nearmap ltd

ABN 37 083 702 907

Preliminary Final Report

Appendix 4E

Year ended 30 June 2015

Lodged with the ASX under Listing Rule 4.3A

Appendix 4E
Preliminary Final Report
For the financial year ended 30 June 2015

Name of entity	nearmap ltd
ABN	37 083 702 907

Results for announcement to the market				**$'000**
Revenue	Increased	32%	To	23,626
Profit from ordinary activities after tax attributable to members	Decreased	(111%)	To	(789)
Net profit for the period attributable to members	Decreased	(111%)	To	(789)
		2015		**2014**
Net tangible assets per share (cents)		3.2		4.5
Net assets per share (cents)		6.4		6.1

Dividends

nearmap ltd has not proposed to pay any dividends for the year ended 30 June 2015.

Commentary and operational overview

- The Group recorded a net loss after tax of $789k
- Recorded income of $1.8m from the ATO for eligible research and development activities
- Commencement of US test flights and first commercial sales in the US

nearmap ltd
ABN 37 083 702 907

Full Year Statutory Accounts
Year ended 30 June 2015

Your Directors submit their report on the consolidated entity consisting of nearmap ltd and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

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

Names, qualifications, experience, Directorships and special responsibilities

Mr Ross Norgard (68) FCA
Non-Executive Chairman

In 1987, Ross became the founding Chairman of nearmap ltd (formerly ipernica ltd).

Ross Norgard is a Fellow of the Institute of Chartered Accountants and former managing partner of Arthur Andersen and KMG Hungerfords and its successor firms in Perth, Western Australia. For over 30 years he has worked extensively in the fields of raising venture capital and the financial reorganisation of businesses. He has held numerous positions on industry committees including past Chairman of the Western Australian Professional Standards Committee of the Institute of Chartered Accountants, a current member of the National Disciplinary Committee, former Chairman of the Friends of the Duke of Edinburgh's Award Scheme and a former member of the University of WA's Graduate School of management (MBA Program). Mr. Norgard was appointed Western Australia's Honorary Consul-General to Finland.

Ross is also Founding Chairman of Brockman Resources Limited, now Non-Executive Director of ASX and Hong Kong listed Brockman Mining Limited.

Current Directorships:
Brockman Resources Limited (since 2004) – Founding Chairman, now Deputy Chairman
nearmap ltd (since 1987)

Former Directorships in the last 3 years:
Brockman Resources Limited (acquired by Wah Nam International Holdings Limited in June 2012)

Special duties:
Member of the Nomination and Remuneration Committee
Member of the Audit and Risk Management Committee

Mr Simon Crowther (50)
CEO & Managing Director

Simon has a broad international digital and media background. In addition to being very commercially focused, Simon drives the strategic direction and international expansion for nearmap and the evolution from aerial surveying start up to a visual analytics business.

Simon has extensive knowledge and experience managing diverse content and IP related businesses, including formerly Managing Director of Canada's largest communications agency and Director of Copyright Promotions Group (CPG), then Europe's largest entertainment and sports IP / rights management agency. He has overseen the commercial activities of major US film studios Marvel, Turner, Newline, Fox and Lucasfilm, as well as major sports franchises such as English Cricket and England Rugby Union.

Previously he was Head of Global Sales & Licensing for Granada Media (now ITV), the largest commercial TV broadcaster in the UK and one of Europe's largest content producers. He directed commercial activities including advertiser funded content, publishing, home entertainment and licensing activities, as well as commercial activities for Liverpool and Arsenal Soccer Club's.

Simon is a dual Canadian and British citizen and Australian permanent resident and a Member of the Australian Institute of Company Directors.

Simon has a Bachelors Degree in Business from The University of Leeds (UK) and a Masters Degree in Business from The University of Melbourne (Australia).

Current Directorships:
nearmap ltd (since November 2011)

Dr Rob Newman (51)
Non-Executive Director

Rob has established a unique track record as a successful Australian high technology entrepreneur in both Australia and Silicon Valley. He has twice founded and built businesses based on Australian technology and both times successfully entered overseas markets. One of those companies, Atmosphere Networks, was established by Rob with US Venture Capital backing of US$34m and he ran it until it was acquired for US$123m.

Rob is now a venture capitalist and is co-founder of Stone Ridge Ventures, and was previously an investment Director for Foundation Capital. As a venture capitalist, Rob has extensive experience in identifying and helping grow companies with significant commercial potential, especially those addressing overseas markets. In the 1980's, Rob was the inventor and co-founder of QPSX Communications Pty Ltd. After founding the company, Rob provided the technical leadership and product strategy. Rob was instrumental in establishing QPSX as a worldwide standard for Metropolitan Area Networks and the company successfully sold products to telecommunication carriers in Australia, Europe, Asia and the US.

Rob's formal qualifications include a PHD and Bachelor of Electrical Engineering (1st class honours) from the University of Western Australia. He has been recognised with a number of awards including the Bicentennial BHP Pursuit of Excellence Award (Youth Category), Western Australian Young Achiever of the Year and University of Western Australia Innovation and Entrepreneurship Award.

Current Directorships:
nearmap ltd (since February 2011)

Former Directorships in the last 3 years:
None

Special duties:
Chairman of the Audit and Risk Management Committee
Member of the Nomination and Remuneration Committee

Mr Cliff Rosenberg (51) B.Bus.Sci. , M.Sc. Management
Non-Executive Director

Clifford Rosenberg is the Managing Director for LinkedIn South East Asia, Australia and New Zealand. LinkedIn is the world's largest professional network with over 380 million members around the globe of which over 7 million are in Australia.

In this role, Cliff's focus is driving awareness and uptake of LinkedIn's products, including talents solutions, marketing solutions and sales solutions. Since January 2010, Cliff has set up offices in Sydney, Melbourne and Perth, growing the local team to more than 200 staff, including sales, marketing and public relations personnel.

Cliff has a distinguished 20-year career in the digital space, both as an entrepreneur and executive. He was formerly the Managing Director of Yahoo! Australia and New Zealand where he was responsible for all aspects of the local operation for more than three years. He was, until recently, a Non-executive Director of Australia's leading online restaurant booking platform, dimmi.com.au, which was sold to Tripadvisor in early 2015. Cliff is also a Non-Executive Director of ASX listed company, Pureprofile (ASX:PPL).

Prior to joining Yahoo!, Cliff was the Founder and Managing Director of iTouch Australia and New Zealand, a leading wireless application service provider. He grew the Australian office to one of the largest mobile content and application providers in Australia with key partnerships with companies such as Ninemsn, Yahoo!, Telstra and Vodafone. Previously, Cliff was head of corporate strategy for Vodafone Australasia and also served as an international management consultant with Gemini Consulting and Bain Consulting. He earned a Master of Science degree in management as well as Bachelor's degree of Business Science in Economics and Marketing.

Current Directorships:
nearmap ltd (since July 2012)
Pureprofile Ltd

Former Directorships in the last 3 years:
Sound Alliance
dimmi.com.au

Special duties:
Chairman of the Nomination and Remuneration Committee
Member of the Audit and Risk Management Committee

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of nearmap ltd were:

	Ordinary Shares	Options over ordinary shares
R Norgard	50,076,295	-
S Crowther[1]	10,000,000	7,000,000
R Newman	4,000,000	-
C Rosenberg	2,775,000	-

[1]10,000,000 shares subject to holding lock pursuant to loan provisions of Company's Employee Share Option Plan.

Corporate structure

nearmap ltd (formerly known as ipernica ltd) is a company limited by shares incorporated and domiciled in Australia.

Nature of operations and principal activities

The principal activity of the consolidated entity during the course of the financial year was online aerial photomapping via its 100% owned subsidiaries nearmap Australia Pty Ltd and nearmap US Inc.

Business model

nearmap is an innovative online PhotoMap content provider that creates high quality current and changing maps. The Company generates revenues through licensing its content to a broad range of customers such as government agencies, the commercial sector and small to medium enterprises.

nearmap's breakthrough technology has been designed to fully automate the process of creating a high definition PhotoMap of large areas such as cities quickly and in a cost effective fashion. The technology enables PhotoMaps to be updated more frequently than other providers, which can be months, if not years out of date.

nearmap's strategy is to effectively monetise all of its content by providing convenient access to the content via desktop and mobile platforms, and through subscription models and value add products supported by e-commerce facilities.

The pivotal features underpinning the success of the nearmap business model are:
- the frequency with which this data is updated;
- the clarity (resolution) of the photomaps; and
- the availability of previous surveys on the same platform, allowing users to track changes of locations over time.

Consolidated result

The consolidated entity's result after provision for income tax was a loss of $0.79m (2014: profit of $7.08m).

Review and results of operations

For the year ended 30 June 2015, the Group reported revenue of $23.6m, up 32% on corresponding prior year revenue of $17.8m, underpinned by continued customer retention and growth in the customer base.

nearmap's balance sheet remains strong with no debt and a healthy cash balance. During the year ended 30 June 2015, nearmap had negative cashflows of $6.5m as the Australian business funded the US expansion during the year and invested heavily in fixed assets and intangibles. However, our cash balance is still healthy at $17.2m at 30 June 2015.

