,000 ^(x)	-	5,000,000
Donna Cross ^(iv)	-	-	-	-	-	-
Andrew Haythorpe ^(v)	10,000,000	-	-	-	10,000,000	-
Cam Worth ^(v)	-	-	-	-	-	-
Keaton Wallace ^(vi)	7,442,433	-	-	-	-	7,442,433
Jason Gitmans ^(vi)	-	-	-	-	-	-
2016						
Andrew Haythorpe	10,300,000	-	(300,000) ^(xi)	-	-	10,000,000
Cam Worth ^(vii)	-	-	-	7,442,433	-	7,442,433
Keaton Wallace ^(viii)	-	-	-	-	-	-
Jason Gitmans ^(viii)	-	-	-	-	-	-
James Robinson ⁽ⁱⁱⁱ⁾	7,975,000	-	(2,975,000) ^(xi)	-	5,000,000	-
Harry Karelis ^(ix)	10,000,000	-	-	-	10,000,000	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.

(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.

(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.

(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.

(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.

(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.

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

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

(ix) Mr Karelis resigned on 19 February 2016.

(x) Options held by Mr Robinson at date of appointment as Non-Executive Director.

(xi) Conversion of options at \$0.025 per option.

(iii) Performance shares of Wangle Technologies Limited:

The following performance shares were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2017 and 30 June 2016:

Directors	Balance at 1 July No.	Acquired No.	Conversion No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild ⁽ⁱ⁾	-	-	-	-	-	-
Sean Smith ⁽ⁱⁱ⁾	-	-	-	-	-	-
James Robinson ⁽ⁱⁱⁱ⁾	-	-	-	-	-	-
Donna Cross ^(iv)	-	-	-	-	-	-
Andrew Haythorpe ^(v)	-	-	-	-	-	-
Cam Worth ^(v)	30,125,000	-	(16,750,000) ^(x)	-	-	13,375,000
Keaton Wallace ^(vi)	23,250,000	-	(15,500,000) ^(x)	2,250,000	-	10,000,000
Jason Gitmans ^(vi)	-	-	-	-	-	-
2016						
Andrew Haythorpe	-	-	-	-	-	-
Cam Worth ^(vii)	-	-	-	30,125,000	-	30,125,000
Keaton Wallace ^(viii)	-	-	-	23,250,000	-	23,250,000
Jason Gitmans ^(viii)	-	-	-	-	-	-
James Robinson ⁽ⁱⁱⁱ⁾	-	-	-	-	-	-
Harry Karelis ^(ix)	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.

(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.

(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.

(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.

(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.

(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.

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

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

(ix) Mr Karelis resigned on 19 February 2016.

(x) Conversion to ordinary shares during the year.

E. RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

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

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2016 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 28 November 2016. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- - END OF REMUNERATION REPORT - -

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 24.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS MEETINGS

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

Board of Directors			
Board Member	Eligible to Attend	Attended	Circular Resolutions Passed
Andrew Haythorpe	4	4	2
Keaton Wallace	4	4	2
Jason Gitmans	4	4	2
Cam Worth	4	4	2
Jonathon Wild	2	2	-
Sean Smith	2	2	-
James Robinson	2	2	-
Donna Cross	1	1	-

PRINCIPAL ACTIVITIES

Wangle has created a patent pending technology that combines a range of advanced subsystems to deliver data acceleration and optimisation over a secure VPN network, whilst also analysing network data in real-time (the **Wangle Network**).

To date the Wangle Network has been used to develop two mobile based applications; Wangle Mobile VPN and Wangle Family Insites.

Wangle Mobile VPN is a Virtual Private Network (**Wangle VPN**) and a network optimiser combined that provides you with unparalleled acceleration and improves your total experience while accessing the internet from your portable devices. Wangle VPN also reduces data usage while enhancing security and privacy. Ultimately this means you can enjoy the security and privacy benefits of a VPN without the impact on user experience typically associated with other VPN services.

Wangle Family Insites (**WFI**) is the new face of Parental Control software. Developed in collaboration with researchers from Telethon Kids Institute, WFI analyses real-time network behaviours, determines risk patterns and identifies potential threats. WFI does not monitor actual content, ensuring trust is preserved between parent and child.

Real-time alerts are sent to the parent portal where our partners at Telethon Kids Institute and other experts in childhood internet safety provide research backed insights, education and resources to support children and their families as they learn to safely navigate the internet.

WANGLE MOBILE VPN

On 27 July 2016, the Company announced that it had lodged a patent for its latest technology which can identify shifting patterns in network traffic in real-time, and recognise changes in behavioural patterns of online usage. This intelligence can be used for advanced analytics and diagnostics, as well enabling real time alerts where concerning changes are identified.

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

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This developed technology allows Wangle to expand its VPN network offering and open up a new vertical of revenue for the Company via data gathering, analysis and real-time responses to behavioural changes in network data, furthering its competitive advantage prior to release.

The unique technology stack upon which the Wangle VPN App is based allows for speed and data savings well in excess of its competitors. This was verified by independent testing conducted by PricewaterhouseCoopers (**PwC**) as released to market on 4 April 2017.

After a period of testing and network optimisation, the Wangle VPN App was launched on 20 April 2017 to both Android and Apple app stores with a \$4.99 monthly subscription and 30-day free trial period. Optimisation of marketing activity reduced the Cost Per Download from an estimated \$15 CPD to \$3 CPD after an initial period of testing, with the target of 20,000 downloads achieved by the end of the period.

The underlying network handled over 35,000 user sessions and the transfer of 7.4 Terabytes of data, proving the robustness of the underlying platform, a key precursor for the upcoming launch of WFI.

While the Conversion Rate data after the 30-day free trial period from free trial to paying subscriber has initially been lower than anticipated, the Company expects to review the user experience and pricing model following the launch of WFI to take advantage of the synergies between the products.

COMMERCIAL PRODUCT STRATEGY

Whilst the initial commercial focus has centred on customer acquisition and subscription models for the Wangle VPN App specifically, the Company has determined that the Wangle VPN network is a strong core foundation on which to build multiple commercial verticals. With the addition of advanced network data capture and analytics capabilities, the Wangle network now offers a unique feature set to help realise the true commercial value of the technology. To that end, the Company has identified and intends to pursue the growing opportunity within the family and enterprise security sectors.

These verticals, not only represent a linear path of product evolution, resource focus and technical development which will enable the Company to build and launch multiple revenue streams over the next 12 months, but also demonstrate reuse of the Company's main technology to offset operational expenses across multiple products and revenue streams.

This initial focus will be on the family security sector via the Wangle Family Insights product. The product will help parents identify risk behaviours of online access by their children, provide real-time alerting and risk analysis, and provide advice and resources when risk behaviours are observed. The product is unique within the family protection vertical in that it reviews the behaviours rather than content (preserving the privacy of children and teenagers), can monitor traffic on multiple mobile devices outside of home networks, and offers real content and advice on the issues identified.

COMMERCIAL PARTNERSHIP AGREEMENT WITH THE TELETHON KIDS INSTITUTE

During the period Wangle formally entered into a commercial partnership agreement with the Telethon Kids Institute to support the continued development and commercialisation of the Wangle Family Insights product due for release later in 2017.

The Telethon Kids Institute will provide Wangle with data derived from cyber safety research including behavioural benchmarking based on 12 years of previous research. This data will enable Wangle to identify key risk behavioural trends from network patterns without interrogating the actual online content of children, thus allowing general risks to be identified while preserving the privacy, trust and cooperation of children and teenagers.

WANGLE FAMILY INSITES (WFI)

The Company is fully focused on addressing the important social issue of child safety on the internet. With key issues including cyber bullying, online predators, the distribution of inappropriate content and the general safety and well-being of children on the internet, cyber safety of our children is an international problem that is accelerating across the globe.

