ACN 112 291 960

Appendix 4E
Unaudited Preliminary Final Report
for the Year Ended 31 January 2017

Appendix 4E and Unaudited Preliminary Final Report for the Year Ended 31 January 2017

Contents

Results for Announcement to the Market

Reporting Period

Financial year ended:	Previous corresponding period:
31 January 2017	31 January 2016

Results for announcement to the market

Description	31 January 2017 ($)	31 January 2016 ($)	% change
Revenue from ordinary activities	890,183	412,629	+115.7%
Loss from ordinary activities	(30,740,460)	(19,035,394)	-61.5%
Loss for the period attributable to members	(30,740,460)	(19,035,394)	-61.5%

Commentary on results for the period

At 31 January 2017, 1-Page's consolidated statement of financial position has total assets of $31,463,027, total liabilities of $1,012,183, and net assets of $30,450,844.

The Company had $8.3m in cash as at 31 January 2017, with an additional $22.4 million in financial assets.

Founded in 2011, the company's original product was modeled after the "One-page proposal." It offered companies a new system of engagement with potential job candidates.

In 2015, the Company launched its Source solution. Source searches a very wide universe of potential job candidates and creates discrete pools of candidates who meet the users specified criteria.

Cash basis, non-IFRS, profit and loss, for the two comparable periods is as follows. This cash basis profit and loss is defined as earnings before interest, depreciation, amortization, taxes and other non-cash or one-time charges.

	12 months to 31 January 2017 $	12 months to 31 January 2016 $
Loss before income tax	(30,740,460)	(19,035,394)
Adjustments for:		
Interest income	(114,398)	(170,071)
Fair value asset movement	(163,707)	(23,142)
Depreciation and amortisation expenses	5,092,426	1,008,392
Share based payments	(1,564,093)	11,236,227
Payments for research and development[1]	-	(3,630,525)
Impairment loss on intangible assets	11,564,152	-
Cash basis, non-IFRS, loss	(15,926,080)	(10,614,513)

[1]During the year ended 31, January 2017, the Company reflected $5.6 million research & development costs as expenses rather than capitalize any such costs.

Dividends

1-Page Limited did not declare a dividend during the reporting or previous corresponding period.

Net Tangible Asset per Share

	2017 Number	2016 Number
Net tangible asset per share (cents per share)	19.75	31.73

Associates and Joint Ventures

1-Page Limited does not have any holdings in joint ventures or associates.

Audit Report

This preliminary final report is based on unaudited financial statements which are currently in the process of being audited.

Consolidated Statement of Comprehensive Income for the year ended 31 January 2017

	Note	Consolidated Group	
		12 months to 31 January 2017 $	12 months to 31 January 2016 $
Income			
Revenue – rendering of services		890,183	412,629
Interest income		114,398	170,071
Fair value asset movement		163,707	23,142
Foreign exchange gain		(95,538)	364,608
		1,072,750	970,450
Expenses			
Administration expenses		(3,020,006)	(2,615,928)
Consulting fees		(294,538)	(119,565)
Employee benefits		(6,261,957)	(3,684,848)
Depreciation and amortisation expenses		(5,092,426)	(1,008,392)
Directors fees		(323,220)	(336,850)
Research and Development		(5,634,728)	-
Legal fees		(433,042)	(136,164)
Marketing expenses		(736,670)	(643,358)
Share based payments		1,564,093	(11,236,227)
Forgiveness of related party loans		-	(267)
Loss on disposal		(16,564)	-
Impairment loss on intangible assets	15	(11,564,152)	-
Acquisition costs		-	(224,245)
Loss before income tax		(30,740,460)	(19,035,394)
Income tax		-	-
Loss from continuing operations attributable to equity holders of 1-Page Limited		(30,740,460)	(19,035,394)
Other comprehensive income/(loss) for the year			
Items that may be reclassified to profit and loss			
Foreign currency translation		(2,660,688)	1,103,800
Total comprehensive loss for the year		(33,401,148)	(17,931,594)
Total comprehensive loss for the year attributable to equity holders of 1-Page Limited:		(33,401,148)	(17,931,594)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)		(19.95)	(13.96)
Diluted loss per share (cents per share)		(19.95)	(13.96)

