DATETIX GROUP LTD
(formerly Enverro Ltd)

ABN 82 009 027 178

Annual Report
For the year ended 30 June 2016

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Chief Executive Officer's report

Dear shareholders,

FY16 has been a transformative year during which we achieved a number of significant milestones:

- Acquisition of DateTix Limited was successfully completed and funded by an oversubscribed capital raising of $3 million, with shares resuming trading on 27 November 2015.
- The DateTix application has been successfully launched across both iOS and Android platforms in Hong Kong, Singapore and Shenzhen.
- Launched matchmaking business (part of Dating Services) in Hong Kong and Shenzhen to begin monetisation of user base.
- Finalised sale of non-core consulting services division PRM cloud solutions, for consideration of up to $780,000, including contingent amount of $280,000 after year one.

The Group's focus moving forward is to continue to build a scalable dating services platform with an initial focus on major Asian markets.

DateTix Group now has a scalable platform in place with three clearly defined and highly complementary businesses that offer multiple cross-selling and up-selling opportunities to drive revenue growth across the firm.

DateTix Business Division

The DateTix online platform primarily targets singles aged 18 to 35 who are seeking a casual dating experience. The platform operates on a freemium business model that can generate revenues from the sale of virtual items, membership subscriptions, advertising and social commerce.

Launched in February 2016, the DateTix app continues to experience strong active user growth. This growth has been driven by DateTix's increasing popularity in Hong Kong, and more recent launches in Shenzhen, China and Singapore, where the platform is also gaining increasing visibility and uptake. In order to support this rapid growth, DateTix has successfully upgraded to a faster and more powerful server infrastructure, capable of supporting a much larger number of concurrent users on the DateTix platform.

A number of exciting new product features and innovations are being developed, including a social commerce platform to allow user to purchase tickets to local date activities and a mutual match feature designed to prevent users from receiving excessive unwanted messages.

DateTix is also currently developing an innovative location-based service, with similarities to the hugely popular Pokémon Go game, that will require users to physically travel to specific hotspot destinations, such as restaurants and bars, in order to get matched. The Group believes this has the potential to significantly increase user growth, retention, engagement and monetisation.

Lovestruck Business Division

The Lovestruck online platform primarily targets singles aged 25 to 45 who are seeking serious relationships or marriage. The platform operates on a subscription-based business model that generates revenues from the sale of recurring membership subscriptions. In 2015, Lovestruck generated approximately A$2.3 million in revenue, with over 96% of this being generated from recurring membership subscriptions.

Founded in 2006 in London, the online platform has since successfully expanded to other international markets, including most notably Hong Kong and Singapore, with minimal additional capex, product development costs, or employees.

The addition of Lovestruck to the DateTix Group's brand portfolio significantly strengthens the Group's market share in Hong Kong and Singapore, and presents new growth opportunities in the United Kingdom. Furthermore, there is expected to be substantial revenue and cost synergies between the Lovestruck, DateTix and matchmaking businesses.

Brett Harding, the co-founder and CEO of Lovestruck, will remain with the DateTix Group to lead the continued global growth and expansion of Lovestruck, with an initial focus on Hong Kong, Singapore and tier-one cities in China. Leveraging DateTix's established presence and expertise in the region, the Lovestruck platform will be fully localised for the China market.

Matchmaking Business Division

Premium matchmaking services primarily target singles aged 30 to 50 who are seeking serious relationships or marriage. Revenue is generated through the sale of matchmaking packages that include a guaranteed number of highly personalised matches based on the client's needs.

DateTix Group currently operates matchmaking services in Hong Kong and Shenzhen, with plans to launch into Singapore and other tier-one cities in China. The size of the dating services market in China is projected to exceed A$1.9 billion in 2016.

The matchmaking business enjoys substantial synergies with DateTix and Lovestruck in terms of increasing ARPU and sharing of marketing expenses and user acquisition costs. By leveraging the large database of user profiles on DateTix and Lovestruck, high quality sales leads are easily identified for the matchmaking business to drive up-selling. There are currently over 360,000 user profiles across Hong Kong and Singapore and Shenzhen.

FY17 Outlook

DateTix Group enters FY17 in a strong position and well placed to maintain its growth trajectory, with a clearly defined strategic plan in place to deliver shareholder value. Our key growth drivers include:

- User growth. Growth in the number of active users remain a top priority, with a focus on continuing to build local user density and grow number of active users in each local market to reach critical mass and achieve barriers to entry through network effects
- ARPU growth. The value delivered by the DateTix and Lovestruck platforms increases as the user density in a given local market increases, which is expected to result in corresponding increases in ARPU
- Geographic expansion. DateTix Group plans to expand the DateTix and Lovestruck platforms into major markets globally, with an initial focus on Asian cities. Target cities in FY17 include Shenzhen, Shanghai, Beijing and Guangzhou, the four tier-one cities in China

Michael Ye
Founder and CEO

Directors' report

The directors present their report on the consolidated entity consisting of Datetix Group Ltd, a public, limited liability company incorporated and domiciled in Australia, and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The following persons were directors of Datetix Group Ltd during the whole of the year and up to the date of this report:

Leigh Kelson

Anthony Harris

Michael Ye (appointed 26 November 2015)

Zhixian (Claire) Lin (appointed 26 November 2015)

Christopher Doran (resigned 13 January 2016)

Principal activities

The principal continuing activities of the Group during the year were:

- Enterprise Services: Provision of software solutions, including implementation and training support services;
- Acquisition of Datetix Limited in Hong Kong and the development and marketing of its on-demand dating platform; and
- Dating Services: Provision of social and dating product and services, including the Datetix application, personalised matchmaking services and member events

Dividends

No dividends were paid during the year and no recommendation is made as to the payment of dividends (2015 – nil).