Cash receipts from customers for the year were $26.9m compared to $23.2m for the previous year, an increase of $3.7m (16%).

Dividends

No dividends have been paid or proposed in respect of the current year (2014: nil).

Environmental regulation and performance

The current activities of the Company and its subsidiary companies are not subject to any significant environmental regulation. However, the Board believes that the Company has adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements as they apply to the Company.

Significant changes in the state of affairs

a) On 17 July 2014, nearmap launched a new FAA-approved aerial camera system, HyperCamera, which is optimal for vertical imagery and is compact enough to be deployed inside an aircraft.

b) On 31 July 2014, nearmap launched nearmap Insurance, a visual analytics solution designed to give insurers a competitive advantage when assessing risk, improving responsiveness and managing claims.

c) On 13 October 2014, nearmap announced its expansion into the US market, including the launch of our nationwide US urban capture program.

d) During the first half of FY15, nearmap launched nearmap Construction, a construction planning solution with precise site information to map, measure and monitor progress of a build and also provides for volume estimation.

e) On 20 May 2015, nearmap announced the first commercial sales in the United States.

Significant events subsequent to balance date

There were no matters or circumstances specific to the Company that have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Prospects for future years

The Directors believe that the business strategies put in place will ensure that the Company continues on its growth trajectory in the foreseeable future. nearmap is primed to continue generating value to its shareholders in future years, subject to a stable macro-economic environment. The Company will continue to seek new opportunities to build scale and to broaden its customer base.

The Company faces a number of risks including inability to achieve volume growth targets, availability and cost of funds and deterioration of credit quality / impairments which may impact on its ability to achieve its targets.

Indemnification and insurance of Directors

During the financial year, the Group paid a premium of $81,742 to insure the Directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Share options

As at 30 June 2015 there were 30,555,000 unissued ordinary shares under options. Refer to note 6 of the financial statements for further details of the employee options outstanding.

Directors' meetings

The numbers of meetings of Directors (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director was as follows:

	Full Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**
R Norgard	8	8	2	2	2	2
S Crowther	8	8	-	-	-	-
R Newman	8	8	2	2	2	2
C Rosenberg	8	8	2	2	2	2

A - Number of meetings held during the time the Director held office and the Director was eligible to attend.
B - Number of meetings attended.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts referred to in this report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of nearmap ltd (the Company) and the consolidated entity (the Group).

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. Employment contracts
D. Share based compensation
E. Transactions of key management personnel
F. Additional information
G. Shares under option

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

Remuneration philosophy
The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Nomination and Remuneration Committee
The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director (MD) and the senior management team and ensuring that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

(i) Services from remuneration consultants
The Board considers advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. In FY15 the Nomination and Remuneration Committee engaged PricewaterhouseCoopers (PwC) as remuneration consultant to benchmark the remuneration of the Managing Director and his direct reports as well as the fees provided to nearmap's non-executive Directors against comparable peers and provide recommendations in relation thereto.

PwC was paid $32,640 for the remuneration benchmarking analysis and recommendations in respect of reviewing the remuneration amount and elements of comparable roles in companies of comparable size and operating in a similar industry.

A letter of engagement confirmed that any advice provided must be free from undue influence by the member or members of the key management personnel to whom any recommendations relate and sets out the processes to be followed in requesting information from, and from providing reports to, the Company to ensure that these obligations are met. The Board is satisfied that the remuneration outcomes were free from undue influence by any key management personnel on the basis that the processes described above were followed and were designed to ensure such an outcome.

Remuneration structure
In accordance with best practice corporate governance, the structure of non-executive Director and key management personnel remuneration is separate and distinct.

Non-executive Director remuneration

Objective The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)

Structure The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting (AGM) held on 21 November 2008 when shareholders approved an aggregate remuneration of $300,000 per year.

Increases were approved by the Nomination and Remuneration Committee for Rob Newman and Cliff Rosenberg to receive an increase in NED fees to $70,000 effective 1 March 2015.

Voting and comments made at the Company's 2014 Annual General Meeting

The Company received only 4.76% "no" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Each Director receives a fee for being a Director of the Company. A further fee is paid where additional time commitment is required like that being required by the Chairman of the Company.

Key management personnel and executive Director remuneration

Objective The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives and individual performance against key performance indicators;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure Remuneration typically consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
  - Short Term Incentive (STI); and
  - Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each key management personnel by the Nomination and Remuneration Committee.

Fixed Remuneration

Objective The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee and the process consists of a review of individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices. Increases were approved by the Nomination and Remuneration Committee for the Managing Director and all other Key Management Personnel to receive an increase in base salaries effective 1 March 2015.

Structure Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration — Short Term Incentive (STI)

Objective The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the employees charged with meeting those targets. The total potential STI where available is set at a level so as to provide sufficient incentive to employees to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure Actual STI payments granted to each employee depend on the extent to which specific operating targets set are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, customer management and leadership/team contribution.

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Company and each individual's performance is made and is taken into account when determining the amount, if any, of the short term incentive pool to be allocated to each employee. The aggregate of annual STI payments available for employees across the Company is subject to the approval of the Nomination and Remuneration Committee. Payments made are usually delivered as a cash bonus. However, STI payments are subject to discretion by the Board based on performance at the end of the year.

Variable Remuneration – Long Term Incentive (LTI)

Objective The objective of the LTI plan is to reward employees in a manner which aligns this element of remuneration with the creation of shareholder wealth. Options are granted with a strike price of 143% of the share price prevailing at the time of the grant. Executives are therefore required to achieve a fixed increase in share price of more than 43% before any value attracts to the individual.

The options have a 4 year term and a service vesting condition of 1 year for 50% of each tranche granted and 2 years for the second 50% tranche. There are no performance related vesting conditions. The Board believes that this is a challenging fixed target in share price over the option term and is therefore an appropriate mechanism to align company performance with that of the individual.

An employee loan scheme arrangement exists should an employee elect to apply for a loan on exercise of options, which may be granted subject to Remuneration Committee discretion.

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)

Structure LTI grants to employees are delivered in the form of options and the amount is determined by the Nomination and Remuneration Committee having regard to:

- the seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Company;
- the length of service of the Eligible Person with the Company;
- the record of employment of the Eligible Person with the Company;
- the potential contribution of the Eligible Person to the growth of the Company;
- the extent (if any) of the existing participation of the Eligible Person (or any Permitted Nominee in relation to that Eligible Person) in the Plan; and
- any other matters which the Board considers relevant.

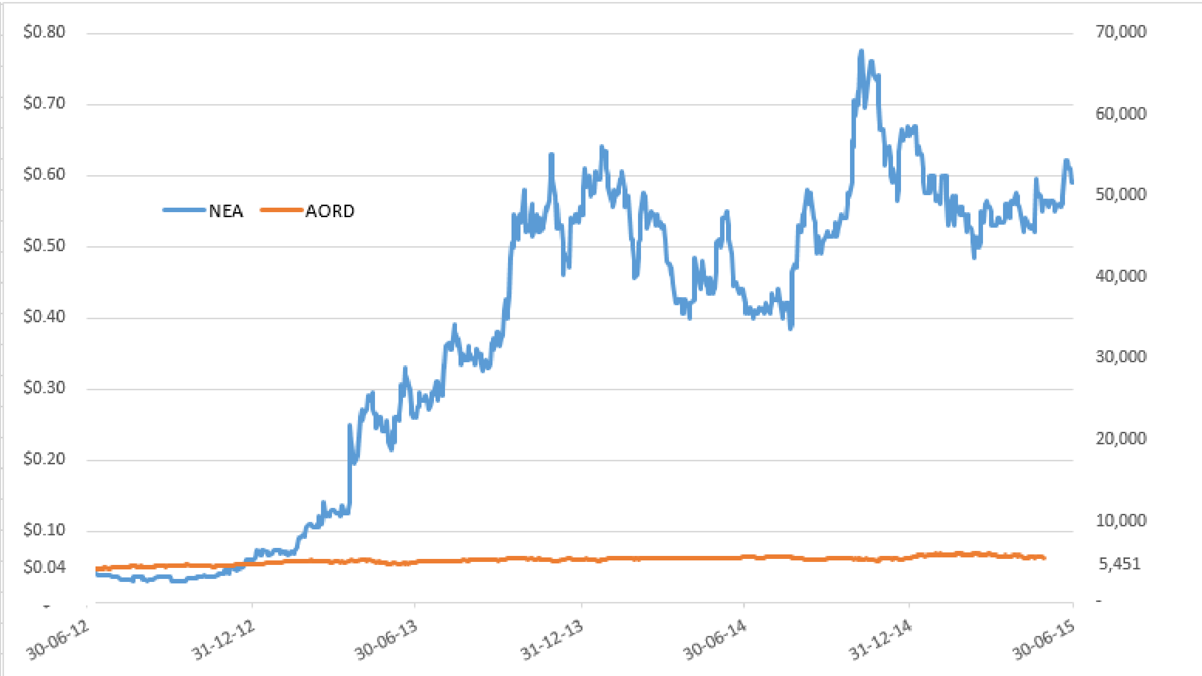
Group performance

The overall level of executive reward takes into account the nature of the technology commercialisation business and realistic timeframes for generating profits. In particular, executive rewards recognise the commercialisation of the nearmap business and future shareholder wealth contained therein and progress in unlocking the value created to date. Executive performance of the Group has been reviewed over the past 5 years taking into account future shareholder wealth and profit performance.