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

Consolidated Statement of Financial Position as at 31 January 2017

	Note	Consolidated Group	
		31 January 2017	31 January 2016 (Restated)
CURRENT ASSETS		$	$
Cash and cash equivalents	3	8,324,338	15,195,320
Financial assets at fair value through profit and loss	4	22,429,770	33,741,044
Trade receivables	5	195,461	126,123
Other current assets	6	211,542	373,828
Total Current Assets		31,161,111	49,436,315
NON-CURRENT ASSETS			
Property, plant and equipment	7	169,544	185,915
Intangible assets	8, 15	-	10,745,193
Software Development	9, 14, 15	-	5,852,667
Other non-current assets	10	132,372	198,283
Total Non-Current Assets		301,916	16,982,058
Total Assets		31,463,027	66,418,373
CURRENT LIABILITY			
Trade and other payables	11, 14	940,542	1,046,825
Deferred revenue	12	71,641	-
Total Current Liabilities		1,012,183	1,046,825
Total Liabilities		1,012,183	1,046,825
NET ASSETS		30,450,844	65,371,548
EQUITY			
Contributed equity	13, 14	83,725,905	83,199,083
Reserves	14	10,688,574	15,395,640
Accumulated l osses		(63,963,635)	(33,223,175)
Total Equity		30,450,844	65,371,548

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

Consolidated Statement of Cash Flows for the year ended 31 January 2017

	Note	Consolidated Group	
		12 months to 31 January 2017 $	12 months to 31 January 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		750,375	387,860
Payments to suppliers and employees		(17,188,202)	(7,208,294)
Interest received		759,068	170,071
Net cash used in operating activities		(15,678,759)	(6,650,363)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(134,071)	(189,756)
Payments for research and development		-	(3,630,525)
Financial assets at fair value through profit and loss		9,371,670	(33,257,377)
Acquisition of Marianas Labs Inc., net of cash acquired		-	(1,733,055)
Net cash inflow from investing activities		9,237,599	(39,596,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	59,961,427
Payments for cost of share issue		(19,766)	(2,571,234)
Proceeds from options		62,655	330,357
Net cash provided by financing activities		42,889	57,720,550
Net increase in cash held		(6,398,271)	11,473,267
Foreign exchange movement in cash		(472,711)	(109,309)
Cash and cash equivalents at beginning of financial year		15,195,320	3,831,362
Cash and cash equivalents at end of financial year	3	8,324,338	15,195,320

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

Consolidated Statement of Changes in Equity for the year ended 31 January 2017

Consolidated Group	*Contributed equity*	*Foreign Currency Translation Reserve*	*Option and share based payment reserve*	*Accumulated Losses*	*Total*
	$			$	$
Balance at 31 January 2015	24,938,268	(383,340)	2,897,021	(14,187,781)	13,264,168
Loss for the period	-	-	-	(19,035,394)	(19,035,394)
Other comprehensive gain – Foreign Currency Translation	-	1,162,948	-	-	1,162,948
Total comprehensive loss	-	779,608	-	(19,035,394)	(17,872,446)
Transactions with owners in their capacity as owners:					
Issue of shares - Placement	9,630,000	-	-	-	9,630,000
Issue of shares - Prospectus	1,070	-	-	-	1,070
Issue of shares - Placement	50,000,000	-	-	-	50,000,000
Issue of shares – Placement	870,622				870,622
Share issue costs	(2,571,234)	-	-	-	(2,571,234)
Issue of shares on exercise of options	330,357	-	-	-	330,357
Issue of options	-	-	482,784	-	482,784
Share based payments	-	-	11,236,227	-	11,236,227
Balance at 31 January 2016 (Restated)	83,199,083	779,608	14,616,032	(33,223,175)	65,371,548
Loss for the period	-	-	-	(30,740,460)	(30,740,460)
Other comprehensive gain – Foreign Currency Translation	-	(2,660,688)	-	-	(2,660,688)
Total comprehensive loss	-	(2,660,688)	-	(30,740,460)	(33,401,148)
Transactions with owners in their capacity as owners:					
Issue of shares - Placement	482,485	-	(482,485)	-	-
Share issue costs	(19,766)	-	-	-	(19,766)
Issue of shares on exercise of options	64,303	-	-	-	64,303
Share based payments	-	-	(1,564,093)	-	(1,564,093)
Balance at 31 January 2017	83,725,905	(1,881,080)	12,569,654	(63,963,635)	30,450,844

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

1. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of 1-Page Limited and its subsidiaries ("the Group")

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and other interpretations issued by the Australian Accounting Standards Board, and the Corporations Act 2001. 1-Page Limited is a for-profit entity for the purposes of preparing financial statements.