Competitive parental control solutions attempt to block and filter what our children are doing online but with limited effectiveness as children are often able to work around such restrictions. Furthermore, blocking solutions provide no real insight into the risks posed by other internet users during a critical period of childhood development.

Wangle has concentrated on using data signals to identify risks and provides dashboards designed to educate parents on their children's online behaviour and encourages open dialogue with children by directing them to relevant content as a resource in these often difficult but important conversations.

Our unique partnership with the Telethon Kids Institute has helped shape the way that we are able to identify key behaviours and over time Wangle intends to share anonymised data back to the Telethon Kids Institute and the greater research community to provide valuable quantitative data to help continue our fight to keep children safe online.

As such we are making it our mission "to keep children safe by open and transparent dialogue".

Development progress of the WFI product has been strong with key milestones reached on the threat matrix development, big data management, online user experience and app interface. Closed group user testing across a sample of families has commenced with the official launch planned for 2018FY Q1.

Marketing plans are well in place with additional marketing and public relations partners coming onboard to ensure the launch is executed professionally.



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WANGLE MANAGEMENT & BOARD CHANGES

On 25 January 2017, the Wangle Board announced the appointment of Mr Sean Smith as Managing Director and Chief Executive Officer of Wangle. Mr Smith was accepted to the Board alongside Mr James Robinson who was appointed Non-Executive Director.

Mr Smith has almost two decades of experience growing and leading teams for a range of different sized business' including ASX-listed Australian companies, NYSE-listed global businesses and one of Australia's privately funded start up success stories.

On 21 February 2017, Wangle also announced the appointment of Mr Jon Wild as Chairman of the Board. Mr Wild has been a marketing leader for the past twenty years across a diverse range of categories and companies including Unilever, British Telecom (where he launched the O2 brand in Europe), Telstra, Orbitz Worldwide and more recently at Groupon (NASDAQ:GRPN) in roles including CMO (APAC) and VP of Marketing (North America). Messrs Andrew Haythorpe and Cameron Worth also retired at this time.

Professor Donna Cross was appointed as a Non-Executive Director of the Company on 12 April 2017. Donna is a Professor with the Faculty of Medicine, Dentistry and Health Sciences at the University of Western Australia and the Telethon Kids Institute.

REVIEW OF OPERATIONS

Since his appointment, Mr Smith has undertaken a review of the operational, strategic and commercial plans of the Company to ensure the delivery of commercial objectives and shareholder returns. He has focused on previously communicated business models and made assessments on the commercial viability and long-term value of each model in order to build the strategic plan.

Mr Smith has also reviewed staffing structures, the technology platform and the Company's capability to deliver on its strategic and commercial plans. This process has allowed the formulation of the strategic plan, the assigning of resources where needed, and the ability to focus the business on executing the plan quickly and thoroughly.

FINANCIAL UPDATE

On 27 February 2017, the Company announced that it had lodged claims for refundable offsets under the Federal Government's Research and Development (R&D) Tax Incentive Scheme.

Tax Advisor Maxim Hall Chadwick Pty Ltd assisted Wangle in identifying circa \$1.6M in eligible expenditure within the 2015 / 2016 financial year. Under the R&D Scheme, 45% of this eligible expenditure can be claimed as refunds, which are to be paid as cash. Refunds totalling \$739,870 were received by the Company in April 2017

Other than as referred to elsewhere in this consolidated half-year report there are no other matters or circumstances that have arisen since 30 June 2017 that may significantly affect operations, results or state of affairs of the Group in future financial years.

Since the end of the financial year, the Company has arranged for lodgement of claims for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (R&D Scheme).

The refunds will boost Company capital reserves and support upcoming operational and marketing investment as the Company shifts focus to refine, commercialise and grow its revolutionary Wangle VPN network and associated products.

Tax Advisor Maxim Hall Chadwick has assisted Wangle in identifying circa \$2.7 Million in eligible expenditure within the 2016/2017 financial year. Under the R & D Scheme, 43.5% of this eligible

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expenditure can be claimed as refunds, being circa \$1.2 Million which is to be paid back to the Company as cash.

These refunds were received on 18 September 2017 and are being utilised to implement the marketing plan and pursue the successful commercialisation of Wangle Family Insites.

CHANGES TO SECURITIES

Between 29 September and 12 October 2016, the Company issued a total of 19,000,000 fully paid ordinary shares arising on the conversion of options in the Company to raise a total of \$475,000.

On 10 November 2016, the Company announced that it had issued:

- (a) 1,400,000 Fully Paid Ordinary Shares to employees for services provided to the Company and retention/incentive purposes;
- (b) 2,000,000 unquoted Options exercisable at \$0.05 each on or before 31 December 2017 to the Company Secretary for services provided to the Company and retention/incentive purposes;
- (c) 23,500,000 fully paid ordinary shares issued on conversion of 11,750,000 Class A and 11,750,000 Class B Performance Shares as detailed in the Company's 22 December 2015 Prospectus. The ordinary shares issued on conversion are escrowed until 26 February 2018; and
- (d) 38,700,000 fully paid ordinary shares issued on conversion of 19,350,000 Class A and 19,350,000 Class B Performance Shares detailed in the Company's 22 December 2015 Prospectus.

On 20 February 2017, 135,450,000 Fully Paid Ordinary Shares and 19,350,000 Class C Performance Shares were released from escrow. The release from escrow for these Performance Shares did not trigger conversion into Fully Paid Ordinary Shares. The milestone to conversion remains outstanding and the Performance Shares remain unvested. Instead, the Performance Shares remain an in unlisted class until the conversion milestone hurdle has been met. For further details on the milestone hurdles please refer to the Company's 2015 Prospectus.

An additional 38,700,000 Fully Paid Ordinary Shares were released from escrow on 27 February 2017.

EXERCISE OF PUT OPTION

As part of the Company's back-door listing and reinstatement to official quotation on 26 February 2016, the Company acquired a majority shareholding in NexGen Networks Ltd (**NexGen**).

As detailed in the Company's Notice of Meeting dated 23 November 2015 and the Company's 2015 Prospectus, the transaction included a put option held by the B Class Shareholders in NexGen (**Put Option**).

The Put Option was exercisable between 12 and 24 months after signing of the original transaction term sheet. The Company received notice from the B Class Shareholders and the exercise of the Put Option was completed on 30 June 2017. Consequently, the Company owns 100% of the shares in NexGen and issued 84,600,000 Shares and 9,400,000 C Class Performance Shares as restricted securities and 40,500,000 Shares and 4,500,000 C Class Performance Shares as unrestricted securities to the B Class Shareholders.

FINANCIAL REVIEW

The Group has incurred a net loss after tax for the year ended 30 June 2017 of \$5,073,278 (2016: \$7,729,649), and a net cash outflow from operations of \$1,495,506 (2016: \$1,313,951). At 30 June 2017, the Group has net current assets of \$752,041 (2016: \$3,148,354) and net equity of \$3,016,242 (2016: \$4,455,741).

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2017:

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Revenues from ordinary activities	840,726	116,706	19,118	5,813	18,950
Loss from ordinary activities after tax attributable to members	(5,087,105)	(7,740,266)	(390,702)	(840,940)	(376,457)
Net loss for the period attributable to members	(5,087,105)	(7,740,266)	(390,702)	(840,940)	(376,457)
Share price at start of year (\$)	0.03	0.041	0.001	0.001	0.001
Share price at end of year (\$)	0.014	0.03	0.041*	0.001	0.001
Basic & diluted profit/(loss) per share	(0.007)	(0.014)	(0.001)*	(0.00027)	(0.00017)

* Post-consolidation basis

RISK MANAGEMENT

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

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

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

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Company's state of affairs occurred during the period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On the 3 July 2017, the company announced it had entered into a head of agreement with Constable Care Child Safety Foundation (**CCCSF**) in support of Wangle's child protection software, Wangle Family Insites, which is currently under development.