In considering the Group's performance and benefits for shareholder wealth, the Nomination and Remuneration Committee has given regard to the following indices in respect of the current financial year over the last 5 financial years.

	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
Revenue	$23,626	$17,846	$10,987	$5,687	$10,797
EBIT (earnings before interest & tax)	$627	$3,515	($980)	($10,400)	$1,703
Change in share price	$0.16	$0.17	$0.22	($0.03)	($0.01)

The graph below shows nearmap's closing share price since 1 July 2012 and the relative performance against the ASX All Ordinaries.



Remuneration report (audited)

B. Details of remuneration

Directors

The following persons were Directors of the Company during the financial year:

R Norgard	Non-Executive Chairman
S Crowther	Chief Executive Officer
R Newman	Non-Executive Director
C Rosenberg	Non-Executive Director

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

G Beukes	Chief Financial Officer
P Lapstun	Chief Technology Officer
P Peterson	Senior Vice President of Product and Engineering

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*):

		Short-term			Long-term	Post employment super-annuation	Share-based Payment options[1]	Total
		Salary & Fees	Non Monetary[2]	Cash Bonus	Long Service Leave			
Non-executive Directors								
R Norgard	2015	91,324	-	-	-	8,676	-	100,000
	2014	91,525	-	-	-	8,475	-	100,000
R Newman	2015	56,668	-	-	-	-	3,858	60,526
	2014	50,000	-	-	-	-	16,974	66,974
C Rosenberg	2015	51,750	-	-	-	4,916	3,858	60,524
	2014	45,763	-	-	-	4,237	16,974	66,974
Subtotal non-executive Directors	2015	**199,742**	**-**	**-**	**-**	**13,592**	**7,716**	**221,050**
	2014	187,288	-	-	-	12,712	33,948	233,948
Executive Directors								
S Crowther	2015	435,718	63,787	140,000	15,064	21,162	727,303	1,403,034
	2014	411,241	10,705	110,000	11,659	15,775	427,813	987,193

Remuneration report (audited)

B. Details of remuneration (cont.)

		Short-term			**Long-term**	**Post employment super-annuation**	**Share-based Payment options[1]**	**Total**
		Salary & Fees	Non Monetary[2]	Cash Bonus	Long Service Leave			
Other key management personnel (Group)								
G Beukes	2015	241,263	-	100,000	2,975	22,267	562,380	928,885
	2014	195,530	-	40,000	3,056	17,675	611,351	867,612
P Lapstun	2015	247,552	-	100,000	1,281	22,425	417,346	788,604
	2014	230,000	-	40,000	1,932	17,775	341,518	631,225
P Peterson	2015	254,218	-	100,000	1,553	22,583	365,440	743,794
	2014	240,000	-	40,000	2,042	17,775	220,524	520,341
Sub-total other key management personnel	2015	**743,033**	**-**	**300,000**	**5,809**	**67,275**	**1,345,166**	**2,461,283**
	2014	665,530	-	120,000	7,030	53,225	1,173,393	2,019,178
Total Directors and key management personnel	2015	**1,378,493**	**63,787**	**440,000**	**20,873**	**102,029**	**2,080,185**	**4,085,367**
	2014	1,264,059	10,705	230,000	18,689	81,712	1,635,154	3,240,319

[1]AASB 2 accounting value determined at grant date, recognised over related vesting periods, plus any incremental benefit to key management personnel as the result of the grant of a limited recourse loan per the employee loan scheme as disclosed in note 6(i) per the financial statements.
[2]Non-monetary benefits include the cost to the company of providing vehicle, living away from home benefits, and accommodation.

B. Details of remuneration (cont.)

The proportions of remuneration that are linked to performance and those that are fixed are shown below:

	Fixed remuneration		
	Salaries and benefits	LTI[1]	At risk – STI
Name	**2015**	**2015**	**2015**
Non – executive Directors			
R Norgard	100.0%	-	-
R Newman	93.6%	6.4%	-
C Rosenberg	93.6%	6.4%	-
Executive Director			
S Crowther	38.1%	51.9%	10.0%
Other key management personnel			
G Beukes	28.7%	60.5%	10.8%
P Lapstun	34.4%	52.9%	12.7%
P Peterson	37.4%	49.1%	13.5%

[1] LTI awards have service related vesting conditions only. The Directors consider the LTI grants are aligned with shareholders' interests as the exercise price is set as a 43% premium to the prevailing market price at the time they are granted.

C. Employment contracts

All executive employees and key management personnel are employed under contract. All executives have ongoing contracts and as such only have commencement dates and no expiry dates. Details of key management personnel and executives contracts as at 30 June are:

Name	Notice period for termination at will	Notice period for termination at cause
S Crowther	6 months	6 months
G Beukes	4 months	4 months
P Lapstun	4 months	4 months
P Peterson	4 months	4 months

- On resignation any unvested options are forfeited. Limited recourse loans are only granted to KMP in respect of vested options, therefore the loans are not subject to cancellation on resignation.
- The Company may terminate an employment agreement by providing the respective written notice period or provide payment in lieu of the notice period (based on the fixed component of remuneration). On such termination by the Company, any LTI options that have vested, or will vest during the notice period will be required to be exercised within 180 days from termination date (unless agreed otherwise by the Company) or their options expiry date if earlier. LTI options that have not yet vested will be forfeited.
- The Company may terminate an employment contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the employee is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.
- If an employee ceases to be employed by the Company (including by way of resignation, retirement, dismissal, etc) and has an outstanding limited recourse loan, the employee may elect to have the Company sell the loan shares and apply the net proceeds of the sale in repayment of the loan or repay the outstanding amount on the loan. This determination must be made within 1 month of the date of ceased employment.
- There are no formal contracts between the Company and non-executive Directors in relation to Remuneration other than the letter of appointment that stipulates the remuneration as at the commencement date.

D. Share based compensation

Options

A share option incentive scheme has been established whereby Directors and certain employees of the Group may be issued with options over the ordinary shares of the Company. The options, which are usually issued for nil consideration at an exercise price calculated with reference to prevailing market prices and a 43% premium thereon are issued in accordance with performance guidelines established by the Directors of the Company. The options are issued for terms of up to 4 years and are exercisable on various dates (usually in 2 equal annual tranches when vested) within 4 years from the issue date.

Remuneration report (audited)

The options only vest under certain conditions, principally centred on the employee still being employed, or the Director still engaged, at the time of vesting (that is, once the service has been satisfied). The options cannot be transferred without the approval of the Company's Board and are not quoted on the ASX. As a result plan participants may not enter into any transaction designed to remove the "at risk" aspect of an option before it is exercised.

Options were issued during the year ended 30 June 2015, refer to the table below and note 6 per the financial statements for details.

Limited recourse loans (LRL)

nearmap's Employee Share Option Plan includes an Employee Loan Scheme that permits nearmap to grant financial assistance to employees by way of limited recourse loans to enable them to exercise options and acquire shares. Interest on the loans is payable by key management personnel at loan maturity and accrues daily at the Australian Taxation Office approved rate for the purposes of the fringe benefit tax provisions. Loans are repayable three years after the issue date subject to the total share value being greater that the loan's principal plus accrued interest.

Remuneration report (audited)

D. Share based compensation (cont.)

Compensation options:

Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at an exercise price determined at a 43% premium to the market price of the shares on the date of grant. When an individual is granted a LRL to exercise their option, the effect is to extend the life of the original option and exercise price (in that interest accrues over the term of the loan).

30 June 2015	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or expired during the period	Grant Date	Value per Option / Share at Grant Date[2] $	Exercise Price per share (options) / Current price per share (loans)[3] $	Vesting Date	Expiry Date	Value of exercised during the period[4] $
Directors												
S Crowther												
- Options	5,000,000	-	5,000,000	-	5,000,000[1]	-	Nov 12	0.0185	0.075	Nov 14	Nov 16	2,950,000
- Options	2,500,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 15	Nov 17	-
- Options	2,500,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 16	Nov 17	-
- Options	1,000,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 16	Nov 18	-
- Options	1,000,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 17	Nov 18	-
- LRL	5,000,000	100%	100%	-	-	-	Dec 14	-	0.0775	Nov 14	Dec 17	-
- LRL	5,000,000	-	-	-	-	-	Nov 13	-	0.0805	Nov 13	Nov 16	
R Newman												
- Options	1,000,000	-	1,000,000	-	1,000,000	-	Nov 12	0.0185	0.075	Nov 14	Nov 16	590,000
C Rosenberg												
- Options	1,000,000	-	1,000,000	-	1,000,000	-	Nov 12	0.0185	0.075	Nov 14	Nov 16	590,000
Other key management personnel												
G Beukes												
- Options	1,000,000	-	1,000,000	-	1,000,000[1]	-	Dec 12	0.0248	0.075	Dec 14	Dec 16	480,000
- Options	750,000	-	-	-	750,000[1]	-	Jun 13	0.1513	0.415	Dec 13	Jun 17	108,750
- Options	750,000	-	-	-	750,000[1]	-	Jun 13	0.1513	0.415	Jun 14	Jun 17	108,750
- Options	750,000	-	-	-	750,000[1]	-	Oct 13	0.1994	0.530	Apr 14	Oct 17	22,500
- Options	750,000	-	750,000	-	750,000[1]	-	Oct 13	0.1994	0.530	Apr 15	Oct 17	22,500
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 15	Nov 17	-
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 16	Nov 17	-
- Options	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 16	Nov 18	-
- Options	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 17	Nov 18	-
- LRL	750,000	100%	100%	-	-	-	Apr 15	0.0425	0.4197	Dec 13	Apr 18	-
- LRL	750,000	100%	100%	-	-	-	Apr 15	0.0425	0.4197	Jun 14	Apr 18	-
- LRL	750,000	100%	100%	-	-	-	Apr 15	0.0419	0.5359	Apr 14	Apr 18	-
- LRL	750,000	100%	100%	-	-	-	Apr 15	0.0419	0.5359	Apr 15	Apr 18	-
- LRL	1,000,000	100%	100%	-	-	-	Mar 15	-	0.0761	Dec 14	Mar 18	-
- LRL	1,000,000	-	-	-	-	-	Dec 12	-	0.0805	Dec 13	Dec 16	-