(i) Compliance with IFRS

The consolidated financial statements comply with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of 1-Page Limited comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) measured at fair value.

(iii) New and amended accounting standards

Standards adopted for the first time:
None of the new standards and amendments to standards that are mandatory for the first time for the financial period starting 1 February 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Standards issued but not yet effective:
The Company has not yet assessed the impact of recognising those standards that have been issued but are not yet effective.

Standards early adopted:
The Group has not elected to apply any pronouncements to the annual reporting period beginning 1 February 2015 before their operative date.

(iv) Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards 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.

(v) Going concern basis of preparation

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

1. Statement of significant accounting policies (continued)

(b) Principles of consolidation

The Consolidated Financial Report incorporates the assets and liabilities of all subsidiaries of 1-Page Limited ("Company" or "Parent Entity") as at period end and the results of all subsidiaries for the period then ended. 1-Page Limited and its subsidiaries together are referred to as the Group or the Consolidated Entity.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Foreign currency translation

Presentation currency

The Consolidated financial statements are presented in Australian dollars.

Functional currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

1. Statement of significant accounting policies (continued)

(c) Foreign currency translation (continued)

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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 not retranslated. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

(d) Revenue recognition

Rendering of services

Revenue is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All service offerings are provided on a subscription basis and are recognised on a straight-line basis over the contract period.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(e) Leases

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

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1. Statement of significant accounting policies (continued)

(g) Trade Receivables

Trade receivables, which generally have 30-90 day terms, are initially recognised at fair value and are subsequently carried at amortised cost amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Group has designated financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as fair value asset movements in the statement of comprehensive income

(i) Intangible assets

Software development costs

Research expenditure is recognised as an expense when incurred. An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

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

Development costs in respect of enhancements on existing suites of software applications are capitalised and written off over a 3 year period. Development costs on technically and commercially feasible new products are capitalised and written off on a straight line basis over a period of 3 years commencing at the time of commercial release of the new product.

Development costs include cost directly attributable to the development activities, such as employee costs and an appropriate portion of overheads.

Database of users

Database assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The database of users is being written off over a 3 year period from the date is was ready for use.

1. Statement of significant accounting policies (continued)

(j) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(k) Deferred revenue

Revenue earned from maintenance and support services provided on sales of certain products by the Group are deferred and then recognised in profit or loss over the contract period as the services are performed, normally 12 months.

1. Statement of significant accounting policies (continued)

(l) Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Employee benefits

Short-term obligations

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Long-term employee benefit obligations

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to future employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Share-based payments

Share-based compensation benefits are provided to employees.

The fair value of options and performance rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and performance rights granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options or performance rights that are expected to vest based on the vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option. The market based rights have been valued using a hybrid employee share option model taking into consideration the above inputs in addition to the statistical likelihood of the market based hurdle being achieved within the required period.

1. Statement of significant accounting policies (continued)

(n) 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.

(o) Financial liabilities

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives through profit or loss, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially and subsequently at fair value except in the case of loans and borrowings, which are subsequently measured at amortised cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Derivative Financial Instruments

Derivatives are fair valued using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation techniques.

(p) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income or tax loss based on the applicable income tax rate for each jurisdiction.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

1. Statement of significant accounting policies (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(p) Income Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the Australian tax-consolidated group are recognised in the separate financial reports of the members of the tax-consolidated group using the 'separate taxpayer within group' approach, by reference to the carrying amounts in the separate financial reports of each entity and the tax values applying under tax consolidation. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the wholly-owned entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. The head entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised.

(q) 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

1. Statement of significant accounting policies (continued)

(q) Plant and equipment (continued)

Plant and equipment are depreciated or amortised on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

- Computer equipment – 2 – 3 years
- Plant and equipment – 5 – 10 years

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over their useful lives. The estimated residual value of plant and equipment has been assessed to be zero. The depreciation method is reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation rate and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a "prospective" basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that 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 reporting date, taking into account the risks and uncertainties surrounding the obligation.

(s) Goods and services

Revenues, expenses and assets are recognised net of the amount of associated GST, except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

1. Statement of significant accounting policies (continued)

(t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) after tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Impairment of non-financial assets

Assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors such as changes in technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

(v) Goodwill Impairment

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Significant accounting judgements, estimates and assumptions

The preparation of the financial report 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. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position reported in future periods.

(a) Significant accounting judgements

Capitalisation of Software Development costs

Development costs associated with enhancements on existing suites of software are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the asset during its development.

