

1. Company details

Name of entity:	REFFIND Ltd
ABN:	64 600 717 539
Reporting period:	For the year ended 30 June 2016
Previous period:	For the period ended 30 June 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	2600.5% to	565,513
Loss from ordinary activities after tax attributable to the owners of REFFIND Ltd	down	1880.2% to	(9,071,894)
Loss for the year attributable to the owners of REFFIND Ltd	down	1880.2% to	(9,071,894)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the group after providing for income tax amounted to \$9,071,894 (30 June 2015: profit of \$509,614).

The comparative period represents the results of trading from March 2015 (incorporation date 15 July 2014) to 30 June 2015

Refer to ASX announcement accompanying this report for further commentary

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>3.18</u>	<u>0.73</u>

4. Control gained over entities

Name of entities (or group of entities)	WooBoard Pty Ltd
Date control gained	9 October 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	76,334
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and an unqualified opinion is expected to be issued.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of REFFIND Ltd for the year ended 30 June 2016 is attached.

12. Signed

Signed 

Date: 31 August 2016

Peter Clare
Chairman
Sydney

REFFIND Ltd

ABN 64 600 717 539

Preliminary Financial Report - 30 June 2016

REFFIND Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016



		Consolidated	15 Jul 2014
	Note	Year ended 30 Jun 2016 \$	to 30 Jun 2015 \$
Revenue	1	565,513	20,941
Other income	2	2,040,000	1,266,415
Expenses			
Employee benefits expense		(2,944,791)	(432,989)
Administration expenses		(366,997)	(77,450)
Depreciation and amortisation expense		(481,455)	(79,615)
Impairment of assets		(5,677,415)	-
Advertising and marketing expenses		(882,498)	(111,088)
Professional and consulting expenses		(434,379)	(76,198)
IPO transaction costs		(72,221)	(225,802)
Transitional service costs		(1,100,000)	(60,000)
Other expenses		(205,145)	(37,899)
Finance costs		-	(707)
Profit/(loss) before income tax benefit		(9,559,388)	185,608
Income tax benefit		487,494	324,006
Profit/(loss) after income tax benefit for the year attributable to the owners of REFFIND Ltd		(9,071,894)	509,614
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of REFFIND Ltd		<u>(9,071,894)</u>	<u>509,614</u>
		Cents	Cents
Basic earnings per share	12	(8.93)	1.75
Diluted earnings per share	12	(8.93)	1.75

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	3	4,294,244	36,744
Trade and other receivables		481,634	373,352
Prepayments		11,343	234,567
Total current assets		<u>4,787,221</u>	<u>644,663</u>
Non-current assets			
Property, plant and equipment	4	74,350	18,462
Intangibles	5	-	1,541,712
Deferred tax		-	324,006
Security deposits		23,046	23,046
Total non-current assets		<u>97,396</u>	<u>1,907,226</u>
Total assets		<u>4,884,617</u>	<u>2,551,889</u>
Liabilities			
Current liabilities			
Trade and other payables	6	1,278,668	571,935
Employee benefits		49,989	-
Other	7	119,139	-
Total current liabilities		<u>1,447,796</u>	<u>571,935</u>
Total liabilities		<u>1,447,796</u>	<u>571,935</u>
Net assets		<u>3,436,821</u>	<u>1,979,954</u>
Equity			
Issued capital	8	11,249,627	1,470,340
Reserves		749,474	-
Retained profits/(accumulated losses)		(8,562,280)	509,614
Total equity		<u>3,436,821</u>	<u>1,979,954</u>