CCCSF is one of Australia's most trusted and recognised child safety and cyber safety brands and provides further independent endorsement (alongside the Telethon Kids Institute) of Wangle Family Insites' unique and proprietary approach to solving a global societal issue that threatens the wellbeing of children around the world.

On the 10 July 2017, the Company announced it had successfully completed a robust threat matrix that Wangle Family Insite's App will use to identify potential behavioural threats. When a threat is identified, the app will notify the parents and provide education resources to the parents enabling them to have the best possible response to the threat.

The Company Announced on the 1 August 2017, it had recruited renowned Australian cyber safety expert Robyn Treyvaud to head up the cyber education function of the Wangle Family Insites app.

Robyn Treyvaud is a globally recognised expert in online safety and digital citizenship. She is an educational leader with over 40 years of experience in Australia and has worked in Asia as an International Baccalaureate (IB) Primary Years Program (PYP) workshop leader.

On the 10 August 2017, the Company announced closed beta testing of the Wangle Family Insites app had commenced. The ground-breaking parent protection suite utilises behavioural analysis of live mobile network traffic across Wangle's Best in class secure VPN network to help parents identify and manage online risks to their children.

The Company announce on the 17 August 2017, that the Company's CEO, Sean Smith, had been invited to speak at the Western Australian Council of State School Organisations Inc. (**WACSSO**) conference.

The WACSSO influences the direction of public education via the views of parents and citizens for the benefit of the students. The annual event is the one time of year public school parents and the education community from across the whole of Western Australia, come together to learn and share experiences about education and the public-school system.

On 18 October 2017, the Company announced that its lodgement of the 2016/17 Financial Year Research & Development Claim, had returned \$1,198,899 in cash to the Company through the Federal Government's Research and Development Tax Incentive Scheme.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the reporting period and up to the date of this report, the Company has paid premiums insuring all the directors of Wangle Technologies Limited against costs incurred in defending conduct involving:

- a) A breach of duty,
 - b) A contravention of sections 182 or 183 of the *Corporations Act 2001*,
- as permitted by section 199B of the *Corporations Act 2001*.

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

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DIVIDENDS

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

OPTIONS

During the 2017 financial year, the Group issued 2,000,000 options. These options have an expiry date of 31 December 2017 and various exercise prices as follows:

Expiry Date	Number of Options	Exercise Price
31 December 2017	2,000,000	\$0.05

During the period 19,000,000 options at an exercise price of \$0.025 each were exercised for a total of \$475,000.

NON-AUDIT SERVICES

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

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

Amounts paid/ payable to Pitcher Partners Corporate & Audit (WA) Pty Ltd or related entities for non-audit services	30 June 2017 \$	30 June 2016 \$
Preparation of Investigating Accountants Report	-	12,013

COMPLIANCE

CORPORATE GOVERNANCE STATEMENT

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

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

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

www.wangletechnologies.com.au

INDEPENDENT PROFESSIONAL ADVICE

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

BOARD COMPOSITION

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

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

SHARE TRADING POLICY

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

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

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



Jonathon Wild
Chairman

Perth, Western Australia this 29th day of September 2017

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AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Wangle Technologies Limited and its controlled entities

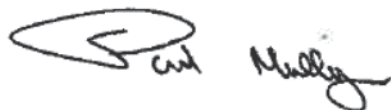
In relation to the independent audit for the year ended 30 June 2017, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

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

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 29 September 2017

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DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the year ended on that date;
- (c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and
- (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the year ended 30 June 2017.

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

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



Jonathon Wild

Chairman

Perth, Western Australia this 29th day of September 2017

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wangle Technologies Limited "the Company", and its controlled entities (together the "Group") which comprises the consolidated statement of financial position as at 30 June 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:

- (a) 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
- (b) 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 a Financial Report* section of our report. We are independent of the Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.2 to the consolidated financial report which indicates that the Group has a cash balance of \$922,745 as at 30 June 2017. As of that date, the Group has net current asset position of \$628,404. As stated these events or conditions, along with other matters as set forth in note 2.1.2 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 key audit matter
<p>Carrying value of capitalised development costs & intellectual property - \$2,193,756 <i>Refer to note 10</i></p>	<p>Our procedures include amongst others:</p> <ul style="list-style-type: none"> Obtaining an understanding of the key controls associated with the preparation of the valuation models used to assess the recoverable amount of the Group's capitalised development costs & intellectual property Evaluate management's judgement in determining the carrying value of each separately identifiable project that comprise the total capitalised development asset. Assessing whether there is any indication that the asset may be impaired by critically evaluating management's assessment of impairment. Challenging management's assumptions on the recoverability of the carrying value of the asset balances Assessing the appropriateness of the disclosures included within the financial reports.
<p>As at 30 June 2017, the Group carries capitalised development costs and intellectual property at \$2,193,756 which accounts for a significant portion (66.4%) of the Group's total assets.</p> <p>Given the changing nature of the industry and the competitive environment in which the Group now operates, there is a risk that works performed to date on the development of the Group's product offerings are being carried at an amount greater than their recoverable value.</p> <p>Significant judgment about the future cash flows and plans for these assets is required and if there is any change to assumptions are made it could result in a material impact to the accounts.</p>	

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Going Concern Refer to note 2.1.2</p> <p>The Group has yet to generate sustained net operating cash inflows from its main undertakings since the release of the initial product offering during the year ended 30 June 2017. The total net impact on cash balances over the year was a \$2,321,530 outflow.</p> <p>The Director's assessment of the Group's going concern ability was an area of focus and we paid particular attention to the key assumptions and judgements taken by the Directors that most significantly impacted these cash flow forecasts, including the assumptions used in forecasting projected sales and the likelihood that the Group would need additional capital raising to continue in the following period.</p>	<p>Our procedures included amongst others:</p> <p>Checking and satisfying ourselves that the cash flow forecasts prepared by Directors were consistent with the Group's strategy and current position.</p> <p>Applying sensitivities to the Directors' cash flow forecasts, including assessing the reasonableness of cost reduction measures by agreeing to standing agreements and consistency with prior year expenditure.</p> <p>Challenging management assumptions regarding the ability to generate future cash inflows through the sales of its product offerings. This includes, amongst others, assessing the reliability of historical forecasts and the assumptions made by third parties in providing forecast sale numbers.</p> <p>Reviewing subsequent documentation and ASX announcements on the forecast cash inflows associated with the receipt of the R&D tax incentive offset refund.</p> <p>Assessing the appropriateness of the disclosures included within the financial reports.</p>

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.

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

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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 14 of the directors' report for the year ended 30 June 2017. In our opinion, the Remuneration Report of Wangle Technologies Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

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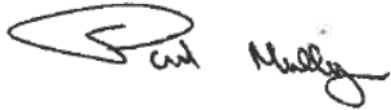
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES**

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.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 29 September 2017

