

Class Pty Ltd

(Formerly known as Super IP Pty Ltd)

ABN 70 116 802 058

Annual Report - 30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Class Pty Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Class Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Roderick Kibble
 Barry Martin Lambert
 Rajarshi Ray
 Kevin Bungard (appointed 15 June 2015)
 Kathryn Sue Foster (appointed 1 July 2015)
 Matthew James Quinn (appointed 1 July 2015)
 Anthony Kevin Fenning (appointed 15 July 2015)
 Richard George Barber (resigned 10 June 2015)
 Alfred Marishel (resigned 19 June 2015)
 Kevin Edward Wyld (resigned 25 June 2015)

Principal activities

The principal activities of the Group during the year were to act as an Australian Financial Services Licensee and the developer and distributor of the Class Super and Class Investment Reporter Software.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2015	2014
	\$	\$
Final dividend for the year ended 30 June 2014 (2014: 30 June 2013) of 2.5 cents (2014: 0.5 cents) per ordinary share	693,608	127,112
Interim dividend for the year ended 30 June 2015 of 3 cents per ordinary share paid on 16 February 2015 (2014: nil)	832,331	-
Interim dividend for the year ended 30 June 2015 of 3 cents per ordinary share paid on 15 May 2015 (2014: nil)	832,331	-
	<u>2,358,270</u>	<u>127,112</u>

On 5 August 2015, the Directors declared a final dividend for the year ended 30 June 2015 of 0.75 cents per ordinary shares (which is equivalent to 3 cents per share before share-split), paid on 19 August 2015 to eligible shareholders on the register as at 7 August 2015. This equates to a total estimated distribution of \$835,130, based on the number of ordinary shares on issue as at 30 June 2015. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2015 financial statements and will be recognised in subsequent financial reports.

Review of operations

The profit for the Group after providing for income tax and non-controlling interest amounted to \$3,406,193 (30 June 2014: \$2,674,529).

The 2015 financial year was positive for the business achieving strong growth in revenue and client portfolios while continuing to invest in the development of the Class Super and Class Investment Reporter products.

As at 30 June 2015 there were 81,823 client portfolios (30 June 2014: 54,280), resulting in annualised revenue of \$17 million in annual licence fees (30 June 2014: \$12 million) placing the business in a strong position for the 2016 financial year.

The fund growth resulted in 59% increase in licence fee revenue and contributed to the Group recording a 153% increase in earnings before interest, tax, depreciation and amortisation ('EBITDA') to \$5,959,137 (30 June 2014: \$2,358,774).

EDITDA is calculated as follows:

	Consolidated	
	2015	2014
	\$	\$
Profit after income tax	3,406,194	2,664,669
Add: Depreciation and amortisation expense	858,911	1,754,110
Add: Interest expense	-	8,236
Less: Interest revenue	(85,500)	(57,220)
Add: Income tax expense (benefit)	1,779,532	(2,011,021)
EBITDA	<u>5,959,137</u>	<u>2,358,774</u>

As a result of the strong growth and profit result, in addition to the final dividend paid for the 2014 financial year, the Directors commenced quarterly dividends from December 2014.

In July 2015, the Group won the Self Managed Super Fund ('SMSF') Adviser, SMSF Software Provider of the Year award for the second year in a row. The Group was also announced fifth in the BRW most Innovative Companies in Australia for 2015 (from a field of over 500) having placed 14th in 2014.

Significant changes in the state of affairs

On 15 June 2015 the shareholders passed a resolution to change the Company from a private company to a public company. The Company is in the process of obtaining necessary approval from Australian Securities and Investments Commission for the conversion.

On 29 June 2015, the Company changed its name from Super IP Pty Ltd to Class Pty Ltd.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

On 15 June 2015 the shareholders passed a resolution to change the Company from a private company to a public company. The Company is in the process of obtaining necessary approval from Australian Securities and Investments Commission for the conversion.

In the near term the Company is seeking an Initial Public Offering ('IPO') on the Australian Securities Exchange ('ASX').

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were 4,575,916 shares issued to employees under Loan Funded Share Plan ('LFSP'). This includes 1,375,916 options which were subsequently allocated to employees on 17 August 2015. The LFSP shares are held in a trust until the vesting conditions are satisfied and the loan is repaid. These have been treated as options in accordance with AASB 2 'Share-based Payment'.