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 15 July 2014	-	-	-	-
Profit after income tax benefit for the period	-	-	509,614	509,614
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	509,614	509,614
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	1,470,340	-	-	1,470,340
Balance at 30 June 2015	<u>1,470,340</u>	<u>-</u>	<u>509,614</u>	<u>1,979,954</u>
	Issued capital \$	Reserves \$	Retained profits/ (accumulated losses) \$	Total equity \$
Balance at 1 July 2015	1,470,340	-	509,614	1,979,954
Loss after income tax benefit for the year	-	-	(9,071,894)	(9,071,894)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(9,071,894)	(9,071,894)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	9,779,287	-	-	9,779,287
Share-based payments	-	749,474	-	749,474
Balance at 30 June 2016	<u>11,249,627</u>	<u>749,474</u>	<u>(8,562,280)</u>	<u>3,436,821</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
		15 Jul 2014	
	Note	Year ended 30 Jun 2016	to 30 Jun 2015
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		600,753	18,847
Payments to suppliers (inclusive of GST)		<u>(4,485,845)</u>	<u>(881,606)</u>
		(3,885,092)	(862,759)
Interest received		93,092	-
Interest and other finance costs paid		<u>-</u>	<u>(707)</u>
Net cash used in operating activities		<u>(3,792,000)</u>	<u>(863,466)</u>
Cash flows from investing activities			
Cash acquired from purchase of subsidiary	10	47,567	-
Payments for property, plant and equipment	4	(76,039)	(19,790)
Payments for intangibles	5	<u>(470,194)</u>	<u>-</u>
Net cash used in investing activities		<u>(498,666)</u>	<u>(19,790)</u>
Cash flows from financing activities			
Proceeds from issue of shares	8	10,061,600	1,500,000
Share issue transaction costs		(1,513,434)	(30,000)
Repayment of loans from related parties		<u>-</u>	<u>(550,000)</u>
Net cash from financing activities		<u>8,548,166</u>	<u>920,000</u>
Net increase in cash and cash equivalents		4,257,500	36,744
Cash and cash equivalents at the beginning of the financial year		36,744	-
Cash and cash equivalents at the end of the financial year	3	<u><u>4,294,244</u></u>	<u><u>36,744</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Revenue

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
<i>Sales revenue</i>		
Subscription fees	472,421	20,941
<i>Other revenue</i>		
Interest	93,092	-
Revenue	565,513	20,941

Note 2. Other income

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Gain on forgiveness of loans from related parties	-	1,266,415
Gain on de-recognition of contingent consideration	2,040,000	-
Other income	2,040,000	1,266,415

Note 3. Current assets - cash and cash equivalents

	Consolidated 2016 \$	2015 \$
Cash at bank	954,244	36,744
Cash on deposit	3,340,000	-
	4,294,244	36,744

Note 4. Non-current assets - property, plant and equipment

	Consolidated 2016 \$	2015 \$
Leasehold improvements - at cost	5,100	-
Less: Accumulated depreciation	(2,078)	-
	3,022	-
Computer equipment - at cost	53,873	16,460
Less: Accumulated depreciation	(16,625)	(1,231)
	37,248	15,229
Office furniture - at cost	36,856	3,330
Less: Accumulated depreciation	(2,776)	(97)
	34,080	3,233
	74,350	18,462

Note 4. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$	Computer equipment \$	Office furniture \$	Total \$
Balance at 15 July 2014	-	-	-	-
Additions	-	16,460	3,330	19,790
Depreciation expense	-	(1,231)	(97)	(1,328)
	-	15,229	3,233	18,462
Balance at 30 June 2015	-	15,229	3,233	18,462
Additions	5,100	37,413	33,526	76,039
Depreciation expense	(2,078)	(15,394)	(2,679)	(20,151)
	3,022	37,248	34,080	74,350
Balance at 30 June 2016	<u>3,022</u>	<u>37,248</u>	<u>34,080</u>	<u>74,350</u>

Note 5. Non-current assets - intangibles

	Consolidated 2016 \$	2015 \$
Goodwill - at cost	1,421,813	-
Less: Impairment	(1,421,813)	-
	-	-
Intellectual property - at cost	4,077,194	1,620,000
Less: Accumulated amortisation	(539,592)	(78,288)
Less: Impairment	(3,537,602)	-
	-	1,541,712
Customer contracts and relationships - at cost	718,000	-
Less: Impairment	(718,000)	-
	-	-
	-	<u>1,541,712</u>

Note 5. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Intellectual property \$	Customer contracts and relationships \$	Total \$
Balance at 15 July 2014	-	-	-	-
Additions	-	120,000	-	120,000
Additions through business combinations	-	1,500,000	-	1,500,000
Amortisation expense	-	(78,288)	-	(78,288)
Balance at 30 June 2015	-	1,541,712	-	1,541,712
Additions	-	470,194	-	470,194
Additions through business combinations (note 10)	1,421,813	1,987,000	718,000	4,126,813
Impairment of assets	(1,421,813)	(3,537,602)	(718,000)	(5,677,415)
Amortisation expense	-	(461,304)	-	(461,304)
Balance at 30 June 2016	-	-	-	-

Note 6. Current liabilities - trade and other payables

	Consolidated 2016 \$	2015 \$
Trade payables	197,072	210,771
Accrued expenses	132,964	135,517
Payable to related party	934,456	225,647
Other payables	14,176	-
	<u>1,278,668</u>	<u>571,935</u>