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2017

	Notes	2017 \$	2016 \$
Continuing operations			
Revenue	3	40,195	53,977
Interest income	3	60,661	62,729
R+D Tax Rebate		739,870	-
Research and development costs, materials and consultants		(771,008)	(208,567)
Directors' fees, salaries, superannuation and consulting costs		(1,087,667)	(409,276)
Depreciation expenses		(26,540)	(9,684)
Public company costs, fees, share registry, shareholder costs		(87,966)	(165,467)
Occupancy costs		(66,084)	(73,720)
Legal fees		(48,607)	(268,769)
Audit fees		(38,512)	(36,058)
Insurances		(9,786)	(13,665)
Interest expenses		(17,942)	(2,730)
Foreign exchange expense		(215)	29,449
Other expenses from ordinary activities		(156,440)	(128,871)
Corporate fees		(125,495)	(114,195)
Share-based payments		(43,143)	(357,846)
Impairment expense	10	(3,434,599)	(6,086,956)
Loss before income tax expense		(5,073,278)	(7,729,649)
Income tax (benefit)/expense		-	-
Loss for the year from continuing operations		(5,073,278)	(7,729,649)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		(5,087,105)	(7,740,266)
Loss attributable to non-controlling interests		13,827	10,617
		(5,073,278)	(7,729,649)
Loss per share			
From continuing operations			
Basic and diluted loss per share (cents per share)	5	(0.007)	(0.014)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	20	922,745	3,245,569
Trade and other receivables	7	118,060	240,603
Other current assets	9	-	-
Total current assets		1,040,805	3,486,172
Non-current assets			
Plant and equipment	8	70,535	82,337
Development costs	10	2,142,210	1,195,362
Intellectual property	10	51,456	29,688
Total non-current assets		2,264,201	1,307,387
Total assets		3,305,006	4,793,559
Liabilities			
Current liabilities			
Trade and other payables	11	270,711	297,645
Provision for leave		18,053	-
Other financial liabilities		-	40,173
Total current liabilities		288,764	337,818
Total liabilities		288,764	337,818
Net assets		3,016,242	4,455,741
Equity			
Issued capital	12	25,765,103	21,102,320
Reserves	13	1,175,547	2,304,327
Accumulated losses		(23,924,408)	(18,837,303)
Non-controlling interest		-	(113,603)
Total equity		3,016,242	4,455,741

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2017

	Share Capital	Option Premium Reserve	Performance Share Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlling Interests	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	11,415,813	660,074	-	-	(11,091,188)	-	984,699
Consolidated loss for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Total comprehensive income for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	(124,220)	(124,220)
Shares/options issued during the year	5,265,656	-	-	-	-	-	5,265,656
Shares issued on the acquisition of subsidiary	4,557,948	60,113	1,583,941	199	(5,849)	-	6,196,352
Share/option issue costs	(137,097)	-	-	-	-	-	(137,097)
Balance at 30 June 2016	21,102,320	720,187	1,583,941	199	(18,837,303)	(113,603)	4,455,741
Balance at 1 July 2016	21,102,320	720,187	1,583,941	199	(18,837,303)	(113,603)	4,455,741
Consolidated loss for the year	-	-	-	-	(5,087,105)	13,827	(5,073,278)
Total comprehensive income for the year	-	-	-	-	(5,087,105)	13,827	(5,073,278)
Shares/Options issued during the year	3,513,327	8,143	-	-	-	-	3,521,470
Shares issued on the acquisition of subsidiary	1,149,456	-	(1,149,456)	-	-	-	-
Foreign currency translation effect	-	-	-	12,533	-	-	12,533
Acquisition of minority interest share in NexGen	-	-	-	-	-	99,776	99,776
Balance at 30 JUNE 2017	25,765,103	728,330	434,485	12,732	(23,924,408)	-	3,016,242

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,313,124)	(1,463,067)
Receipts from customers		35,029	89,117
Interest received	3	60,661	62,729
Interest paid		(17,942)	(2,730)
R&D Tax Rebate		739,870	-
Net cash used by operating activities	20.1	(1,495,506)	(1,313,951)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,738)	(47,309)
Payments in relation to acquisition		-	(236,420)
Payments for intangible assets; development costs	10	(1,264,518)	(1,193,200)
Payments for intangible assets; intellectual property	10	(21,768)	(29,688)
Net cash generated by investing activities		(1,301,024)	(1,506,617)
Cash flows from financing activities			
Proceeds from issues of shares	12	475,000	5,265,458
Payments of share issue costs		-	(137,097)
Proceeds from issue of options		-	-
Net cash generated by financing activities		475,000	5,128,361
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		3,245,569	937,776
Foreign exchange effects		(1,294)	-
Cash and cash equivalents at the end of the year	20	922,745	3,245,569

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

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2017

1. GENERAL INFORMATION

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements were authorised for issue by the directors on 29 September 2017.

2.1. BASIS OF PREPARATION

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

2.1.1. Statement of compliance

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

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

2.1.2. Financial position

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

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

The Group has incurred a net loss after tax for the year ended 30 June 2017 of \$5,073,278 (2016: \$7,729,649), and a net cash outflow from operations of \$1,495,506 (2016: \$1,313,951). At 30 June

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2017, the Group has net current assets of \$752,041 (2016: \$3,148,354) and net equity of \$3,016,242 (2016: \$4,455,741).

Based on a cash flow forecast, the Group has sufficient working capital to fund its contracted obligations for the period ending 12 months from the date of this report. Should the Group be unable to generate sufficient funds from its operations, due to not meeting forecast sales revenue, or if it is unable to raise sufficient capital, the planned operations and software development may have to be amended.

The Board is confident in the Group's ability to implement cost reduction measures to an extent that allows the Group to continue to meet the contracted obligations required for at least the next 12 months. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in careful cost management.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group's actual cash flows not match the forecasts detailed above then, the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

2.1.3. Use of estimates and judgments

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

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

2.1.4. Comparative figures

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

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

2.2. PRINCIPLES OF CONSOLIDATION

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

2.2.1. Business combinations

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

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
 - the recognised amount of any non-controlling interests in the acquisition; plus
 - if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
- less**
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

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

2.2.2. Subsidiaries

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

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

2.2.3. Loss of control

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

2.2.4. Transactions eliminated on consolidation

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

2.2.5. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

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

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

2.3. ASSET ACQUISITION

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

2.4. TAXATION

2.4.1. Tax Consolidation

The Company it is wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2016 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Wangle Technologies Limited.

Current tax liabilities and assets and deferred tax assets arising from the unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

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2.4.2. Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

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

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

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

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

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

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

2.4.3. Goods and Services Tax (GST)

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

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

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

2.4.4. Fair Value

Fair Value of Assets and Liabilities

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

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

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

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

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

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

Fair value hierarchy

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

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

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

Valuation techniques

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

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

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

2.5. PLANT AND EQUIPMENT

2.5.1. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting Note 2.7 Impairment of non-financial assets).

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

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

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

2.5.2. Subsequent costs

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

2.5.3. Depreciation

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

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates using the straight-line method for the current and comparative period are:

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

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

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

2.6. RESEARCH & DEVELOPMENT EXPENDITURE

The Group capitalises all research and development costs as incurred.

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

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

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

2.7. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting Note 2.4.2) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

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

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

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

2.8. FINANCIAL INSTRUMENTS

2.8.1. Initial recognition and measurement

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

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

2.8.2. Non-derivative financial instruments

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

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

2.8.3. Classification and Subsequent Measurement

Cash and cash equivalents

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

Loans

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

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

Trade and other receivables

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

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

Trade and other payables

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

Share capital

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

2.8.4. Amortised cost

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

2.8.5. Fair value

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

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2.8.6. Effective interest method

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

2.8.7. Impairment

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

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

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

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

2.8.8. Derecognition

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

2.8.9. Finance income and expenses

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

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

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

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

2.9. EMPLOYEE BENEFITS

2.9.1. Short-term benefits

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

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

2.9.2. Other long-term benefits

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

2.9.3. Retirement benefit obligations: Defined contribution superannuation funds

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

2.9.4. Termination benefits

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

2.9.5. Equity-settled compensation

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

2.10. SHARE BASED PAYMENTS TRANSACTIONS

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

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

2.11. PROVISIONS

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

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

2.12. CONTINGENT LIABILITY

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

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

2.13. EARNINGS PER SHARE

2.13.1. Basic earnings per share

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

2.13.2. Diluted earnings per share

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

2.14. LEASES

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

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

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

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

2.15. REVENUE AND OTHER INCOME

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

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

All revenue is stated net of the amount of GST (Note 2.4.3 Goods and Services Tax (GST)).

2.15.1. Government grants

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

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

2.16. SEGMENT REPORTING

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

2.17. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

2.17.1. Key judgements and estimates - Business Combinations

Refer Note 2.2.1 Business combinations on page 38.