Shares issued on the exercise of options

There were no ordinary shares of Class Pty Ltd issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

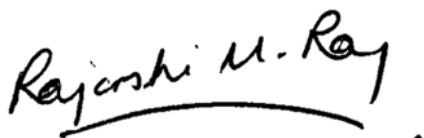
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Rajarshi Ray
Non Executive Director

27 August 2015
Sydney



Kevin Bungard
Executive Director

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Sydney NSW 2000

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Auditor's Independence Declaration To the Directors of Class Pty Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Class Pty Ltd (formerly known as Super IP Pty Ltd) for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Leivesley
Partner - Audit & Assurance

Sydney, 27 August 2015

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General information

These financial statements represent the consolidated financial statements of the Group consisting of Class Pty Ltd (the Company) and its subsidiaries. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Class Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Class Pty Ltd
Level 3, 228 Pitt Street
Sydney, NSW 2000
Telephone 1300 851 057

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2015. The directors have the power to amend and reissue the financial statements.

Class Pty Ltd
(Formerly known as Super IP Pty Ltd)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015



	Note	Consolidated 2015 \$	2014 \$
Revenue	3	15,683,857	9,994,706
Expenses			
Employee benefits expense		(7,347,148)	(5,988,719)
Depreciation and amortisation expense	4	(858,911)	(1,754,110)
Selling and marketing expenses		(704,839)	(618,168)
Occupancy expenses		(215,381)	(237,921)
Technology costs		(463,867)	(213,879)
Other expenses		(907,986)	(520,025)
Finance costs	4	-	(8,236)
Profit before income tax (expense)/benefit		5,185,725	653,648
Income tax (expense)/benefit	5	(1,779,532)	2,011,021
Profit after income tax expense for the year		3,406,193	2,664,669
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>3,406,193</u>	<u>2,664,669</u>
Profit for the year is attributable to:			
Non-controlling interest		-	(9,860)
Owners of Class Pty Ltd	17	<u>3,406,193</u>	<u>2,674,529</u>
		<u>3,406,193</u>	<u>2,664,669</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	(9,860)
Owners of Class Pty Ltd		<u>3,406,193</u>	<u>2,674,529</u>
		<u>3,406,193</u>	<u>2,664,669</u>

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

Class Pty Ltd
(Formerly known as Super IP Pty Ltd)
Statement of financial position
As at 30 June 2015



	Note	Consolidated 2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	6	5,949,642	4,124,211
Trade and other receivables	7	1,666,578	1,091,531
Income tax receivable		-	471,549
Other	8	265,558	186,018
Total current assets		<u>7,881,778</u>	<u>5,873,309</u>
Non-current assets			
Property, plant and equipment	9	479,746	477,874
Intangibles	10	2,380,912	1,226,505
Deferred tax asset	11	1,111,349	2,361,002
Total non-current assets		<u>3,972,007</u>	<u>4,065,381</u>
Total assets		<u>11,853,785</u>	<u>9,938,690</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,615,144	918,682
Income tax provision		522,827	-
Provisions	13	402,032	328,775
Total current liabilities		<u>2,540,003</u>	<u>1,247,457</u>
Non-current liabilities			
Provisions	14	296,638	196,238
Total non-current liabilities		<u>296,638</u>	<u>196,238</u>
Total liabilities		<u>2,836,641</u>	<u>1,443,695</u>
Net assets		<u>9,017,144</u>	<u>8,494,995</u>
Equity			
Issued capital	15	16,152,053	16,866,261
Reserves	16	2,646,826	1,498,460
Accumulated losses	17	(9,781,735)	(9,869,726)
Total equity		<u>9,017,144</u>	<u>8,494,995</u>

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

Class Pty Ltd
(Formerly known as Super IP Pty Ltd)
Statement of changes in equity
For the year ended 30 June 2015



Consolidated	Issued capital \$	Profit reserves \$	Other reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2013	14,716,261	951,258	(214,793)	(11,761,565)	18,302	3,709,463
Profit/(loss) after income tax (expense)/benefit for the year	-	-	-	2,674,529	(9,860)	2,664,669
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,674,529	(9,860)	2,664,669
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 15)	3,999,000	-	-	-	-	3,999,000
Treasury shares	(1,849,000)	-	-	-	-	(1,849,000)
Transfer to profit reserve	-	768,893	-	(768,893)	-	-
Net allocation and vesting of shares	-	-	173,425	-	-	173,425
Dilution of minority interest in subsidiary	-	-	-	(13,797)	13,797	-
Acquisition of subsidiary	-	-	(53,211)	-	(22,239)	(75,450)
Dividends paid (note 18)	-	(127,112)	-	-	-	(127,112)
Balance at 30 June 2014	<u>16,866,261</u>	<u>1,593,039</u>	<u>(94,579)</u>	<u>(9,869,726)</u>	<u>-</u>	<u>8,494,995</u>
Consolidated	Issued capital \$	Profit reserve \$	Other reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2014	16,866,261	1,593,039	(94,579)	(9,869,726)	-	8,494,995
Profit after income tax (expense)/benefit for the year	-	-	-	3,406,193	-	3,406,193
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,406,193	-	3,406,193
<i>Transactions with owners in their capacity as owners:</i>						
Treasury shares	(714,208)	-	-	-	-	(714,208)
Transfer to profit reserve	-	3,318,202	-	(3,318,202)	-	-
Share based payment	-	-	152,889	-	-	152,889
Application of dividends to loan funded share plan	-	-	35,545	-	-	35,545
Dividends paid (note 18)	-	(2,358,270)	-	-	-	(2,358,270)
Balance at 30 June 2015	<u>16,152,053</u>	<u>2,552,971</u>	<u>93,855</u>	<u>(9,781,735)</u>	<u>-</u>	<u>9,017,144</u>