Note 7. Current liabilities - other

	Consolidated 2016 \$	2015 \$
Deferred revenue	119,139	-
	<u>119,139</u>	<u>-</u>

Note 8. Equity - issued capital

	2016 Shares	Consolidated 2015 Shares	2016 \$	2015 \$
Ordinary shares - fully paid	108,168,798	60,000,000	11,249,627	1,470,340
	<u>108,168,798</u>	<u>60,000,000</u>	<u>11,249,627</u>	<u>1,470,340</u>

Note 8. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	15 July 2014	-	-
Shares issued upon incorporation	15 July 2014	100	100
Issue of shares	9 December 2014	2,279,900	228
Issue of shares	16 April 2015	120,000	12
Share split - conversion on a 1 for 20 basis	16 April 2015	45,600,000	-
Issue of shares - pre-IPO capital raising	30 April 2015	12,000,000	1,500,000
Share issue transaction costs, net of tax		-	(30,000)
Balance	30 June 2015	60,000,000	1,470,340
Shares issued at IPO	2 July 2015	40,000,000	8,000,000
Settlement for options granted		-	61,600
Issue of shares on acquisition of WooBoard Pty Ltd	6 April 2016	1,025,941	1,231,121
Issue of shares	13 April 2016	7,142,857	2,000,000
Share issue transaction costs, net of tax		-	(1,513,434)
Balance	30 June 2016	<u>108,168,798</u>	<u>11,249,627</u>

Share buy-back

There is no current on-market share buy-back.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Business combinations

WooBoard Pty Ltd

On 9 October 2015 the company acquired 100% of the ordinary shares of WooBoard Pty Ltd ('WooBoard') for the total consideration transferred of \$3,334,936. This is an employee recognition SaaS platform. The acquisition is expected to expand the product offering of the consolidated entity, increase use of the REFFIND platform and provide an entry into the US market via WooBoard's customer's relationships. The goodwill of \$1,421,813 represents synergies expected to arise after the acquisition. The acquired business contributed revenues of \$106,015 and profit after tax of \$76,344 to the consolidated entity for the period from 9 October 2015 to 30 June 2016. If the acquisition occurred on 1 July 2015, the full year contributions would have been revenues of \$133,081 and profit after tax of \$36,114. The values identified in relation to the acquisition of WooBoard Pty Ltd are provisional as at 30 June 2016.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	47,567
Trade receivables	70,233
Intellectual property	1,987,000
Customer contracts and relationships	718,000
Trade payables and other payables	(83,116)
Deferred tax liability	(811,500)
Employee benefits	(15,061)
	<hr/>
Net assets acquired	1,913,123
Goodwill	1,421,813
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>3,334,936</u>
Representing:	
REFFIND Limited shares issued to vendor	1,231,121
Contingent consideration	2,040,000
Liabilities assumed in respect of acquisition costs incurred by WooBoard Pty Ltd	63,815
	<hr/>
	<u>3,334,936</u>
Acquisition costs expensed to profit or loss	<u>65,746</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	3,334,936
Less: cash and cash equivalents	(47,567)
Less: contingent consideration	(2,040,000)
Less: shares issued by company as part of consideration	(1,231,121)
Less: liabilities assumed in respect of acquisition costs incurred by WooBoard Pty Ltd	(63,815)
	<hr/>
Net cash received	<u>(47,567)</u>

Note 10. Business combinations (continued)

Contingent consideration

The contingent consideration arrangement requires the consolidated entity to issue ordinary shares to the former owners of WooBoard on, or around 31 October 2016, provided that WooBoard achieves set revenue milestones.

The potential number of ordinary shares that the consolidated entity could be required to issue under this arrangement is between nil and 2,900,000. The fair value of the contingent consideration of \$2,040,000 was calculated based on an estimated 1,700,000 ordinary shares at a fair value of \$1.20, being the closing quoted price of shares on the ASX at the date of completion. The estimated number of shares was formed using assumed probability-adjusted revenue. As the contingent consideration is a financial liability at fair value through profit or loss, the fair value of the financial liability is to be determined at each reporting period.

The contingent consideration has been remeasured as at 30 June 2016 based on the updated financial plan for FY17. It is considered highly unlikely that the first earn out target will be achieved and therefore the contingent consideration has been de-recognised.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 12. Earnings per share

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Profit/(loss) after income tax attributable to the owners of REFFIND Ltd	<u>(9,071,894)</u>	<u>509,614</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>101,544,737</u>	<u>29,054,554</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>101,544,737</u>	<u>29,054,554</u>
	Cents	Cents
Basic earnings per share	(8.93)	1.75
Diluted earnings per share	(8.93)	1.75

For the purpose calculating the diluted earnings per share options have been excluded as the effect would be anti-dilutive.