Remuneration report (audited)

30 June 2015	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or expired during the period	Grant Date	Value per Option / Share at Grant Date[2] $	Exercise Price per share (options) / Current price per share (loans)[3] $	Vesting Date	Expiry Date	Value of exercised during the period[4] $
P Lapstun												
- Options	2,500,000	-	2,500,000	-	2,500,000[1]	-	Mar 13	0.0550	0.150	Mar 15	Mar 17	912,500
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 15	Nov 17	-
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 16	Nov 17	-
- Options	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 16	Nov 18	-
- Options	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 17	Nov 18	-
- LRL	2,500,000	-	-	-	-	-	Mar 14	-	0.1611	Mar 14	Mar 17	-
- LRL	2,500,000	100%	100%	-	-	-	Mar 15	0.0070	0.1526	Mar 15	Mar 18	-
P Peterson												
- Current	2,500,000	-	2,500,000	-	2,500,000	-	Nov 12	0.0220	0.075	Nov 14	Nov 16	1,475,000
	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 15	Nov 17	-
	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.761	Nov 16	Nov 17	-
	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 16	Nov 18	-
	500,000	100%	-	100%	-	-	Nov 14	0.2160	1.080	Nov 17	Nov 18	-

[1] The exercise of these options were funded through the grant of a LRL under the Employee Loan Scheme.
[2] AASB 2 accounting value determined at grant date as disclosed in note 6(i) per the financial statements
[3] Current price of LRLs determined based on the loan principal plus accrued interest as at 30 June 2015 divided by the number of shares exercised
[4] Value determined based on the share price at exercise date less exercise price

Remuneration report (audited)

D. Share based compensation (cont.)

Modification of Terms of Share-based Payment Transactions
A modification of terms of share-based payment transactions occurred when the Board accepted key management personnel's loan request to exercise fully vested options under the Employee Loan Scheme through a LRL in lieu of cash payment of the exercise price. See details below for share-based payment transactions which have been modified in this way during the reporting period. Refer to Section E "Financial assistance under the employee share option plan" for further details in respect of the terms of the loans granted to these KMP.

				Terms prior to modification			Terms of LRL subsequent to modification		
30 June 2015	**Number of options exercised during the period**	**Loan grant date**	**Market price of shares at date of loan grant $**	**Exercise price per option $**	**Time of option to expiry (years)**	**Fair value of option per share at LRL grant date $**	**Fair value of LRL per share at LRL grant date $**	**Time to expiry (years)**	**Fair value difference[1] $**
Directors									
S Crowther	5,000,000	Dec 14	0.665	0.075	1.98	0.599	0.593	3	(26,503)
Other key management personnel									
G Beukes	1,000,000	Mar 15	0.555	0.075	1.70	0.487	0.484	3	(3,584)
	750,000	Apr 15	0.560	0.415	2.18	0.256	0.298	3	31,890
	750,000	Apr 15	0.560	0.415	2.18	0.256	0.298	3	31,890
	750,000	Apr 15	0.560	0.530	2.47	0.221	0.263	3	31,424
	750,000	Apr 15	0.560	0.530	2.47	0.221	0.263	3	31,424
P Lapstun	2,500,000	Mar 15	0.515	0.150	2.00	0.372	0.379	3	17,503

[1]Fair value difference determined at modification date (LRL grant date) as the fair value of the option per share less the fair value of the LRL per share multiplied by the number of options exercised. For accounting purposes, when this difference is positive, the amount is expensed immediately within the Group's profit or loss.

Remuneration report (audited)

E. Transactions of key management personnel

Shares held in the Company

30 June 2015	Balance at 1 July 2014	Exercise of Options	Net Other Change[1]	Balance 30 June 2015	Balance held nominally
Directors					
R Norgard	58,576,295	-	(8,500,000)	50,076,295	50,076,295
C Rosenberg	1,775,000	1,000,000	-	2,775,000	2,775,000
R Newman	3,393,500	1,000,000	(393,500)	4,000,000	4,000,000
Other key management personnel					
P Peterson	1,641,341	2,500,000	(1,626,545)	2,514,796	2,514,796

30 June 2015	Balance at 1 July 2014	Exercise of LRL	Net Other Change*	Balance 30 June 2015	Balance held nominally
Directors					
S Crowther	5,000,000	5,000,000	-	10,000,000	10,000,000
Other key management personnel					
G Beukes	1,755,000	4,000,000	-	5,755,000	5,755,000
P Lapstun	2,500,000	2,500,000	-	5,000,000	5,000,000

[1]Includes expired options, cancellations and other acquisitions, transfers and disposals

Financial assistance under the employee share option plan

Limited recourse loans advanced to key management personnel during the year ended 30 June 2015 amounted to $3,067,500 (30 June 2014: $825,000). Interest on the loans during the period has been accrued at rates of between 5.95% and 6.45%.

F. Additional information

The Company has applied fair value measurement provisions of AASB 2 *Share-based Payment* for all options and LRLs granted to Directors and employees. The fair value of such grants is being amortised and disclosed as part of Director and employee remuneration on a straight-line basis over the vesting period. Options granted as part of Director and employee remuneration has been valued using the Black-Scholes Option Pricing Model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. LRLs have also been valued using the Black-Scholes Option Pricing Model.

Refer to note 6(i) per the financial statements for details of share based payments and all new options granted to all employees during the year ended 30 June 2015.

This is the end of the Audited Remuneration Report.

G. Shares under option

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

Date options granted	Expiry date	Issue price of shares	Number under option
14-Dec-12	14-Dec-16	$0.075	250,000
8-Apr-13	9-Apr-17	$0.172	500,000
12-Apr-13	15-Apr-17	$0.179	300,000
22-Jul-13	25-Jul-17	$0.444	200,000
30-Sep-13	2-Oct-17	$0.544	700,000
21-Nov-13	21-Nov-17	$0.761	12,500,000
24-Feb-14	24-Feb-18	$0.730	2,650,000
28-May-14	20-May-18	$0.690	500,000
21-Nov-14	21-Nov-18	$1.080	5,000,000
8-Dec-14	11-Dec-18	$0.850	3,800,000
6-Mar-15	6-Mar-20	$0.560	1,155,000
6-Mar-15	6-Mar-19	$0.790	3,000,000
			30,555,000

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 22 and forms part of the Directors' Report for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors.

On behalf of the Board

S Crowther
CEO & Managing Director
24 August 2015

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of nearmap ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Trent Duvall
Partner

Sydney

24 August 2015

Consolidated statement of comprehensive income for the year ended 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Revenue	4	**23,626**	17,846
Other income	4	**2,498**	2,223
Total revenue		**26,124**	20,069
Expenses:			
Employee benefits expenses	6	**(15,357)**	(9,548)
Amortisation and depreciation expense		**(3,658)**	(2,074)
Net foreign exchange differences		**398**	(7)
Other operational expenses	5	**(6,880)**	(4,925)
Total expenses		**(25,497)**	(16,554)
Profit before tax		**627**	3,515
Income tax (expense) / benefit		**(1,416)**	3,563
(Loss) / profit after tax		**(789)**	7,078
Total comprehensive (loss) / income attributable to members of the Company		**(789)**	7,078
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents per share)	14	**(0.24)**	2.17
Diluted earnings per share (cents per share)	14	**(0.23)**	2.03

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	13	**17,169**	23,347
Trade receivables	9	**4,316**	2,670
Other current receivables		**3,540**	625
TOTAL CURRENT ASSETS		**25,025**	26,642
NON-CURRENT ASSETS			
Plant and equipment	12	**4,381**	1,402
Intangible assets	11	**11,266**	5,268
Deferred tax asset	7	**2,286**	3,782
TOTAL NON-CURRENT ASSETS		**17,933**	10,452
TOTAL ASSETS		**42,958**	37,094
CURRENT LIABILITIES			
Trade and other payables		**1,620**	1,718
Unearned income	4	**15,726**	13,403
Employee benefits		**1,779**	852
Other current liabilities		**1,069**	528
TOTAL CURRENT LIABILITIES		**20,194**	16,501
NON-CURRENT LIABILITIES			
Employee benefits		**184**	88
TOTAL NON-CURRENT LIABILITIES		**184**	88
TOTAL LIABILITIES		**20,378**	16,589
NET ASSETS		**22,580**	20,505
EQUITY			
Contributed equity	8	**27,621**	27,113
Reserves		**8,475**	6,119
Profits reserve		**7,078**	7,078
Accumulated losses		**(20,594)**	(19,805)
TOTAL EQUITY		**22,580**	20,505