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

Class Pty Ltd
(Formerly known as Super IP Pty Ltd)
Statement of cash flows
For the year ended 30 June 2015



	Note	Consolidated 2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		16,583,746	10,394,901
Payments to suppliers and employees (inclusive of GST)		(10,216,062)	(7,957,965)
		6,367,684	2,436,936
Interest received		85,500	57,528
Interest and other finance costs paid		-	(37,777)
Income taxes refunded/(paid)		464,497	(3,847)
Net cash from operating activities	28	6,917,681	2,452,840
Cash flows from investing activities			
Payments for property, plant and equipment		(168,474)	(271,309)
Payments for intangibles		(1,852,664)	(1,021,254)
Payments for security deposits		-	(86,625)
Proceeds from disposal of property, plant and equipment		1,366	2,969
Net cash used in investing activities		(2,019,772)	(1,376,219)
Cash flows from financing activities			
Proceeds from issue of shares	15	-	3,999,000
Issue of treasury shares		-	(1,849,000)
Payments for share purchase by employee share trust - treasury shares		(714,208)	-
Repayment of borrowings		-	(499,997)
Dividends paid	18	(2,358,270)	(127,112)
Payment for non-controlling interest		-	(75,450)
Net cash from/(used in) financing activities		(3,072,478)	1,447,441
Net increase in cash and cash equivalents		1,825,431	2,524,062
Cash and cash equivalents at the beginning of the financial year		4,124,211	1,600,149
Cash and cash equivalents at the end of the financial year	6	5,949,642	4,124,211

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Class Pty Ltd ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Class Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Software licence fees

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the license. Revenue is recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Service fees

Fees for the provision of services are recognised as revenue as the services are rendered, in accordance with the terms and conditions of the service agreement.

Commission and partner fees

The Group recognises commission and partner fees pursuant to an agreement when it sells a third party's products to customers which provides these customers with access to products and services.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Class Pty Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime with effect from 1 July 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 and 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-5 years
Furniture and fittings	10-20 years
Computer equipment	3-5 years
Office equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

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

Website tool and software development

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

Note 1. Significant accounting policies (continued)

Trademark and domain names

Significant costs associated with trademark and domain names are capitalised and are not amortised, on the basis of indefinite life, which is reassessed every year. Instead, trademark are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Computer software

Software costs purchased from third parties, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between three to five years.

Impairment of non-financial assets

Other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Note 1. Significant accounting policies (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

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.

Treasury shares

Shares issued as part of the Loan Funded Share Plan are held on trust and disclosed as treasury shares under issued capital.

Dividends

Dividends are recognised when declared during the financial year and are no longer at the discretion of the Company.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Comparatives in the statement of profit or loss and other comprehensive income and notes to the financial statements have been realigned to current year presentation. There has been no effect on the loss for the year.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2015. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

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

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. Exposure Draft (ED 263) 'Effective Date of AASB 15' proposes to defer the application date by one year (1 January 2018). The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group expects to adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

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

Capitalised software development costs

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Note 3. Revenue

	Consolidated 2015 \$	2014 \$
<i>Sales revenue</i>		
Software licence fees	14,908,325	9,389,506
Service fees	162,190	239,507
Commission and partner fees	527,842	308,473
	<u>15,598,357</u>	<u>9,937,486</u>
<i>Other revenue</i>		
Interest	85,500	57,220
Revenue	<u><u>15,683,857</u></u>	<u><u>9,994,706</u></u>