2.17.2. Key Estimate - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 6 Income Tax on page 54.

2.17.3. Key Estimate - Intangible assets and amortisation

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

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

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

2.17.4. Key Estimate – Provision for R&D

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

2.17.5. Share Based Payments

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

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

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

2.17.6. Research & Development Assets

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

2.17.7. Impairment of Assets

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

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

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

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

AASBs that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 JUNE 2017. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

2.19.1. AASB 9 Financial Instruments

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

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

2.19.2. AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the

separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

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

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

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

2.19.3. AASB 16 Leases

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

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

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

3. REVENUE

3.1. REVENUE FROM CONTINUING OPERATIONS

	2017 \$	2016 \$
Revenue	40,195	53,977
Interest received	60,661	62,729
R&D Tax Rebate	739,870	-
	<u>840,726</u>	<u>116,706</u>

4. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2017 \$	2016 \$
Audit fees	38,512	36,058
Superannuation	62,001	1,285
	<u>100,513</u>	<u>37,343</u>

5. LOSS PER SHARE

5.1. BASIC LOSS PER SHARE

	2017 Cents Per Share	2016 Cents Per Share
From continuing operations	(0.007)	(0.014)
From discontinued operations	-	-
Total basic loss per share	<u>(0.007)</u>	<u>(0.014)</u>

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

	2017 Cents Per Share	2016 Cents Per Share
Loss for the year from continuing operations	(5,087,105)	(7,740,266)
Loss for the year	<u>(5,087,105)</u>	<u>(7,740,266)</u>

Weighted average number of ordinary shares for the purposes of basic loss per share

No.	No.
<u>773,165,813</u>	<u>550,056,095</u>

5.2. DILUTED LOSS PER SHARE

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

	No.	No.
Unlisted options exercisable at \$0.05 on or before 31 Dec 2017	2,000,000	-
Unlisted options exercisable at \$0.025 on or before 31 Aug 2018	43,034,867	62,034,867
Unlisted options exercisable at \$0.075 on or before 31 Aug 2018	5,000,000	5,000,000
Unlisted options exercisable at \$0.10 on or before 31 Aug 2018	5,000,000	5,000,000
Unlisted options exercisable at \$0.15 on or before 31 August 2018	<u>5,000,000</u>	<u>5,000,000</u>

6. INCOME TAX

6.1. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2017 \$	2016 \$
Current tax	-	-
Deferred tax	-	-
	-	-

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

Loss before tax	(5,073,278)	(7,729,649)
Income tax expense/(benefit) calculated at 27.5% (2016: 28.5%)	(1,395,151)	(2,202,950)
Adjustment in respect of previous current income tax	1,572	1,904
Effect of expenses that are not deductible on determining taxable profit/(loss)	225,778	1,931,863
Other deductible items	916,130	(14,049)
Effect of unused tax losses not recognised as deferred tax assets	251,671	283,232
Income tax expense in consolidated statement of comprehensives income	-	-

The tax rate used for the 2017 year of 27.5% (2016: 28.5%) is the corporate tax rate of payable by small business entities on taxable profits under Australian law.

6.2. TAX LOSSES

Deferred tax assets on the unused 2017 revenue tax loss of \$8,779,371 (2016: \$8,302,537) and 2017 capital loss of \$140,760 (2016: \$140,760) have not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

6.3. UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets recognised directly in equity	60,442	37,232
Revenue income tax losses not brought to account at 27.5% (2016: 28.5%)	1,486,287	2,366,223
Capital income tax losses not brought to account at 27.5% (2016: 28.5%)	38,709	40,117
Other temporary differences	(588,044)	6,906
Unrecognised deferred tax assets relating to the above temporary differences	997,394	2,450,478

6.4. TAX CONSOLIDATION

The Company and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2016. The accounting policy in relation to this legislation is set out in Note 2.4.1.

7. CURRENT TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Trade debtors	386,847	386,847
Provision for impairment (i)	(386,847)	(386,847)
Sundry debtors and prepayments	118,060	240,603
	118,060	240,603

(i) As at 30 June 2017, current trade receivables of the Group with a value of \$386,847 were impaired. The amount of the provision was \$386,847 (2016: \$386,847).

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

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2016: \$NIL).

Fair value and credit risk

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

8. PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
Plant and equipment at cost	347,120	347,120
Accumulated depreciation and impairment	(343,844)	(343,075)
	3,276	4,045
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(76,608)	(74,411)
	9,364	11,561
Office equipment at cost	64,596	70,624
Accumulated depreciation	(64,596)	(64,596)
	-	6,028
Office furniture at cost	22,016	20,995
Accumulated depreciation	(18,423)	(18,032)
	3,593	2,963
Computer - at cost	83,456	63,711
Accumulated depreciation	(29,154)	(5,971)
	54,302	57,740
Total accumulated depreciation and impairment	70,535	82,337

8.1. MOVEMENT IN CARRYING AMOUNTS:

	Plant & Equipment \$	Motor Vehicles \$	Office Equipment \$	Office Furniture \$	Computer Equipment \$	Total \$
Carrying amount at 30 June 2015	4,997	14,280	-	-	-	19,277
Disposals	-	-	6,028	3,004	63,711	72,743
Depreciation expense	(952)	(2,719)	-	(41)	(5,971)	(9,683)
Carrying amount at 30 June 2016	4,045	11,561	6,028	2,963	57,740	82,337
Acquisitions	-	-	(6,028)	1,021	19,746	14,739
Depreciation expense	(769)	(2,197)	-	(391)	(23,183)	(26,541)
Carrying amount at 30 June 2017	3,276	9,364	-	3,593	54,302	70,536

9. OTHER CURRENT ASSETS

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

	2017 \$	2016 \$
Balance at the beginning of the year	-	100,000
<i>Additions:</i>		
Payments in relation to acquisition	-	-
Total	-	-
<i>Less:</i>		
Acquisition of subsidiary	-	(100,000)
Balance at the end of the year	-	-

10. INTANGIBLE ASSETS

	2017 \$	2016 \$
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-
Goodwill at cost	49,998	49,998
Amount written off – goodwill	(49,998)	(49,998)
	-	-
Assets acquired on acquisition of NexGen Networks Limited	6,086,956	6,086,956
Assets acquired as part of B Class shareholders interest ⁽ⁱ⁾	3,116,929	-
Amount written off – asset acquisition	(9,203,885)	(6,086,956)
	-	-
Software development costs capitalised during the period ⁽ⁱⁱ⁾	2,459,880	1,195,362
Impairment of software development costs ⁽ⁱⁱⁱ⁾	(317,670)	-
Intellectual property cost capitalised during the period ^(iv)	51,456	29,688
	2,193,666	1,225,050

(i) The acquisition of NexGen Networks Limited has been accounted for as an asset acquisition and recognised at fair value on acquisition. The transaction was completed during the year ended 30 June 2017 when the B Class shareholders of NexGen Networks Limited exercised the Put Option to transfer 100% of their interest to the Company in consideration for shares as detailed at Note 12.1. The Directors assess the fair value of NexGen Networks Limited to be nil and hence have recognised a \$3,116,929 impairment loss during the year ended 30 June 2017.

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

(iii) The assessment of the recoverable amount for the Group's software development costs capitalised during the period has resulted in an impairment loss being recognised of \$317,670 (2016: Nil). The impairment loss of \$317,670 represents the write-down of those intangible assets to fair value less costs to sell. The impairment loss has been recognised in the consolidated statement of profit or loss and other comprehensive income on page 32.

(iv) Intellectual property is recognised by the Group have an indefinite useful life and is not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in Note 2.5.1.

11. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Current		
Unsecured trade creditors	78,389	194,918
Sundry creditors and accruals	192,322	102,727
	270,711	297,645

12. ISSUED CAPITAL

925,444,168 fully paid ordinary shares
(2016: 717,744,168)

2017 \$	2016 \$
25,765,103	21,102,320

12.1. FULLY PAID ORDINARY SHARES

	2017		2016	
	No.	\$	No.	\$
Balance at beginning of year	717,744,168	21,102,320	325,000,000	11,415,813
Conversion of options	19,000,000	475,000	209,844,168	5,255,656
Prospectus placement \$0.05	-	-	200,000	10,000
Acquisition - A Class shares	-	-	182,700,000	4,557,948
Share issue costs	-	-	-	(137,097)
Placement to employees	1,400,000	35,000	-	-
Conversion of Class A + B	62,200,000	1,149,456	-	-
Performance Shares (i)	-	-	-	-
Acquisition - B Class shares (ii)	125,100,000	3,003,327	-	-
Balance at end of year	925,444,168	25,765,103	717,744,168	21,102,320

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares have no par value.

(i) On 30 June 2017 the Put Option held by B Class Shareholders was exercised resulting in an issue of 125,100,000 ordinary shares in the Company as consideration for the transfer of 100% the NexGen Networks Limited B Class shares.

12.2. SHARE OPTIONS ON ISSUE

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

As at 30 June 2017, the Company has:

- 2,000,000 unlisted share options on issue (2016: Nil) exercisable on a 1:1 basis for 2,000,000 shares (2016: Nil) at an exercise price of \$0.05 cents on a post-consolidation basis. The options expire on 31 December 2017;
- 43,034,867 unlisted share options on issue (2016: 62,034,867) exercisable on a 1:1 basis for 43,034,867 shares (2016: 62,034,867) at an exercise price of \$0.025 cents on a post-consolidation basis. The options expire on 31 August 2018;
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.075 cents on a post-consolidation basis. The options expire on 31 August 2018;
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.10 cents on a post-consolidation basis. The options expire on 31 August 2018; and
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.15 cents on a post-consolidation basis. The options expire on 31 August 2018;

13. RESERVES

	2017 \$	2016 \$
Option reserve balance at beginning of year	720,187	660,074
Options issued during the year	8,143	60,113
Option reserve balance at end of the financial year	<u>728,330</u>	<u>720,187</u>

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

	2017 \$	2016 \$
Performance share reserve balance at beginning of year	1,583,941	-
Performance share issued during the year	-	1,583,941
Performance share converted during the year	(1,146,894)	-
Performance share reserve balance at end of the financial year	<u>437,047</u>	<u>1,583,941</u>

The reserve arises on the on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 30 June 2017 none of the Company's performance shares had been issued. Amounts will be transferred out of reserve and into accumulated losses when performance shares expire or lapse.

14. SHARE OPTIONS

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

14.1. MOVEMENTS IN SHARE OPTIONS DURING THE YEAR

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

	2017		2016	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance at beginning of the year	77,034,867	0.041	275,000,000	0.025
Granted during the year	2,000,000	0.05	15,000,000 ⁽ⁱ⁾	0.108
Exercised during the year	(19,000,000)	0.025	(209,844,168)	0.025
Expired during the year	-	-	(3,120,965)	0.025
Balance at end of the year	<u>60,034,867</u>	<u>0.047</u>	<u>77,034,867</u>	<u>0.041</u>
Exercisable at end of the year	<u>60,034,867</u>	<u>0.047</u>	<u>77,034,867</u>	<u>0.041</u>

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

14.2. SHARE OPTIONS EXERCISED DURING THE YEAR

During the year 19,000,000 options were converted into shares (2016: 209,844,168).

14.3. SHARE OPTIONS OUTSTANDING AT THE END OF THE YEAR

The share options of 60,034,867 outstanding at the end of the year had a weighted average exercise price of \$0.047 (2015: \$0.041) and a weighted average remaining contractual life of 426 (2016: 791 days).

15. SHARE BASED PAYMENTS

Share based payments made during the year ended 30 June 2017 are summarised below.

15.1. RECOGNISED SHARE BASED PAYMENT EXPENSE

	2017 \$	2016 \$
Unlisted options issued to consultants in lieu of services provided	-	60,113
Performance shares issued to a in lieu of services provided	-	297,733
Shares issued as employee incentive shares ⁽ⁱ⁾	35,000	-
Unlisted options issued to consultants as incentive options ⁽ⁱⁱ⁾	8,143	-
	<u>43,143</u>	<u>357,846</u>

- (i) 1,400,000 Fully Paid Ordinary Shares to employees for services provided to the Company and retention/incentive purposes.
- (ii) 2,000,000 unquoted Options exercisable at \$0.05 each on or before 31 December 2017 to the Company Secretary for services provided to the Company and retention/incentive purposes.

15.2. OPTIONS GRANTED DURING THE YEAR

The Company granted the following options in June 2017:

Number of Options Issued	Issue Date	Vesting Date	Expiry Date	Exercise Price	Total Value ⁽ⁱ⁾	Recipient
2,000,000	10 Nov 2016	10 Nov 2016	31 Dec 2017	\$0.05	Nil	KMP

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

Number of Options	Underlying share price (VWAP)	Exercise price	Expected volatility	Expiry date (years)	Expected dividends	Risk free rate	Probability of share issue	Value per option
2,000,000	\$0.025	\$0.05	88%	0.29	Nil	13.57%	Nil	Nil

16. FINANCIAL INSTRUMENTS

16.1. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2016.

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

16.2. FINANCIAL RISK MANAGEMENT OBJECTIVES

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

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

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instrument Recognition and Measurement*, as detailed in the accounting policies to these financial statements below.

16.3. INTEREST RATE RISK

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

16.3.1. Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by \$4,614 (2016: \$16,228). Where interest rates decreased, there would be an equal and opposite impact on the loss.

16.3.2. Fair value of financial assets and liabilities

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

At risk amounts are as follows:

Financial assets

	2017 \$	2016 \$
Cash and cash equivalents	922,745	3,245,569
Trade and other receivables	118,060	240,603
	<u>1,040,805</u>	<u>3,486,172</u>

16.4. LIQUIDITY RISK

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

	Contractual cash flows				Total contractual cash flows \$
	Carrying amount \$	<6 months \$	>6-12 months \$	>12 months \$	
2017					
Financial assets:					
Cash and cash equivalents	922,745	922,745	-	-	922,745
Trade and other receivables	118,060	118,060	-	-	118,060
	<u>1,040,805</u>	<u>1,040,805</u>	<u>-</u>	<u>-</u>	<u>1,040,805</u>
Financial liabilities:					
Trade and other payables	288,764	288,764	-	-	288,764
Other financial liabilities	-	-	-	-	-
	<u>288,764</u>	<u>288,764</u>	<u>-</u>	<u>-</u>	<u>288,764</u>
Net Exposure:	<u>752,041</u>	<u>752,041</u>	<u>-</u>	<u>-</u>	<u>752,041</u>
2016					
Financial assets:					
Cash and cash equivalents	3,245,569	3,245,569	-	-	3,245,569
Trade and other receivables	240,603	-	240,603	-	240,603
	<u>3,486,172</u>	<u>3,245,569</u>	<u>240,603</u>	<u>-</u>	<u>3,486,172</u>
Financial liabilities:					
Trade and other payables	297,645	297,645	-	-	297,645
Other financial liabilities	40,173	40,173	-	-	40,173
	<u>337,818</u>	<u>337,818</u>	<u>-</u>	<u>-</u>	<u>337,818</u>
Net Exposure:	<u>3,148,354</u>	<u>2,907,751</u>	<u>240,603</u>	<u>-</u>	<u>3,148,354</u>

16.5. CREDIT RISK

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

The total group exposure to credit risk is as follows:

	2017 \$	2016 \$
Cash and cash equivalents	922,745	3,245,569
Trade and other receivables	118,060	240,603
	1,040,805	3,486,172

16.5.1. Impairment losses

As at 30 June 2017 the Board decided that the intangible asset acquired as part of the NexGen Networks Limited acquisition would not derive future economic benefits for the Group and thus recorded an impairment of \$3,434,599 in recognition of this (2016: \$6,086,956. Refer to Note 10 for an analysis of the impaired loss.

17. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2.2.2. Details of subsidiary companies are as follows:

Entity	Incorporation	2017 Ownership	2016 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%
NexGen Networks Limited	New Zealand	100%	65.25%
VTX Holdings (Singapore) Pte. Ltd	Singapore	100%	100%
Wangle Operations Pty Ltd	Australia	100%	100%

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

18.1. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2017 \$	2016 \$
Short-term employee benefits	690,840	374,010
Post-employment benefits	4,333	7,333
Other benefits	16,953	201,905
	712,126	583,248

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 8 to 14.

19. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Wangle Technologies Limited. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

19.1. LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

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

19.2. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

Key management personnel compensation

Details of the compensation of the key management personnel is set out below:

Directors	Short-term Employee Benefits				Post-employment	Total
	Salary & fees	Super-annuation	Reimbursements	Other Benefits	Prescribed Benefits	
	\$	\$	\$	\$	\$	\$
2017						
Jonathon Wild	32,000	-	246	6,000	-	38,246
Sean Smith	95,681	9,090	6,839	15,000	-	126,610
James Robinson	36,581	-	1,733	7,000	-	45,314
Donna Cross	12,500	-	-	-	-	12,500
Andrew Haythorpe	40,000	-	-	-	-	40,000
Cam Worth	197,435	18,553	1,969	-	-	217,957
Keaton Wallace	180,000	-	5,389	-	-	185,389
Jason Gitmans	69,000	-	777	-	4,333	74,110
	663,197	27,643	16,953	28,000	4,333	740,126
2016						
Andrew Haythorpe	60,000	-	4,892	-	-	64,892
Cam Worth	48,103	-	-	-	-	48,103
Keaton Wallace	35,907	-	1,337	-	-	37,244
Jason Gitmans	60,000	-	-	50,000	7,333	117,333
James Robinson	40,000	-	-	40,000	-	80,000
Harry Karelis	40,000	-	-	-	-	40,000
	284,010	-	6,229	90,000	7,333	387,572

Key management personnel related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with key management personnel related parties are set out below:

Simplisite Business Solutions (**Simplisite**), a company related to Cam Worth, provided various software and support services to the Group including the development and commercialisation of the Wangle App. During the year, Simplisite provided services to the amount of \$784,140 (2016: \$1,174,191). As at 30 June 2017, an amount payable of \$2,970 (2016: \$121,854) remains outstanding.

A monthly fee of \$10,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd (**CCS**), a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. Since Mr Robinson's reappointment as a

Director of the Company, CCS provided services to the amount of \$50,303 (2016: \$195,676). As at 30 June 2017, a nil amount payable (2016: nil) remains outstanding.

ZipTel Limited (**ZipTel**), a company related to Keaton Wallace; provided support staff and office amenities to the Group. During the year, ZipTel provided services to the amount of \$8,931 (2016: \$2,962). As at 30 June 2017, a nil amount payable (2016: \$458) remains outstanding.

Key management personnel equity holdings

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

Details of ordinary shares holdings held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2017 and 30 June 2016 are set out below:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild	-	-	1,000,000	-	-	1,000,000
Sean Smith	-	-	1,000,000	-	-	1,000,000
James Robinson	-	-	1,000,000	-	-	1,000,000
Donna Cross	-	-	-	-	-	-
Andrew Haythorpe	21,800,000	-	-	-	21,800,000	-
Cam Worth	23,625,000	-	-	16,750,000	-	40,375,000
Keaton Wallace	54,910,844	-	22,193,049	15,500,000	-	92,603,893
Jason Gitmans	-	-	-	-	-	-
2016						
Andrew Haythorpe	21,500,000	-	300,000	-	-	21,800,000
Cam Worth	-	-	23,625,000	-	-	23,625,000
Keaton Wallace	-	-	54,910,844	-	-	54,910,844
Jason Gitmans	-	-	-	-	-	-
James Robinson	12,500,000	-	3,975,000	-	16,475,000	-
Harry Karelis	10,000,000	-	-	-	10,000,000	-

(ii) Share options of Wangle Technologies Limited:

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2017 and 30 June 2016 are set out below:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild	-	-	-	-	-	-
Sean Smith	-	-	-	-	-	-
James Robinson	-	-	-	5,000,000 ^(k)	-	5,000,000
Donna Cross	-	-	-	-	-	-
Andrew Haythorpe	10,000,000	-	-	-	10,000,000	-
Cam Worth	-	-	-	-	-	-
Keaton Wallace	7,442,433	-	-	-	-	7,442,433
Jason Gitmans	-	-	-	-	-	-
2016						
Andrew Haythorpe	10,300,000	-	(300,000)	-	-	10,000,000
Cam Worth	-	-	-	7,442,433	-	7,442,433
Keaton Wallace	-	-	-	-	-	-
Jason Gitmans	-	-	-	-	-	-
James Robinson	7,975,000	-	(2,975,000)	-	5,000,000	-
Harry Karelis	10,000,000	-	-	-	10,000,000	-

(iii) Performance shares of Wangle Technologies Limited:

Details of performance shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2017 and 30 June 2016 are set out below:

Directors	Balance at 1 July No.	Acquired No.	Conversion No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild	-	-	-	-	-	-
Sean Smith	-	-	-	-	-	-
James Robinson	-	-	-	-	-	-
Donna Cross	-	-	-	-	-	-
Andrew Haythorpe	-	-	-	-	-	-
Cam Worth	30,125,000	-	(16,750,000)	-	-	13,375,000
Keaton Wallace	23,250,000	-	(15,500,000)	-	-	7,750,000
Jason Gitmans	-	-	-	-	-	-
2016						
Andrew Haythorpe	-	-	-	-	-	-
Cam Worth	-	-	-	30,125,000	-	30,125,000
Keaton Wallace	-	-	-	23,250,000	-	23,250,000
Jason Gitmans	-	-	-	-	-	-
James Robinson	-	-	-	-	-	-
Harry Karelis	-	-	-	-	-	-

20. CASH AND CASH EQUIVALENTS

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

	2017 \$	2016 \$
Cash and cash equivalents	922,745	3,245,569

20.1. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/profit for the year	(5,073,278)	(7,729,649)
<i>Non-cash items</i>		
Depreciation	26,540	9,684
Impairment of intangible assets	3,434,599	6,086,956
Share based payments	43,143	357,846
	(1,568,996)	(1,275,163)
<i>Movements in working capital</i>		
(Increase) in prepayments	(204)	(167)
(Increase) in trade and other receivables	82,574	(133,568)
(Decrease) in trade and other payables	(8,880)	94,947
Net cash used in operating activities	(1,495,506)	(1,313,951)

20.2. NON-CASH TRANSACTIONS

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

21. COMMITMENTS & CONTINGENT LIABILITIES

	Executive Fees	Development Services	Corporate Fees	Office Rental (sublease)
Agreement Start date	25/01/2017	5/12/2016	1/01/2017	1/03/2017
Expiry date	25/01/2020	5/12/2017	1/01/2018	31/12/2017
Monthly amount	20,000	25,000	10,000	7,000
Terms of agreement	90 days'	Break fees ⁽ⁱ⁾	90 days'	30 days' ⁽ⁱⁱ⁾
Within 12 months to June 2017	60,000	50,000	30,000	7,000
Within 2 <5 years	-	-	-	-
Total	60,000	50,000	30,000	7,000

(i) If the contract for development services is terminated, a termination fee is payable to the service provider totalling \$50,000.