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2015

	Contributed Equity $'000	Accumulated Losses $'000	Profits Reserve $'000	Share Based Payment Reserve $'000	Other Reserves $'000	Total Equity $'000
CONSOLIDATED						
At 1 July 2014	**27,113**	**(19,805)**	**7,078**	**6,119**	-	**20,505**
Loss for the year	-	**(789)**	-	-	-	**(789)**
Other comprehensive income:						
Changes in fair value of cash flow hedges	-	-	-	-	**(57)**	**(57)**
Exchange differences on translation of foreign operations	-	-	-	-	**(205)**	**(205)**
Total comprehensive income for the year	**27,113**	**(20,594)**	**7,078**	**6,119**	**(262)**	**19,454**
Transactions with owners of the Company:						
Share options exercised	**508**	-	-	-	-	**508**
Share-based payment transactions	-	-	-	**2,618**	-	**2,618**
At 30 June 2015	**27,621**	**(20,594)**	**7,078**	**8,737**	**(262)**	**22,580**
CONSOLIDATED						
At 1 July 2013	26,536	(19,805)	-	4,222	-	10,953
Profit for the year	-	7,078	-	-	-	7,078
Transfer between reserves	-	(7,078)	7,078	-	-	-
Transactions with owners of the Company:						
Issue of ordinary shares	99	-	-	-	-	99
Share options exercised	478	-	-	-	-	478
Share-based payment transactions	-	-	-	1,897	-	1,897
At 30 June 2014	27,113	(19,805)	7,078	6,119	-	20,505

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

Consolidated statement of cash flows for the year ended 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**26,876**	23,243
Payments to suppliers and employees[1]		**(26,947)**	(14,423)
Interest received		**545**	512
Other receipts		**76**	-
R&D refund received		**-**	1,711
Income taxes paid		**(420)**	-
Net cash from operating activities	13	**130**	11,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(3,164)**	(582)
Payments for development costs		**(3,935)**	(976)
Proceeds from sale of plant and equipment		**11**	4
Net cash used in investing activities		**(7,088)**	(1,554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**508**	382
Proceeds from exercise of loans share options		**-**	96
Net cash from financing activities		**508**	478
Net (decrease) / increase in cash and cash equivalents		**(6,450)**	9,967
Cash and cash equivalents at beginning of year		**23,347**	13,387
Effect of movement in exchange rates on cash held		**272**	(7)
Cash and cash equivalents at end of year	13	**17,169**	23,347

[1] Includes capture costs in Australia and the US of $2,091k and $2,932k, respectively (2014:$840k, nil).

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

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. The notes are organised into the following sections:

A. Basis of preparation	B. Key financial results	C. Capital structure & financial risk management	D. Investing activities	E. Other
1. Reporting entity	4. Segment results & revenue	8. Contributed equity	11. Intangibles	14. EPS
2. Significant accounting policies	5. Other operational expenses	9. Financial instruments – fair value and risk management	12. PP&E	15. Commitments
3. Other confirmations	6. Personnel expenses	10. Dividends	13. Cash flow	16. Parent entity information
	7. Income tax			17. Group entities
				18. Auditor's remuneration

A. Basis of preparation

In this section
This section sets out the basis upon which the Group's financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in 2015 or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

1. REPORTING ENTITY

nearmap ltd (the 'Company') is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The Company's registered office is at Level 6, 6-8 Underwood Street Sydney NSW 2000. These consolidated financial statements as at 30 June 2015 comprise the Company and its subsidiaries (collectively referred as the 'Group' and individually 'Group entities').

The Group is a for-profit entity and the nature of the operations and principal activities of the Group are described in the Directors' report. The Group is primarily involved in the provision of online PhotoMap content via its 100% owned subsidiaries nearmap Australia Pty Ltd and nearmap US Inc.

The consolidated financial statements for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 24 August 2015.

2. ACCOUNTING POLICIES

Significant accounting policies have been moved next to the respective note disclosure. Other relevant policies are in this section.

a. Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared in accordance with the historical cost convention.

The financial statements are presented in Australian dollars.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in consolidated financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

b. Changes in accounting policies and new standards and interpretations not yet adopted

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*
- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-financial Assets*

- AASB 2013-4 *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*
- AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*
- IFRIC 21 - *Levies*
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part B: Defined Benefit Plans: Employee Contributions*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part C: Materiality*
- ASX Corporate Governance Council Principles and Recommendations (Third Edition)
- Corporations Legislation Amendment (Deregulatory and Other Measures) Act 2015

There has been no material impact on the financial statements of the Group.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 *Financial Instruments* which becomes mandatory for the Group's 2016 consolidated financial statements and could change the classification and measurement of financial instruments. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

c. Basis of consolidation

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

d. Significant accounting judgments, estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key judgments and estimates which are material to the financial report are found in the following notes:

- Note 6(i): Share-based payments
- Note 7: Income tax
- Note 11: Intangibles

e. Foreign currencies

(i) Foreign currency transactions
Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (A$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following item is recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

3. Other confirmations

Contingent liabilities
As at 30 June 2015, the Directors are not aware of any contingent liabilities in relation to the Company or the Group.

Subsequent events
There were no matters or circumstances specific to the Company or the Group that have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the Company or Group’s operations in future years;
- the results of those operations in future financial years; or
- the Company or Group’s state of affairs in future financial years.

Related parties
Other than the loans granted under the employee loan scheme as disclosed in note 6 per the financial statements, there have been no sales, purchases or other transactions with related parties during the year ended 30 June 2015 (year ended 30 June 2014: nil).

B. Key financial results

In this section
This section explains the results and performance of nearmap ltd and provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

a) Accounting policies that are relevant for understanding the items recognised in the financial statements.

b) Analysis of the Group's result for the year by reference to key areas, including: segment results and revenue, operational expenses, personnel costs including share-based payments and income tax.

4. Segment results and revenue

This note provides results by operating segment for the year ended 30 June 2015. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer who ultimately makes strategic decisions. This note also provides additional information on revenue, including types of revenue and the respective recognition criteria.

Segment reporting

During the year ended 30 June 2015, the Group changed its internal organisation and the composition of its reportable segments in light of the recent expansion into the United States. Accordingly, the Group has restated the operating segment information for the year ended 30 June 2014. The change in operating segments does not result in any change to the reported profit for the Group on prior periods. An overview of the new operating segments is provided below.

Segment	Information
Australia	Responsible for all sales and marketing efforts in Australia.
United States	Responsible for all sales and marketing efforts in the United States.
Corporate	Holds all the IP and product "know-how" which allows nearmap to deliver its product offering, being online aerial photomapping. The segment facilitates the day to day survey operations globally.

Cost of revenue are all the costs directly attributable to the ongoing delivery of the subscription product, including amortisation of capture costs and technology costs.

Sales and marketing costs include direct in-country costs.

General and administration for Corporate represent all operating expenses and product design and uncapitalised development expenses.

Royalties for the Corporate segment are derived from the regions and are determined based on a percentage of subscription revenue. The royalty owed by the regions is offset by royalties derived from Corporate which are based on a percentage of capture costs.

The assets and liabilities of the Group are reported and reviewed by the Chief Operating Decision Maker in total and not allocated by operating segment. Therefore, operating segment assets and liabilities are not disclosed.

	Australia $'000	United States $'000	Corporate $000	Total $'000
Year ended 30 June 2015				
Subscription revenue	23,421	11	-	23,432
On-demand revenue	194	-	-	194
Other income	-	-	2,498	2,498
Total revenue	23,615	11	2,498	26,124
Cost of revenue	(2,891)	(1,322)	-	(4,213)
Gross Profit	20,724	(1,311)	2,498	21,911
Sales & marketing	(5,875)	(3,219)	-	(9,094)
General & administration	-	-	(12,190)	(12,190)
EBIT	14,849	(4,530)	(9,692)	627
Royalty	(8,211)	161	8,050	-
Net segment contribution	6,638	(4,369)	(1,642)	627
Income tax expense				(1,416)
Loss after tax				(789)

	Australia $'000	United States $'000	Corporate $000	Total $'000
Year ended 30 June 2014				
Subscription revenue	17,452	-	-	17,452
On-demand revenue	394	-	-	394
Other income	-	-	2,223	2,223
Total revenue	17,846	-	2,223	20,069
Cost of revenue	(2,632)	-	-	(2,632)
Gross Profit	15,214	-	2,223	17,437
Sales & marketing	(2,813)	-	-	(2,813)
General & administration	-	-	(11,109)	(11,109)
EBIT	12,401	-	(8,886)	3,515
Royalty	(6,245)	-	6,245	-
Net segment contribution	6,156	-	(2,641)	3,515
Income tax benefit				3,563
Profit after tax				7,078

Accounting policy – revenue recognition and measurement
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific revenue recognition criteria must also be met before revenue is recognised:

Subscription revenue
Subscription revenue is recognised over the life of the contract in line with when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the subscription agreement.