Note 4. Expenses

	Consolidated 2015 \$	2014 \$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	54,473	12,964
Furniture and fittings	7,635	6,226
Computer equipment	85,993	57,078
Office equipment	12,553	2,637
Total depreciation	<u>160,654</u>	<u>78,905</u>
<i>Amortisation</i>		
Website tools development	36,482	209,108
Software development	640,213	1,458,760
Computer software	21,562	7,337
Total amortisation	<u>698,257</u>	<u>1,675,205</u>
Total depreciation and amortisation	<u>858,911</u>	<u>1,754,110</u>
<i>Finance costs</i>		
Interest on convertible notes	-	8,236
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u>196,170</u>	<u>221,757</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>867,219</u>	<u>664,306</u>

Note 5. Income tax expense/(benefit)

	Consolidated 2015 \$	2014 \$
<i>Income tax expense/(benefit)</i>		
Current tax	529,879	(282,771)
Deferred tax - origination and reversal of temporary differences	1,249,653	(1,728,250)
Aggregate income tax expense/(benefit)	<u>1,779,532</u>	<u>(2,011,021)</u>
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets (note 11)	1,249,653	(1,728,250)
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit before income tax (expense)/benefit	5,185,725	653,648
Tax at the statutory tax rate of 30%	1,555,718	196,094
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non allowable deductions	65,908	16,029
Research and development uplift and investment allowance	(82,094)	(101,122)
	1,539,532	111,001
Prior year tax losses and temporary differences not recognised now recognised	-	(2,122,022)
Capital gain on tax consolidation	240,000	-
Income tax expense/(benefit)	<u>1,779,532</u>	<u>(2,011,021)</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated 2015 \$	2014 \$
Cash on hand and at bank	<u>5,949,642</u>	<u>4,124,211</u>

Note 7. Current assets - trade and other receivables

	Consolidated 2015 \$	2014 \$
Trade receivables	1,645,145	1,079,244
Less: Provision for impairment of receivables	(3,567)	-
	<u>1,641,578</u>	<u>1,079,244</u>
Accrued revenue	25,000	11,081
Other receivables	-	1,206
	<u>1,666,578</u>	<u>1,091,531</u>

Impairment of receivables

The Group has recognised a loss of \$3,567 (2014: \$16,688) in profit or loss in respect of impairment of receivables for the year ended 30 June 2015.

Note 7. Current assets - trade and other receivables (continued)

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2015 \$	2014 \$
3 to 6 months overdue	1,547	-
Over 6 months overdue	2,020	-
	<u>3,567</u>	<u>-</u>

Movements in the provision for impairment of receivables are as follows:

	Consolidated 2015 \$	2014 \$
Additional provisions recognised	3,567	16,688
Receivables written off during the year as uncollectable	-	(16,688)
Closing balance	<u>3,567</u>	<u>-</u>

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$7,149 as at 30 June 2015 (\$7,288 as at 30 June 2014).

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2015 \$	2014 \$
0 to 3 months overdue	7,149	6,120
3 to 6 months overdue	-	1,168
	<u>7,149</u>	<u>7,288</u>

Note 8. Current assets - other

	Consolidated 2015 \$	2014 \$
Prepayments	178,222	99,393
Other deposits*	87,336	86,625
	<u>265,558</u>	<u>186,018</u>

*Includes term deposit which is held as security for lease of office premises \$86,625 (2014:\$86,625).

Note 9. Non-current assets - property, plant and equipment

	Consolidated 2015 \$	2014 \$
Leasehold improvements - at cost	156,432	138,815
Less: Accumulated depreciation	(74,657)	(20,183)
	<u>81,775</u>	<u>118,632</u>
Furniture and fittings - at cost	116,955	104,937
Less: Accumulated depreciation	(17,305)	(9,670)
	<u>99,650</u>	<u>95,267</u>
Computer equipment - at cost	434,674	335,032
Less: Accumulated depreciation	(202,197)	(146,627)
	<u>232,477</u>	<u>188,405</u>
Office equipment - at cost	89,854	87,027
Less: Accumulated depreciation	(24,010)	(11,457)
	<u>65,844</u>	<u>75,570</u>
	<u><u>479,746</u></u>	<u><u>477,874</u></u>

Reconciliations

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

Consolidated	Leasehold improvements \$	Furniture and fittings \$	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2013	113,556	69,639	74,273	33,953	291,421
Additions	18,040	39,782	172,188	44,254	274,264
Disposals	-	(7,928)	(978)	-	(8,906)
Depreciation expense	(12,964)	(6,226)	(57,078)	(2,637)	(78,905)
	<u>118,632</u>	<u>95,267</u>	<u>188,405</u>	<u>75,570</u>	<u>477,874</u>
Balance at 30 June 2014	118,632	95,267	188,405	75,570	477,874
Additions	17,616	12,018	136,013	2,827	168,474
Disposals	-	-	(5,948)	-	(5,948)
Depreciation expense	(54,473)	(7,635)	(85,993)	(12,553)	(160,654)
	<u>81,775</u>	<u>99,650</u>	<u>232,477</u>	<u>65,844</u>	<u>479,746</u>
Balance at 30 June 2015	<u><u>81,775</u></u>	<u><u>99,650</u></u>	<u><u>232,477</u></u>	<u><u>65,844</u></u>	<u><u>479,746</u></u>