(ii) 30-day notice pending the lessee moving premises during the sub-lease period

There are no contingent liabilities for the Group at 30 June 2017 (30 June 2016: Nil).

22. REMUNERATION OF AUDITORS

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

	2017 \$	2016 \$
Audit and review of the financial statements	38,512	36,058
Non-audit services ⁽ⁱ⁾	-	12,013
	38,512	48,071

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

23. SEGMENT INFORMATION

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

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

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

24. DIVIDENDS

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

25. EVENTS AFTER THE REPORTING PERIOD

On the 3 July 2017, the company announced it had entered into a head of agreement with Constable Care Child Safety Foundation (**CCCSF**) in support of Wangle's child protection software, Wangle Family Insites, which is currently under development.

CCCSF is one of Australia's most trusted and recognised child safety and cyber safety brands and provides further independent endorsement (alongside the Telethon Kids Institute) of Wangle Family Insite's unique and proprietary approach to solving a global societal issue that threatens the wellbeing of children around the world.

On the 10 July 2017, the Company announced it had successfully completed a robust threat matrix that Wangle Family Insite's App will use to identify potential behavioural threats. When a threat is identified, the app will notify the parents and provide education resources to the parents enabling them to have the best possible response to the threat.

The Company Announced on the 1 August 2017, it had recruited renowned Australian cyber safety expert Robyn Treyvaud to head up the cyber education function of the Wangle Family Insites app.

Robyn Treyvaud is a globally recognised expert in online safety and digital citizenship. She is an educational leader with over 40 years of experience in Australia and has worked in Asia as an International Baccalaureate (IB) Primary Years Program (PYP) workshop leader.

On the 10 August 2017, the Company announced closed beta testing of the Wangle Family Insites app had commenced. The ground-breaking parent protection suite utilises behavioural analysis of live mobile network traffic across Wangle's Best in class secure VPN network to help parents identify and manage online risks to their children.

The Company announce on the 17 August 2017, that the Company's CEO, Sean Smith, had been invited to speak at the Western Australian Council of State School Organisations Inc. (**WACSSO**) conference.

The WACSSO influences the direction of public education via the views of parents and citizens for the benefit of the students. The annual event is the one time of year public school parents and the education community from across the whole of Western Australia, come together to learn and share experiences about education and the public-school system.

On 18 October 2017, the Company announced that its lodgement of the 2016/17 Financial Year Research & Development Claim, had returned \$1,198,899 in cash to the Company through the Federal Government's Research and Development Tax Incentive Scheme.

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26. PARENT ENTITY INFORMATION

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

	2017 \$	2016 \$
Assets		
Current assets		
Cash and cash equivalents	822,154	3,176,756
Trade and other receivables	13,511	116,195
Other current assets	3,255,455	913,664
Total current assets	4,091,120	4,206,615
Non-current assets		
Development costs	952,035	952,035
Intellectual property	32,440	29,688
Total non-current assets	984,475	981,723
Total assets	5,075,595	5,188,338
Liabilities		
Current liabilities		
Trade and other payables	68,142	99,104
Total current liabilities	68,142	99,104
Total liabilities	68,142	99,104
Net assets	5,007,453	5,089,234
Equity		
Issued capital	25,886,477	16,656,195
Reserves	1,276,418	660,074
Accumulated losses	(22,155,442)	(12,227,035)
Total equity	5,007,453	5,089,234
Statement of comprehensive income		
Total loss and comprehensive expense	(3,483,605)	(1,033,958)

26.1. THE PARENT ENTITY HAS THE FOLLOWING COMMITMENTS:

	Executive Fees	Corporate Fees
Agreement Start date	25/01/2017	1/01/2017
Expiry date	25/01/2020	1/01/2018
Monthly amount	20,000	10,000
Agreement notice period	90 days'	180 days'
Within 12 months to June 2017	180,000	90,000
Within 2 <5 years	480,000	-
Total	660,000	90,000

27. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of directors and authorised for issue on 29 September 2017.

ADDITIONAL SHAREHOLDERS' INFORMATION

Wangle Technologies Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are 925,444,168 Ordinary fully paid shares in the Company.

	Number of shares
Balance at the beginning of the year	717,744,168
Movements of share options during the year and to the date of this report	207,700,000
Total number of shares at the date of this report	925,444,168

SHARES UNDER OPTION

At the date of this report there are 60,034,867 unissued ordinary shares in respect of which options are outstanding

	Number of options
Balance at the beginning of the year	77,034,867
Movements of share options during the year and to the date of this report	17,000,000
Total number of options outstanding at the date of this report	60,034,867

The balance is comprised of the following:

Number of options	Expiry date	Exercise price (cents)	Listed/Unlisted
2,000,000	31 December 2017	\$0.05	Unlisted
43,034,867	31 August 2018	\$0.025	Unlisted
5,000,000	31 August 2018	\$0.075	Unlisted
5,000,000	31 August 2018	\$0.10	Unlisted
5,000,000	31 August 2018	\$0.15	Unlisted

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

SUBSTANTIAL SHAREHOLDERS

Wangle Technologies Limited has the following substantial shareholders as at 15 September 2017.

Name	Number of shares	Percentage of issued capital
Cardup Syndicate Holdings Pty Ltd	85,950,000	9.29%
Jason Paul Gitmans	84,600,000 ⁽ⁱⁱⁱ⁾	9.14%
Great Southern Flour Mills Pty Ltd	57,150,000	6.18%

⁽ⁱⁱⁱ⁾ Issued upon the exercise of the Put Option after Mr Gitmans retirement from the Board as detailed in the Company's 30 June 2017 announcement. Shares remain in escrow until 26 February 2018.

RANGE OF SHARES AS AT 15 SEPTEMBER 2017

Range	Total Holders	Units	% Issued Capital
1 - 1,000	285	136,888	0.01%
1,001 - 5,000	167	429,361	0.05%
5,001 - 10,000	78	679,633	0.07%
10,001 - 100,000	844	40,599,461	4.39%
100,001 - > 100,001	781	883,598,825	95.48%
Total	2,153	925,444,168	100.00%

UNMARKETABLE PARCELS AS AT 15 SEPTEMBER 2017

	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.009 per unit	55,556	1,078	17,128,987

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 15 SEPTEMBER 2017

	HOLDER NAME	Units	%
1	Cardup Syndicate Holdings Pty Ltd	85,950,000	9.29%
2	Jason Paul Gitmans	84,600,000	9.14%
3	Great Southern Flour Mills Pty Ltd	57,150,000	6.18%
4	Alikabay Pty Ltd	40,375,000	4.36%
5	The Twentieth Century Motor Company Pty Ltd	38,100,000	4.12%
6	Indomain Enterprises Pty Ltd	25,973,090	2.81%
7	Golden Power Ltd	16,650,000	1.80%
8	Ouro Pty Ltd	15,000,000	1.62%
9	Mr John Tuite	12,562,464	1.36%
10	Mr Richard Stuart Dongray & Mrs Joan Dongray	12,000,000	1.30%
11	Mr Gregory Peter Wilson	11,000,000	1.19%
12	Mr Wesley Thomas Hehir	8,500,000	0.92%
13	Startrade Pty Ltd	8,471,597	0.92%
14	Mr Paul Simon Dongray	8,000,000	0.86%
15	Mr John Gerard Wright	7,921,680	0.86%
16	Mr Paul Stewart Dunshea	7,474,864	0.81%
17	Payne Sustainability Pty Ltd	7,160,000	0.77%
18	Mr Andrew John Haythorpe & Mrs Ragen Haythorpe	6,800,000	0.73%
19	The Trust Company (Australia) Limited	6,500,000	0.70%
20	M S Super Pty Ltd	6,073,900	0.66%
Total of Top 20 Holders of ORDINARY SHARES		466,262,595	50.38%