On-demand revenue
On-demand revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to percentage area captured to date as a percentage of the total estimated capture area for each contract.

Other income
Other income consists of interest income of $593k (2014: $512k) and R&D grant income of $1,829k (2014: $1,711k). At June 2015, other income also includes New South Wales payroll grant income of $76k (2014: nil). Interest income is recognised as interest accrues using the effective interest method. For additional information regarding the R&D tax incentive, see Note 7: Income tax.

Unearned revenue
Prepaid amounts received from customers in advance are deferred to the relevant future subscription agreement periods. Unearned revenue comprises photo mapping subscription license service fees charged, the revenue for which is primarily recognised in the profit or loss over the subscription period. Unearned revenue at 30 June 2015 was $15,726k (2014: $13,403K).

5. Other operational expenses

	Consolidated **2015 $'000**	2014 $'000
Servicing and processing costs	**1,241**	809
Operating lease expenses	**452**	173
Audit and consulting fees	**846**	1,245
Travel and office costs	**1,836**	612
Legal and listing fees	**1,051**	644
Insurance costs	**232**	130
All other operating expenses	**1,222**	1,312
	6,880	4,925

6. Personnel expenses

Personnel disclosures include information on (i) share-based payments, (ii) employee benefits expense and (iii) key management personnel.

(i) **Share-based payments**

An Employee Share Option Plan has been established whereby Directors and certain employees of the consolidated entity may be issued with options over the ordinary shares of the Company. The options, which are usually issued for nil consideration at an exercise price calculated with reference to prevailing market prices, are issued in accordance with terms established by the Directors of the Company. The options are generally issued for 4 years and are exercisable on various dates (usually in 2 equal annual tranches when vested) within 4 years from the issue date. The options cannot be transferred without the approval of the Company's board and are not quoted on the ASX.

nearmap's Employee Share Option plan also includes an Employee Loan Scheme that permits nearmap to grant financial assistance to employees by way of limited recourse loans to enable them to exercise options and acquire shares.

Key estimates and judgments

The Group estimates the fair value of equity-settled transactions (share options and limited recourse loans (LRL)) at the date at which they are granted. The fair value is determined using the Black-Scholes model and includes assumptions in the following areas: risk free rate, volatility and estimated service periods. The expected life of the options is based on historical data and not necessarily indicative of exercise patters than may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be actual outcome. No other features of options granted were incorporated into the measurement of fair value. There are no voting or dividend rights attached to the options.

Accounting policy - recognition and measurement of share-based payments

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions') if applicable.

The fair value of equity-settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting period').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

A modification of terms of share-based payment transactions occurs when the Board accepts a loan request submitted by an employee of the Group to exercise fully vested options under the Employee Loan Scheme through a LRL in lieu of cash payment of the exercise price. Since the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Expenses arising from share-based payment transactions during the year was $2,618k (2014: $1,897k).

The following table lists the options and LRLs granted and the inputs to the model used to measure their fair value for the years ended 30 June 2015 and 30 June 2014 to KMP:

Model inputs to share option and LRL grants 30 June 2015 (Key Management Personnel)							
Grant date	Expiry date	Exercise price[2] $	Number of options / LRLs granted	Fair value at grant date $	Expected price volatility %	Risk free interest rate %	Expected life (years)
30 June 2014							
3 Oct 13	4 Oct 17	0.530	1,500,000	0.1994	80	3.35	3.50
21 Nov 13	21 Nov 17	0.761	14,500,000	0.2943	80	3.46	3.50
30 June 2015							
21 Nov 14	21 Nov 18	1.080	5,000,000	0.2160	60	2.77	2.75
1 Dec 14	1 Dec 17	0.089	5,000,000[1]	0.5934	75	2.35	3.00
10 Mar 15	10 Mar 18	0.177	2,500,000[1]	0.3792	75	1.96	3.00
27 Mar 15	27 Mar 18	0.088	1,000,000[1]	0.4839	75	1.78	3.00
17 Apr 15	17 Apr 18	0.489	1,500,000[1]	0.2980	75	1.79	3.00
17 Apr 15	17 Apr 18	0.625	1,500,000[1]	0.2628	75	1.79	3.00

[1]These relate to grants of limited recourse loans (LRL) to KMP under the Employee Loan Scheme.
[2]The exercise price of LRLs is determined based on the loan principal plus accrued interest over the term of the loan divided by the number of shares exercised.

The following table lists the options and LRLs granted and the inputs to the model used to measure their fair value for the years ended 30 June 2015 and 30 June 2014 to other executives:

Model inputs to share option and LRL grants 30 June 2015 (Other Executives)							
Grant date	Expiry date	Exercise price[2] $	Number of options / LRLs granted	Fair value at grant date $	Expected price volatility %	Risk free interest rate %	Expected life (years)
30 June 2014							
22 Jul 13	25 Jul 17	0.444	200,000	0.1654	80	3.09	3.50
30 Sep 13	2 Oct 17	0.544	700,000	0.2043	80	3.33	3.50
24 Feb 14	24 Feb 18	0.730	3,650,000	0.2736	80	3.41	3.50
28 May 14	20 May 18	0.690	500,000	0.1784	80	3.20	3.50
30 June 2015							
11 Dec 14	11 Dec 18	0.850	4,050,000	0.1608	57	2.77	2.75
23 Dec 14	23 Dec 17	0.089	400,000[1]	0.5734	75	2.25	3.00
6 Mar 15	6 Mar 19	0.790	3,000,000	0.1453	56	1.98	2.75
6 Mar 15	6 Mar 20	0.560	2,710,000	0.2037	56	1.98	2.75
24 Jun 15	24 Jun 18	0.088	200,000[1]	0.5435	75	2.06	3.00

[1]These relate to grants of limited recourse loans (LRL) to other executives under the Employee Loan Scheme.
[2]The exercise price of LRLs is determined based on the loan principal plus accrued interest over the term of the loan divided by the number of shares exercised.

The following table lists the roll-forward in number of options for the years ended 30 June 2015 and 30 June 2014 for KMP and other executives combined:

Reconciliation of options issued under Employee Share Option Plan 30 June 2015						
	Balance at 1 July	Granted	Forfeited	Exercised	Balance 30 June	Vested & exercisable
30 June 2015						
Total number of options	**35,750,000**	**14,760,000**	**(1,805,000)**	**(18,150,000)**	**30,555,000**	**1,950,000**
Weighted average price $	**0.37**	**0.86**	**0.60**	**0.14**	**0.79**	**0.32**
30 June 2014						
Total number of options	36,700,000	21,050,000	(8,000,000)	(14,000,000)	35,750,000	1,200,000
Weighted average price $	0.10	0.73	0.33	0.09	0.43	0.37

Limited recourse loans advanced to Key Management Personnel

Limited recourse loans advanced to Key Management Personnel during the year ended 30 June 2015 amounted to $3,068k (30 June 2014: $825k). Loans are interest bearing and interest accrues daily at the Australian Taxation Office approved rate for the purposes of the fringe benefit tax provisions. Interest on the loans during the period has been accrued at rates of between 5.95% and 6.45%. Loans are repayable three years after the issue date subject to the total share value being greater than the loan's principal plus accrued interest. No loans to key management personnel were repaid during the year.

Details in relation to KMP, including remuneration paid, are included in the Remuneration Report section of the Director's Report.

Limited recourse loans advanced to other executives

Limited recourse loans advanced to other executives during the year ended 30 June 2015 amounted to $45k (30 June 2014: $30k). Loans are interest bearing and interest accrues daily at the Australian Taxation Office approved rate for the purposes of the fringe benefit tax provisions. Interest on the loans during the period has been accrued at rates of between 5.95% and 6.45%. Loans are repayable three years after the issue date subject to the total share value being greater than the loan's principal plus accrued interest. No loans to other executives were repaid during the year.

(ii) Employee benefits expense	**Consolidated**	
	2015	2014
	$'000	$'000
Share-based payments expense	**2,618**	1,897
Defined contribution plan expense	**779**	432
Other employee benefit expenses	**11,960**	7,219
	15,357	9,548

(iii) Key management personnel disclosures	**Consolidated**	
	2015	2014
Key management personnel compensation	**$'000**	$'000
Short-term employee benefits	**1,447**	1,306
Short-term employee bonus	**440**	230
Long-term employee benefits	**21**	19
Post-employment benefits	**102**	85
Share-based payments	**2,080**	1,635
	4,090	3,275

7. Income tax

Key estimates and judgments

Deferred tax
Pursuant to AASB 112 *Income Taxes*, the Company has assessed its best estimate of the probability that future taxable profits will be available against which the Group can utilise its unused tax losses and deductible temporary differences in future periods.

Accounting policy - recognition and measurement of income tax

Research and development tax incentive
The Group accounts for the benefit of refundable research and development tax incentives as government grant income, which is recognised when there is reasonable assurance that the Group will comply with the conditions that attach to the incentive and that it will be received. The income is recognised in Other Income on a systematic basis over the periods in which the Group recognises the related research and development expense. The Group accounts for any non-refundable research and development tax credits as an income tax benefit.