Note 10. Non-current assets - intangibles

	Consolidated 2015 \$	2014 \$
Website tools development - at cost	155,400	76,140
Less: Accumulated amortisation	(49,172)	(12,690)
	<u>106,228</u>	<u>63,450</u>
Trademark and domain names - at cost	36,250	18,250
Software development - at cost	9,569,576	7,846,295
Less: Accumulated amortisation	(7,370,173)	(6,729,960)
	<u>2,199,403</u>	<u>1,116,335</u>
Computer software - at cost	67,930	35,807
Less: Accumulated amortisation	(28,899)	(7,337)
	<u>39,031</u>	<u>28,470</u>
	<u><u>2,380,912</u></u>	<u><u>1,226,505</u></u>

Reconciliations

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

Consolidated	Website tools development \$	Trademark and domain names \$	Software development \$	Computer software \$	Total \$
Balance at 1 July 2013	196,418	18,250	1,665,788	-	1,880,456
Additions	76,140	-	909,307	35,807	1,021,254
Amortisation expense	(209,108)	-	(1,458,760)	(7,337)	(1,675,205)
Balance at 30 June 2014	63,450	18,250	1,116,335	28,470	1,226,505
Additions	79,260	18,000	1,723,281	32,123	1,852,664
Amortisation expense	(36,482)	-	(640,213)	(21,562)	(698,257)
Balance at 30 June 2015	<u><u>106,228</u></u>	<u><u>36,250</u></u>	<u><u>2,199,403</u></u>	<u><u>39,031</u></u>	<u><u>2,380,912</u></u>

Note 11. Non-current assets - deferred tax asset

	Consolidated 2015 \$	2014 \$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses	1,482,128	2,194,638
Accrued expenses and prepayments	320,910	175,371
Software development - R&D	(691,689)	(9,007)
Deferred tax asset	<u>1,111,349</u>	<u>2,361,002</u>
<i>Movements:</i>		
Opening balance	2,361,002	632,752
Credited/(charged) to profit or loss (note 5)	(1,249,653)	1,728,250
Closing balance	<u>1,111,349</u>	<u>2,361,002</u>

Note 12. Current liabilities - trade and other payables

	Consolidated 2015 \$	2014 \$
Trade payables	361,777	168,254
Accrued expenses	938,235	521,672
BAS payable	315,132	228,756
	<u>1,615,144</u>	<u>918,682</u>

Refer to note 19 for further information on financial instruments.

Note 13. Current liabilities - provisions

	Consolidated 2015 \$	2014 \$
Annual leave	354,782	281,525
Deferred lease incentives	47,250	47,250
	<u>402,032</u>	<u>328,775</u>

Deferred lease incentives

The provision represents operating lease incentives received. The incentives are allocated to profit or loss in such a manner that the rent expense is recognised on a straight-line basis over the lease term.

Note 13. Current liabilities - provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Deferred lease incentives \$
Consolidated - 2015	
Carrying amount at the start of the year	47,250
Amounts transferred from non-current	47,250
Amounts used	(47,250)
Carrying amount at the end of the year	<u>47,250</u>

Note 14. Non-current liabilities - provisions

	Consolidated	
	2015 \$	2014 \$
Long service leave	221,825	74,175
Deferred lease incentives	74,813	122,063
	<u>296,638</u>	<u>196,238</u>

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Deferred lease incentives \$
Consolidated - 2015	
Carrying amount at the start of the year	122,063
Amounts transferred to current	(47,250)
Carrying amount at the end of the year	<u>74,813</u>

Note 15. Equity - issued capital

	2015 Shares	2014 Shares	Consolidated 2015 \$	2014 \$
Ordinary shares - fully paid	111,350,680	-	18,715,261	-
Class A shares - fully paid	-	1,500,000	-	16,500
Class B shares - fully paid	-	26,337,670	-	18,698,761
Less: Treasury shares	(4,575,916)	(860,000)	(2,563,208)	(1,849,000)
	<u>106,774,764</u>	<u>26,977,670</u>	<u>16,152,053</u>	<u>16,866,261</u>