Development costs on technically and commercially feasible new products are capitalised and written off on a straight line basis over a period of 3 years commencing at the time of commercial release of the new product.

(b) Significant accounting estimates and assumptions

i) Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at grant date or an estimation of fair value at grant date if grand date has not occurred. The fair value is determined by an external value using a Monte Carlo model simulation. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the annual reporting period but may impact expenses and equity.

ii) Amortisation of intangible assets with finite useful lives

In relation to the amortisation of intangibles with finite useful lives, management's judgements are used to determine the estimated useful lives.

	Consolidated Group	
	31 January 2017 $	31 January 2016 $

3. Cash and cash equivalents

Cash at bank and in hand	8,324,338	15,195,320
Total cash and cash equivalents	8,324,338	15,195,320

4. Financial asset at fair value through profit and loss

US Treasury bonds	22,429,770	33,741,044
Total Financial asset at fair value through profit and loss	22,429,770	33,741,044

During the year, the Company invested in US Treasury Bonds, which mature between 3 and 24 months with a range of interest from 0.00% to 3.25%.

5. Trade receivables

Trade receivables	195,461	126,123
Total trade receivables	195,461	126,123

6. Other current assets

Other receivables	63,860	240,667
Prepayments	147,682	133,161
Total other current assets	211,542	373,828

7. Property, plant and equipment

Plant and equipment		
Cost	314,110	226,511
Accumulation depreciation	(144,565)	(40,596)
Net carrying amount	169,544	185,915
Carrying amount at beginning of the period	189,515	34,015
Additions	83,998	189,756
Depreciation charge for the period	(103,969)	(37,856)
Carrying amount at end of period, net of accumulated depreciation	169,544	185,915

	Consolidated Group	
	31 January 2017 $	31 January 2016 $

8. Intangible assets

	31 January 2017 $	31 January 2016 $
Database of users	-	8,509,609
Goodwill on acquisition of Marianas Labs Inc.	-	2,235,584
Total intangible assets	-	10,745,193
Database of Users		
Cost	9,283,210	9,283,210
Accumulation amortisation	(3,868,004)	(773,601)
Impairment loss	(5,415,206)	
Net carrying amount	-	8,509,609
Carrying amount at beginning of the period	8,509,609	9,283,210
Amortisation charge for the period	(3,094,403)	(773,601)
Impairment loss	(5,415,206)	(773,601)
Carrying amount at end of period, net of accumulated amortisation	-	8,509,609
Goodwill on acquisition of Marianas Labs Inc.		
Cost	2,235,584	2,235,584
Impairment loss	(2,235,584)	
Net carrying amount	-	2,235,584

The above note 8 should be read in conjunction with the note 15.

Acquisition of Marianas Labs Inc

On 24 December 2015, the Group acquired 100% of the voting shares of Marianas Labs Inc, an unlisted company based in USA and specialising in data science.

Assets acquired and liabilities assumed - Provisional

The fair values of the identifiable assets and liabilities of Marina's Labs Inc. as at the date of acquisition were:

	Fair Value recognised on acquisition
	$
Assets	
Cash	53,253
Liabilities	
Accrued liabilities	(508,616)
Total identifiable net liabilities at fair value	(455,363)
Goodwill arising on acquisition (Converted to AUD on acquisition date)	2,188,818
Purchase consideration transferred	1,733,455

Purchase consideration	$
Cash	1,733,455
Total purchase consideration	1,733,455

Analysis of cash flows on acquisition:	$
Transaction costs of the acquisition (included in cash flows from operating activities)	(224,245)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	53,253
Net cash flow on acquisition	(170,992)

As Marianas Labs was only established in February 2015 and was a privately held company not required to be audited, it was impractical to assess the impact on the reported group turnover and profit and loss as if the business had been acquired at the beginning of the reporting period in FY 2015.

9. Software Development

	Consolidated Group	
	31 January 2017	31 January 2016 (Restated)
	$	$
Cost	6,056,898	6,056,898
Accumulation amortisation	(2,143,536)	(204,231)
Impairment loss	(3,913,362)	-
Net carrying amount	**-**	**5,852,667**
Carrying amount at beginning of the period	5,852,667	202,180
Additions	-	5,854,718
Amortisation charge for the period	(1,939,305)	(204,231)
Impairment loss	(3,913,362)	-
Carrying amount at end of period, net of accumulated amortisation	**-**	**5,852,667**

The above note 9 should be read in conjunction with the note 15.