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

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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

Tax consolidation
The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, nearmap ltd, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

	Consolidated	
	2015	2014
Income tax benefit / (expense)	**$'000**	$'000
Current tax expense	**(194)**	(1,266)
Deferred tax (expense)/benefit	**(1,222)**	4,829
	(1,416	3,563
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**627**	3,515
Tax at the Australian tax rate of 30% (2014:30%)	**(188)**	(1,055)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable grant income from refundable R&D credit (prior year)	**549**	513
Non-assessable grant income from refundable R&D credit (current year estimate)	**406**	571
Effect of higher tax rate in the US	**347**	
Shared based payments expense	**(788)**	(569)
Entertainment expenses	**(5)**	(9)
Other non-deductible expenses	**(1,737)**	(7)
Recognition of previously unrecognised tax losses	**-**	1,624
Recognition of deferred tax balances not previously bought to account	-	2,495
	(1,416)	3,563

	Balance 1 July $'000	Recognised in the statement of profit or loss $'000	Change in recognised amount $'000	Balance 30 June $'000	Assets $'000	Liabilities $'000
Deferred tax balances						
2015						
Tax losses	**-**	**-**	**4,300**	**4,300**	**4,300**	**-**
Unearned revenue	**4,020**	**-**	**(3,981)**	**39**	**39**	**-**
Provisions and other accruals	**285**	**-**	**56**	**341**	**341**	**-**
Plant and equipment	**(57)**	**-**	**5**	**(52)**	**-**	**(52)**
Intangible assets	**(464)**	**-**	**(1,895)**	**(2,359)**	**-**	**(2,359)**
Prepayments	**(2)**	**-**	**2**	**-**	**-**	**-**
Derivative instruments	**-**	**-**	**17**	**17**	**17**	**-**
Net tax assets / (liabilities)	**3,782**	**-**	**(1,496)**	**2,286**	**4,697**	**(2,411)**
2014						
Tax losses	-	1,624	(1,624)	-	-	-
Unearned revenue	-	3,022	998	4,020	4,020	-
Provisions and other accruals	-	275	10	285	285	-
Plant and equipment	-	(60)	3	(57)	-	(57)
Intangible assets	-	(657)	193	(464)	-	(464)
Prepayments	-	-	(2)	(2)	-	(2)
Net tax assets / (liabilities)	-	4,204	(422)	3,782	4,305	(523)

C. Capital structure and financial risk management

In this section
This section outlines how nearmap manages its capital structure and discusses the Group's exposure to various financial risks and how the Group manages these risks.

Capital Risk Management
The Group's objective in managing capital is to safeguard its ability to continue as a going concern, so it can continue to commercialise intellectual property with the ultimate objective of providing returns to shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may issue new shares, sell assets, consider joint ventures and may return capital in some form to shareholders.

8. CONTRIBUTED EQUITY

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

	2015		2014	
	Number of shares	**$,000**	Number of shares	$,000
Movement in shares on issue				
Balance at the beginning of the year	**337,346,101**	**27,113**	323,056,101	26,536
Issue of shares during the year	**-**	**-**	290,000	99
Issued from exercise of share options	**6,050,000**	**508**	5,100,000	478
Issued from exercise of loans share options	**12,100,000**	**-**	8,900,000	-
Balance at the end of the year	**355,496,101**	**27,621**	337,346,101	27,113

Details in relation to share option movements and the share incentive scheme are contained in note 6.

Terms and conditions of contributed equity
Ordinary shares:
Ordinary shares have the right to receive dividends as declared and in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

9. Financial Instruments – Fair Value and Risk Management

Accounting policy – financial instruments carried at fair value
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of these instruments is categorised into different levels of the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period which the transfer has occurred.

Accounting policy – derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency risk exposures. These derivative instruments are designated as cash flow hedging instruments. The effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivatives is immediately recognised in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

The Group's principal financial instruments comprise cash, short-term deposits and derivatives. The Group is primarily exposed to the following risks arising from financial instruments:

- Market risk, particularly in relation to foreign currencies (see ii);
- Credit risk (see iii).

This note provides information about the Group's exposure to the above risks and its objectives, policies and processes for measuring and managing those risks.

(i) Risk management framework

The Company's board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of Directors have established the Audit and Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market and the Group's activities.

(ii) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The Group uses derivatives to manage market risk related to foreign currencies. All such transactions are carried out within the guidelines of the Group's risk management policies.

Currency risk

The Group's functional currency is the Australian dollar (AUD) and it is exposed to currency risk on payments denominated in the United States dollar (USD). The Group uses forward exchange contracts to hedge its currency risk, all of which have a maturity of less than six months from the reporting date. The currency risk relating to payments denominated in USD have been fully hedged, with the forward exchange contracts maturing on the same dates that the forecast payments are expected to occur. These contracts are designated as cash flow hedges.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

	Consolidated	
	2015	2014
	USD'000	USD'000
Cash and cash equivalents	**2,110**	1,130
Receivables and other assets	**344**	-
Payables and other liabilities	**980**	95
Gross exposure	**3,434**	1,225

The following significant exchange rates applied during the year

	Average Rate		**Reporting Date Spot Rate**	
	2015	2014	**2015**	2014
USD	**0.8382**	0.9187	**0.7680**	0.9420

Sensitivity Analysis:

A 10 percent strengthening or weakening of the Australian to US dollar exchange rate would have increased / (decreased) the net assets denominated in foreign currencies by the following amounts:

	Consolidated	
	2015	2014
	$'000	$'000
+10%	**(174)**	(94)
-10%	**213**	115

Interest rate risk

The Group is exposed to changes in interest rates as it relates to the Company's short-term deposits. The Company monitors changes in interest rates regularly to ensure the best possible return on deposits. Changes to interest rates in this context are not considered a significant financial risk.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and forward exchange contracts. The Group trades primarily with recognised, creditworthy third parties.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

Cash and cash equivalents
The Group held cash and cash equivalents with bank and financial institution counterparties which are rated BBB or above.

Derivatives
The forward exchange contracts are entered into with bank institutions which are rated BBB or above and are authorised in accordance with our Foreign Exchange Risk Management Policy.

The carrying amount of the Group's financial assets represents maximum credit exposure and is as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Cash and cash equivalents	**17,169**	23,347
Trade receivables	**4,316**	2,670
Prepayments and other receivables	**3,540**	625

Accounting policy – trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 7 – 60 days. The Group has no reliance on any major customers.

Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account for impairment is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms (such as significant financial difficulties of the debtor, probability of bankruptcy, etc). The amount of the impairment loss is recognised in profit or loss within other expenses.

When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash and funding requirements. The Group continually monitors forecast and actual cash flows and the maturity profiles of assets and liabilities to manage its liquidity risk.

(iv) Fair values
The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, at 30 June 2015 is detailed below. There were no financial assets or liabilities measured at fair value for the period ended 30 June 2014.

	$'000	**$'000**
Financial assets	**Carrying amount**	**Fair value**
Forward exchange contracts used for hedging[1]	57	57

[1] The forward exchange contracts are not quoted in active markets as they are not traded on a recognised exchange. Instead, the Group uses valuation techniques (present value techniques) which use both observable and unobservable market inputs. As these financial instruments use valuation techniques with unobservable inputs that are not significant to the overall valuation, these instruments are included in Level 2 of the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the year-ended 30 June 2015. The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables because their carrying amounts are a reasonable approximation of fair values.

	Consolidated	
	2015	2014
10. DIVIDENDS PAID ON ORDINARY SHARES	**$'000**	$'000
No dividends were paid or proposed for the year ending 30 June 2015 (2014: nil).	-	-
Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the beginning of the financial year at 30% (2014: 30%)	-	907
Franking credits utilised through the receipt of R&D credits as at the end of the financial year	-	(907)
	-	**-**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

D. Investing activities

In this section
This section outlines nearmap's investment in intangible assets and property, plant and equipment as well as a broader discussion on the entity's cash flows.

11. Intangibles

Key estimates and judgments

Capture costs
Pursuant to AASB 138 *Intangible Assets*, the Company has assessed its best estimate of the probability that the expected future economic benefits attributable to the Group's digital imagery will flow to the entity. As a result, capture costs directly attributable and necessary to create and upload digital imagery online have been recognised as an intangible asset. Capture costs capitalised are being amortised over a period of 5 years. Amortisation of capture costs has been included within 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

Impairment of assets
The Group assesses impairment at each reporting date by evaluation of conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including forecasting of profits, cash flows, and discount rates.

Accounting policy - impairment of assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Accounting policy - recognition and measurement of intangibles

Research and development costs
Intangible assets acquired separately are capitalised at cost and those arising from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The amortisation period and method for intangible assets are reviewed at least annually to determine if the useful lives should be changed. Where there is an expectation that the period or method does not match the consumption of the economic benefits embedded within the asset, the useful life of the asset will be amended to reflect this change.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of intangibles under development impairment is tested annually or at each reporting period where an indicator exists, at the cash-generating unit level.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research costs and costs that do not meet the definition of development costs for the purpose of the standard are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment rises during the reporting period.

A summary of the amortisation applied to the Group's intangible assets is as follows:

Development costs, patents, capture costs and licences

Useful lives Finite (generally for a period of 5 – 20 years).