Note 15. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	-		-
Balance	30 June 2014	-		-
Transfer of Class A shares into ordinary shares	15 June 2015	1,500,000	\$0.00	16,500
Transfer of Class B shares into ordinary shares	15 June 2015	26,337,670	\$0.00	18,698,761
Share split	15 June 2015	83,513,010	\$0.00	-
Balance	30 June 2015	<u>111,350,680</u>		<u>18,715,261</u>

Movements in Class A shares

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	1,500,000		16,500
Balance	30 June 2014	1,500,000		16,500
Transfer Class A shares into ordinary shares	15 June 2015	(1,500,000)	\$0.00	(16,500)
Balance	30 June 2015	<u>-</u>		<u>-</u>

Movements in Class B shares

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	24,477,670		14,699,761
Issue of shares	2 September 2013	1,000,000	\$2.15	2,150,000
Issue of shares	3 December 2013	860,000	\$2.15	1,849,000
Balance	30 June 2014	26,337,670		18,698,761
Transfer Class B shares into ordinary shares		(26,337,670)	\$0.00	(18,698,761)
Balance	30 June 2015	<u>-</u>		<u>-</u>

Movements in Treasury Shares

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	-		-
Shares issued for loan funded share plan	3 December 2013	(860,000)	\$0.00	(1,849,000)
Balance	30 June 2014	(860,000)		(1,849,000)
Shares purchase by employee share trust	24 February 2015	(283,979)	\$2.52	(714,208)
Share split	15 June 2015	(3,431,937)	\$0.00	-
Balance	30 June 2015	<u>(4,575,916)</u>		<u>(2,563,208)</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 15. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Conversion of Class A shares and Class B shares and subsequent share split

On 15 June 2015, each Class A and Class B share on issue was converted into one fully-paid ordinary share such that the Company has only one class of ordinary share capital on issue. In addition, the share capital of the Company underwent a share split of 4 new shares for each existing share.

Treasury shares

The Company has an equity scheme pursuant to which certain employees may access a loan funded share plan ('LFSP'). The acquisition of shares by an employee in the Company is fully funded by the Company through the granting of a full recourse loan over a period of up to 42 months. The LFSP shares are held in a trust until the vesting conditions are satisfied and the loan is repaid. Unvested shares held by the trust are controlled by the Company and are recorded as treasury shares representing a deduction against issued capital.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group has complied with the capital requirements prescribed under its Australian Financial Service Licence.

Note 16. Equity - reserves

	Consolidated	
	2015	2014
	\$	\$
Profit reserve	2,552,971	1,593,039
Share-based payments reserve	147,066	(41,368)
Acquisition reserve	(53,211)	(53,211)
	<u>2,646,826</u>	<u>1,498,460</u>

Profit reserve

The reserve is used to transfer profits from retained earnings/(accumulated losses). The reserve is used for future distribution of franked dividends.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Acquisition reserve

The reserve resulted from the acquisition of non-controlling interests in a subsidiary. The acquisition of non-controlling interest is not a business combination but is an equity transaction between owners. Accordingly, the difference between consideration paid and fair value of identifiable net assets of the non-controlling interest has been accounted for in the acquisition reserve.

Note 16. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Profit reserve \$	Share-based payment reserve \$	Acquisition reserve \$	Total \$
Balance at 1 July 2013	951,258	(214,792)	-	736,466
Transfer from Accumulated losses	768,893	-	-	768,893
Dividends paid	(127,112)	-	-	(127,112)
Net allocation and vesting of shares	-	173,424	-	173,424
Acquisition on non-controlling interest	-	-	(53,211)	(53,211)
Balance at 30 June 2014	1,593,039	(41,368)	(53,211)	1,498,460
Transfer from Accumulated losses	3,318,202	-	-	3,318,202
Dividends paid	(2,358,270)	-	-	(2,358,270)
Share based payment	-	152,889	-	152,889
Application of dividends to loan funded share plan	-	35,545	-	35,545
Balance at 30 June 2015	<u>2,552,971</u>	<u>147,066</u>	<u>(53,211)</u>	<u>2,646,826</u>

Note 17. Equity - accumulated losses

	Consolidated 2015 \$	Consolidated 2014 \$
Accumulated losses at the beginning of the financial year	(9,869,726)	(11,761,565)
Profit after income tax expense for the year	3,406,193	2,674,529
Transfer to profits reserve	(3,318,202)	(768,893)
Dilution of non-controlling interest in subsidiary	-	(13,797)
Accumulated losses at the end of the financial year	<u>(9,781,735)</u>	<u>(9,869,726)</u>