10. Other non-current assets

Security deposit	132,372	198,283
Total other non-current assets	**132,372**	**198,283**

11. Trade and other payables

Trade payables	357,922	763,841
Other payables	582,620	282,984
Total trade and other payables	**940,542**	**1,046,825**

12. Deferred revenue

Deferred revenue	71,641	-
Total deferred revenue	**71,641**	**-**

13. Contributed equity

	Consolidated Group	
	31 January 2017 $	31 January 2016 (Restated) $
Issued and paid up capital	87,015,877	86,469,290
Share issue costs	(3,289,972)	(3,270,207)
	83,725,905	83,199,083

	$	$
Ordinary shares		
Balance as at beginning of period	83,199,083	24,938,268
Issued during the year		
Issue of shares – Placement	-	9,630,000
Issue of shares – Prospectus	-	1,070
Issue of shares – Placement	-	50,000,000
Issue of shares on exercise of options	64,303	330,357
Issue of shares – Placement	482,285	870,622
Share issue costs	(19,766)	(2,571,234)
Balance at end of period	83,725,905	83,199,083

13. Contributed equity (continued)

	Consolidated Group	
	31 January 2016	31 January 2015
	Number	Number
Ordinary shares		
Balance as at beginning of period	119,495,091	119,495,091
Issued during the period		
9,000,000 shares issued @ $1.07 per share	-	9,000,000
Conversion of performance rights to shares	-	5,000,000
1,000 shares issued @ $1.07 per share	-	1,000
Issue of shares on exercise of options	341,474	1,192,139
Issue of shares to UST Global	129,416	414,117
11,111,111 shares issued @ $4.50 per share	-	11,111,111
Issue of 7,500,000 shares for final tranche to BranchOut Inc.	-	7,500,000
Balance at end of period	154,184,348	153,713,458

Shares terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

14. Correction in accounting for advisor shares issued

During the year, the Company identified that services rendered by a consultant, UST Global in prior year were not recorded in prior year's financial report. These services were related to development of the Group's sourcing platform, which should have been capitalised as Software Development asset.
These services were rendered between March 2015 and January 2016. 414,117 and 129,416 shares were issued in October 2015 and July 2016 as consideration of the services, in addition to an amount of $25,931 to be paid in cash.
The amount of shares issued has been corrected by restating each of the affected financial statements line items for the prior period as follows:

14. Correction in accounting for advisor shares issued (continued)

Consolidated statement of financial position (extract)	31 January 2016	Increase / (Decrease)	31 January 2016 (Restated)
	$	$	$
Software Development	4,414,681	1,437,986	5,852,667
Trade and other payables	1,020,894	25,931	1,046,825
Net assets	63,959,493	1,412,055	65,371,548
Contributed equity	82,328,461	870,622	83,199,083
Reserves	14,854,207	541,433	15,395,640
Total Equity	63,959,493	1,412,055	65,371,548

As a result, the weighted average number of ordinary shares outstanding used in calculating basic and diluted loss per share for the comparative period was not correct, and accordingly the basic and diluted loss per share for the comparative period was also misstated. However, the difference was immaterial.

15. Impairment loss on goodwill and intangible assets

During the year, the Company has tested all goodwill and intangible assets for impairment, and identified that goodwill has been significantly impaired and an impairment charge for the goodwill balance is appropriate. Similarly, the carrying value of the intangible assets, including capitalized software development costs, have been significantly impaired and written-off.

Summarizing the impairment loss for the year ended 31 January 2017 reflects the following:

Impairment of Goodwill	$2,235,584
Impairment of Intangible assets and software development	$9,328,568
Total Impairment loss	$11,564,152

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Corporate Information

Place of Business

San Francisco

6th Floor
233 Post St.
San Francisco, CA 94108

Registered Office

Level 12, 225 George Street,
Sydney NSW 2000
Tel: + 61 2 8016 2875
Fax: + 61 2 9279 0664

Share Registry

Boardroom Pty Limited
Grosvenor Place,
Level 12, 225 George Street,
Sydney NSW 2000
Tel: + 61 2 9290 9600
Fax: + 61 2 9279 0664

Auditors

PricewaterhouseCoopers
125 St George Terrace
Perth
Western Australia 6000

Bankers

National Australia Bank
1232 Hay Street,
West Perth
Western Australia 6005

First Republic Bank
111 Pine St.
San Francisco, CA 94111

Web Site

www.1-page.com