Amortisation method used Amortised over the period of expected future benefit. The expected useful life is reviewed annually.

Internally generated or acquired Acquired and internally generated.

Impairment testing Annually as at 30 June for assets not yet available for use and more frequently when an indication of impairment exists.

The patents and licences have been granted or are expected to be granted for a minimum of 20 years by the relevant government agency with the option of renewal without significant cost at the end of this period provided that the Group meets certain predetermined targets. Accordingly, the patents and licences have been determined to have finite useful lives.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate the carrying value may be impaired.

All goodwill acquired through business combinations has been allocated to the nearmap.com cash generating unit. The recoverable amount of the nearmap.com cash generating unit has been determined based on a value-in-use calculation using cash flow projections based on board approved budgets and a 4 year forecast period approved by senior management. No impairment was recognised at 30 June 2015 (2014: nil).

	Goodwill $'000	Development costs $'000	Capture costs $'000	Other $'000	Total $'000
Reconciliation of carrying amount as at 30 June 2015					
Balance at the beginning of the year	**135**	**4,166**	**745**	**222**	**5,268**
Additions	**-**	**3,431**	**5,023**	**591**	**9,045**
Amortisation	**-**	**(2,239)**	**(643)**	**(165)**	**(3,047)**
Closing balance at the end of the year	**135**	**5,358**	**5,125**	**648**	**11,266**
At 30 June 2015					
Cost	**135**	**13,480**	**5,862**	**853**	**20,330**
Accumulated amortisation	**-**	**(8,122)**	**(737)**	**(205)**	**(9,064)**
Closing net book amount	**135**	**5,358**	**5,125**	**648**	**11,266**

	Goodwill $'000	Development costs $'000	Capture costs $'000	Other $'000	Total $'000
Reconciliation of carrying amount as at 30 June 2014					
Balance at the beginning of the year	135	5,112	-	-	5,247
Additions	-	713	840	263	1,816
Amortisation	-	(1,659)	(95)	(41)	(1,795)
Closing balance at the end of the year	135	4,166	745	222	5,268
At 30 June 2014					
Cost	135	10,047	840	263	11,285
Accumulated amortisation	-	(5,881)	(95)	(41)	(6,017)
Closing net book amount	135	4,166	745	222	5,268

12. Plant and equipment

Accounting policy – plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated over the estimated useful life of the assets, between 2 and 10 years, on a straight line basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) De-recognition and disposal
An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Office equipment & furniture $'000	**Camera systems $'000**	**Total $'000**
Reconciliation of carrying amount as at 30 June 2015			
Balance at the beginning of the year	**233**	**1,169**	**1,402**
Additions	**470**	**3,129**	**3,599**
Disposals	**(10)**	**-**	**(10)**
Depreciation	**(174)**	**(436)**	**(610)**
Closing balance at the end of the year	**519**	**3,862**	**4,381**
At 30 June 2015			
Cost	**922**	**5,101**	**6,023**
Accumulated depreciation	**(403)**	**(1,239)**	**(1,642)**
Closing net book amount	**519**	**3,862**	**4,381**
Reconciliation of carrying amount as at 30 June 2014			
Balance at the beginning of the year	96	984	1,080
Additions	212	369	581
Depreciation	(75)	(184)	(259)
Closing balance at the end of the year	233	1,169	1,402
At 30 June 2014			
Cost	520	1,973	2,493
Accumulated depreciation	(287)	(804)	(1,091)
Closing net book amount	233	1,169	1,402

13. Cash flow statement	Consolidated 2015 $'000	2014 $'000
Reconciliation of the net (loss) / profit to the net cash flows from operations		
(Loss)/profit after tax	**(789)**	7,078
Adjustment for non-cash items		
Amortisation and depreciation expense	**3,658**	2,074
Capitalised amortisation and depreciation	**(522)**	-
Net unrealised exchange differences	**(480)**	7
Share based payment expense	**2,618**	1,897
Gain on disposal of non-current assets	**-**	(4)
Shares issued not for cash	**-**	99
Changes in assets and liabilities		
Payables and other current liabilities	**2,710**	4,514
Receivables	**(4,561)**	(316)
Provision for employee benefits	**1,023**	316
Other non-current assets	**(5,023)**	(840)
Income tax expense/benefit	**1,496**	(3,782)
Net cash from operating activities	**130**	11,043
Reconciliation of cash		
Cash equivalents comprises		
Cash at bank and on hand	**4,665**	3,582
Short term deposits at call	**12,504**	19,765
	17,169	23,347

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash at banks and short term deposits earn interest at floating rates based on daily bank deposit rates.

The Company had no financing facilities as of 30 June 2015 (2014: nil).

E. Other

In this section
This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however are not considered critical in understanding the financial performance or position of the Group.

14. Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to shareholders, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to shareholders, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	Consolidated 2015 $'000	2014 $'000
Net (loss)/profit attributable to ordinary equity holders	**(789)**	7,078
Net (loss)/profit used in calculating diluted earnings per share	**(789)**	7,078

	Number of shares	Number of shares
Weighted average number of ordinary shares on issue used in the calculation of basic profit per share	**330,667,744**	326,561,717
Weighted average number of ordinary shares on issue used in the calculation of diluted profit per share	**348,935,624**	347,968,745
Earnings per share attributable to the ordinary equity shareholders of the Company:		
Basic earnings per share (cents per share)	**(0.24)**	2.17
Diluted earnings per share (cents per share)	**(0.23)**	2.03

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

15. Expenditure commitments

Accounting policy – leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

Expenditure commitments

There are no capital expenditure commitments or hire purchase commitments contracted at 30 June 2015 (2014: nil).

Operating lease commitments	**2015 $'000**	2014 $'000
Minimum lease payments		
- Not later than one year	**330**	670
- Later than one year and no later than five years	**67**	104
Aggregate lease expenditure contracted for at reporting date	**397**	774

Operating lease commitments relate primarily to commercial office premises and IT related leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

16. PARENT ENTITY INFORMATION	**2015 $'000**	2014 $'000
Financial position information relating to the Company		
Current assets	**21,057**	20,762
Total assets	**21,271**	20,975
Current liabilities	**(101)**	(30)
Total liabilities	**(101)**	(30)
Net assets	**21,170**	20,945
Contributed equity	**27,621**	27,113
Reserves	**8,680**	6,119
Accumulated losses	**(15,131)**	(12,287)
Total shareholder equity	**21,170**	20,945
Loss and total comprehensive income of the parent entity	**(2,844)**	(2,457)

Information relating to the Company

The parent entity has not entered into any guarantees with its subsidiaries.

Details of the contingent liabilities of the Group are contained in note 3. There are no contingent liabilities of the parent entity.

Details of the contractual commitments of the Group are contained in note 15. There are no contractual commitments of the parent entity.

Wholly owned Group transactions
Loans made by the Company to and from wholly-owned subsidiaries are repayable on demand and unsecured. No interest is charged on the loans (2014: nil).

	2015	2014
	$'000	$'000
Loans to wholly-owned subsidiaries		
Beginning of the year	**961**	8,900
Loans advanced	**7,770**	137
Loan repayments	**(351)**	(8,076)
End of the year	**8,380**	961

17. Group entities
The consolidated financial statements incorporate the assets, liabilities of the following subsidiaries in accordance with the accounting policy described in note 2:

		Equity holding	
Name of entity	**Country of incorporation**	**2015**	**2014**
QPSX Communications Pty Ltd	Australia	100	100
nearmap Australia Pty Ltd	Australia	100	100
IPR 8 Pty Ltd	Australia	100	100
ipernica ventures Pty Ltd	Australia	100	100
ipernica holdings Pty Ltd	Australia	100	100
nearmap USA Pty Ltd	Australia	100	100
nearmap Aerospace Inc.	United States	100	100
nearmap US Inc.	United States	100	100

	Consolidated	
	2015	2014
	$	$
18. AUDITORS' REMUNERATION		
Amounts paid or payable to the Company's auditors		
- an audit or review of the financial statements of the entity	81,200	80,400
- non audit services in relation to the entity and any other entity in the consolidated Group	126,750	21,500
	207,950	101,900

In accordance with a resolution of the Directors of the Company, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards and Corporations Regulations 2001 and other mandatory professional reporting standards; and

(b) the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;

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

(d) the remuneration disclosures set out in the Directors' report (as part of audited Remuneration Report) for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2015.

On behalf of the Board

S Crowther
CEO & Managing Director

Sydney
24 August 2015

Independent auditor's report to the members of nearmap Ltd

Report on the financial report

We have audited the accompanying financial report of nearmap ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Group comprising the and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error. In note 2(a), the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

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

KPMG

Auditor's opinion

In our opinion:

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration report included in pages 9 to 20 of the Directors' report for the year ended 30 June 2015. 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 auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of nearmap ltd for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Trent Duvall
Partner

Sydney

24 August 2015

nearmap ltd
ABN 37 083 702 907

Directors
Ross Norgard (Non-Executive Chairman)
Simon Crowther (Managing Director)
Rob Newman (Non-Executive Director)
Cliff Rosenberg (Non-Executive Director)

Company Secretary
Shannon Coates

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