Note 18. Equity - dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated 2015 \$	Consolidated 2014 \$
Final dividend for the year ended 30 June 2014 (2014: 30 June 2013) of 2.5 cents (2014: 0.5 cents) per ordinary share	693,608	127,112
Interim dividend for the year ended 30 June 2015 of 3 cents per ordinary share paid on 16 February 2015 (2014: nil)	832,331	-
Interim dividend for the year ended 30 June 2015 of 3 cents per ordinary share paid on 15 May 2015 (2014: nil)	832,331	-
	<u>2,358,270</u>	<u>127,112</u>

Note 18. Equity - dividends (continued)

On 5 August 2015, the Directors declared a final dividend for the year ended 30 June 2015 of 0.75 cents per ordinary shares (which is equivalent to 3 cents per share before share-split), paid on 19 August 2015 to eligible shareholders on the register as at 7 August 2015. This equates to a total estimated distribution of \$835,130, based on the number of ordinary shares on issue as at 30 June 2015. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2015 financial statements and will be recognised in subsequent financial reports.

Franking credits

	Consolidated	
	2015	2014
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	24,440	24,440

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

At 30 June 2015 there was a deferred franking liability of \$150,826 (2014: \$673,652) resulting from refunds received in relation to Research and Development Tax Incentive. Future payments of income tax will not result in franking credits until the deferred franking liability is extinguished.

Note 19. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's exposure to interest rate risk is limited to cash at bank and short term deposits.

An official increase/decrease in interest rates of 50 (2014:50) basis points would have an adverse/favourable effect on profit before tax of \$29,748 (2014:\$20,621) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Note 19. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	361,777	-	-	-	361,777
Deferred lease incentives	-%	47,250	74,813	-	-	122,063
Total non-derivatives		409,027	74,813	-	-	483,840

Consolidated - 2014	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	168,254	-	-	-	168,254
Deferred lease incentives	-%	47,250	122,063	-	-	169,313
Total non-derivatives		215,504	122,063	-	-	337,567

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Compensation

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

	Consolidated 2015 \$	2014 \$
Short-term employee benefits	799,348	746,886
Post-employment benefits	75,288	65,577
Long-term benefits	37,341	24,632
Termination benefits	-	38,571
Share-based payments	85,836	67,320
	<u>997,813</u>	<u>942,986</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolidated 2015 \$	2014 \$
<i>Audit services - Grant Thornton (2014: Crispin & Jeffery)</i>		
Audit of the financial statements	<u>44,915</u>	<u>28,460</u>
<i>Other services - Grant Thornton (2014: Crispin & Jeffery)</i>		
Tax compliance services	<u>25,500</u>	<u>25,440</u>
	<u>70,415</u>	<u>53,900</u>

Note 22. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Note 23. Commitments

	Consolidated 2015 \$	2014 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	246,421	236,250
One to five years	390,167	611,661
	<u>636,588</u>	<u>847,911</u>

Operating lease commitments relate to lease of offices premises under non-cancellable operating leases expiring on 31 January 2018 with options to extend. The lease has various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 24. Related party transactions

Parent entity

Class Pty Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2015	2014
	\$	\$
Payment for goods and services:		
Payment for purchase of consumables and accommodation from Silos Estate, a director related entity	-	2,442

Rajarshi Ray, a director of the Company is also a director of Heffron Consulting Pty Ltd, a major customer of the Group. Heffron Consulting Pty Ltd also provides actuarial certificates to the customers of the Group. Mr Ray is not a shareholder of Heffron, is one of three directors and is not related to any of the other directors. Transactions between Heffron Consulting Pty Ltd and the Group are at arm's length and on normal commercial terms.

Barry Lambert, a director of the Company is also a director of Countplus Limited, a major customer of the Group. Barry Lambert is one of five Directors and is not related to any of the other directors. Transactions between Countplus Limited and the Group are at arm's length and on normal commercial terms.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2015	2014
	\$	\$
Profit after income tax	2,021,567	768,893
Total comprehensive income	2,021,567	768,893

Note 25. Parent entity information (continued)

Statement of financial position

	Parent	
	2015 \$	2014 \$
Total current assets	2,994,989	4,873,076
Total assets	13,276,187	13,235,791
Total current liabilities	1,762,185	959,712
Total liabilities	2,058,823	1,155,950
Equity		
Issued capital	16,152,053	16,866,261
Profit reserve	1,256,336	1,593,039
Share-based payments reserve	147,066	(41,368)
Accumulated losses	(6,338,091)	(6,338,091)
Total equity	11,217,364	12,079,841

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2015 and 30 June 2014.

Significant accounting policies

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

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

Note 26. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2015 %	2014 %
Class Super Pty Limited	Australia	100.00%	100.00%
Class Investment Reporter Pty Limited	Australia	100.00%	100.00%
Super IP Incentive Pty Ltd	Australia	100.00%	100.00%

Note 27. Events after the reporting period

Apart from the dividend declared as disclosed in note 18, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 28. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2015 \$	2014 \$
Profit after income tax expense for the year	3,406,193	2,664,669
Adjustments for:		
Depreciation and amortisation	858,911	1,754,202
Net loss on disposal of property, plant and equipment	4,582	3,019
Share-based payments	188,434	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(575,047)	(460,133)
Decrease/(increase) in income tax refund due	471,549	(286,619)
Decrease/(increase) in deferred tax assets	1,249,653	(1,728,249)
Increase in prepayments	(78,829)	(46,905)
Increase in other operating assets	(711)	-
Increase in trade and other payables	696,462	305,256
Increase in provision for income tax	522,827	-
Increase in employee benefits	220,907	74,175
Increase/(decrease) in other provisions	(47,250)	173,425
Net cash from operating activities	<u>6,917,681</u>	<u>2,452,840</u>

Note 29. Share-based payments

Loan Funded Share Plan ('LFSP')

The LFSP is a long term incentive for employees of the Group. Under the plan, employees may be granted an allocation of loan-funded shares which are held on their behalf by an employee share trust. The shares are issued at market value which is determined by the Board. LFSP shares are held by the trust until the vesting conditions are satisfied and the loan is repaid. LFSP holdings have an expiry of 42 months but could vest earlier and become payable on a change of control event or an initial public listing. Unvested shares held by the trust are controlled by the Group and recorded at cost in the statement of financial position within equity as treasury shares.

These have been treated as options in accordance with AASB 2 'Share-based payment'.

Super IP Employee Incentive Plan

The Super IP Employee Incentive Plan was approved by the shareholders on 29 May 2009. Those eligible to participate are determined by the Board with reference to pre-defined eligibility criteria. Additionally it determines the number of ordinary shares to be offered and the vesting requirements at its absolute discretion.

The total number of shares issued by the plan excluding shares that are cancelled due to not meeting the vesting required of the offer shall not at any time exceed 5% of the number of issued shares.

No shares were issued under the Super IP Employee Incentive Plan for the year (2014: Nil).

Expenses arising for the granting of shares under the Super IP Employee Incentive Plan for the year totalled \$76,329 (2014:\$138,464).

Note 29. Share-based payments (continued)

Set out below summary of the Company shares issued up to the year ended 30 June 2015 under the LFSP:

2015

Grant date	Expiry date	Exercise price**	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
03/12/2013	02/06/2017	\$2.42	660,000	-	-	1,740,000	2,400,000
28/04/2014	26/10/2017	\$2.37	100,000	-	-	300,000	400,000
16/06/2014	14/12/2017	\$3.00	100,000	-	-	300,000	400,000
			860,000	-	-	2,340,000	3,200,000

Weighted average exercise price	\$2.48	\$0.00	\$0.00	\$0.00	\$0.62
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* Other represents effect of share-split as detailed in note 15, adjusted for 60,000 options forfeited prior to share-split

** Exercise price disclosed above is before share-split. 30 June 2015 weighted average exercise price has been adjusted for share-split.

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/12/2014	02/06/2017	\$2.42	-	860,000	-	(200,000)	660,000
28/04/2014	26/10/2017	\$2.37	-	100,000	-	-	100,000
16/06/2015	14/12/2017	\$3.00	-	100,000	-	-	100,000
			-	1,060,000	-	(200,000)	860,000

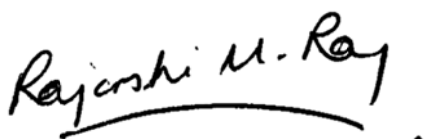
Weighted average exercise price	\$0.00	\$2.47	\$0.00	\$2.42	\$2.48
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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Rajarshi Ray
Non Executive Director

27 August 2015
Sydney



Kevin Bungard
Executive Director

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Independent Auditor's Report To the Members of Class Pty Ltd

We have audited the accompanying financial report of Class Pty Ltd (formerly known as Super IP Pty Ltd) (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company 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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require us to 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.

Grant Thornton Audit Pty Ltd ACN 130 913 594
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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 Company'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 Company'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 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.

Auditor's opinion

In our opinion the financial report of Class Pty Ltd:

- a is 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 Australian Accounting Standards and the Corporations Regulations 2001; and
- b complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Leivesley
Partner - Audit & Assurance

Sydney, 27 August 2015