Review of operations and financial position

The Group's financial results for the year ended 30 June 2016 are set out in the financial statements following page 18 of this report.

During the year the Company raised $3,000,000 cash, before costs, through the issue of 7,500,000 fully paid ordinary shares at $0.40. The funds were raised to provide the Group with capital to develop and market DateTix's business and to support its growth strategy.

Share issue costs for the year totalled $342,803 including the assessed fair value of $11,514 for options issued as part of an equity raising fee.

The Company incorporated three subsidiaries during the year as part of the geographic expansion planning for the Datetix on-demand dating business:

- Datetix Pte Ltd, a company incorporated in Singapore
- Datetix China Limited and Datetix China Shenzhen Limited. Both companies are incorporated in the Shenzen province in the Peoples Republic of China

The USA subsidiary, Enverro Inc, was liquidated following cessation of the development and marketing function in relation to the Enverro workforce mobilisation platform.

Review of operations and financial position (continued)

An Australian subsidiary, Datetix Solutions Pty Ltd, changed its name from PRM Cloud Solutions Pty Ltd as required under the terms of the sale of the consulting business operated through that subsidiary. The services business was sold in April 2016. The Datetix Solutions Pty Ltd entity will be held as dormant until the final settlement is received for that business.

On 7 March 2016, the Company sold its non-core services business, PRM Cloud Solutions to Persistent Systems Limited for an initial payment of $404,500, being $500,000 less adjustments for prepaid work and employee liabilities. Contingent consideration of up to $280,000 is due to be received by April 2017.

Significant results for the year ended 30 June 2016 include:

	2016 $	2015 $
Revenues	276,811	165,182
Net (loss) before tax	(2,611,479)	(2,379,754)

The loss for the year includes impairment write downs of intangible software development of $82,632, one-off transaction costs associated with the acquisition of Datetix Limited of $194,160, an increase in marketing expenses of $349,890, and research & development costs of $174,225. Both marketing and research & development expenses were important elements for further developing and expanding the Company's core business – dating services.

Significant changes in the state of affairs

On 23 November 2015 the Company acquired 100% of the issued shares in Datetix Limited (Datetix HK). Founded in 2013 and based in Hong Kong, Datetix operates DateTix.com, a mobile and location-based online marketplace for meeting new people for on-demand dates.

The consideration for the acquisition of Datetix HK consisted entirely of equity securities as detailed in Note 23 to the Financial Statements.

On 7 March 2016 the Company sold the non-core consulting and support services business, PRM Cloud Solutions. The sale allows a greater focus on, and better allocation of, resources to the DateTix on-demand dating business. Terms of the sale are detailed in Note 24 to the Financial Statements.

Going concern

Although the Group incurred a loss of $2,151,675 for the year, as well as incurring net cash outflows from operating activities of $1,928,982, the annual report has been prepared on the going concern basis as the directors are of the opinion that the Company has sufficient financial resources to fund its activities in the short term.

The financial position of the Company is underpinned by:

- positive net assets of $8,274,414 at 30 June 2016;
- cash and cash equivalents of $2,6434,671 as at 30 June 2016;
- the acquisition of Lovestruck Limited as detailed in Note 27; and
- tightening of cash outflows by reducing spending on non-cash generating units.

Matters subsequent to the end of the financial year

On 31 July 2016 the Company acquired Lovestruck Limited, a leading premium online dating platform for serious long-term relationships. Lovestruck currently operates in Hong Kong, Singapore and the United Kingdom.

The acquisition is expected to significantly strengthen the Company's market share in Hong Kong and Singapore, and is expected to deliver significant user and revenue growth and drive strong synergies with the Datetix app and matchmaking business.

The consideration for this acquisition is as follows:

- Two million fully paid ordinary shares in Datetix Group Ltd, escrowed for a period of 24 months from the date of settlement; and
- Cash consideration equivalent to the net cash balance across any and all of Lovestruck's bank accounts at settlement; and
- A contingent earn-out consideration of up to A$270,000 will be payable in two equal instalments upon Lovestruck reaching certain revenue milestones.

Except for the matter discussed above, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group are:

- Expansion of the Datetix and Lovestruck on-demand dating platforms into other geographic areas;
- Increased monetisation of the dating platform and related services, and personalized matchmaking services; and
- Providing a diverse range of dating service across the entire spectrum of user needs, ranging from casual dating to serious relationships and marriage.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

Information on directors

Anthony (Tony) Harris– *Independent Non-executive Chairman.*

Experience and expertise

Tony Harris was appointed a director of the Company on 6 September 2014. Tony has extensive experience at managing and growing computer software companies, and has held senior positions with Tibco software Inc., Retriever communications Pty Ltd and with SAP SE including CEO of Australia and New Zealand Banking Corporation. Tony was appointed as Chairman of the Board on 5 December 2014.

Other current directorships: Blink Mobile Technologies Pty Ltd

Former directorships in last 3 years: None.

Special responsibilities: Chairman of the Board.

Interests in shares and options: Details of Tony's interests in shares and options in the Company are included later in this report.

Michael Ye – *Executive Director and CEO*

Experience and expertise

Michael Ye was appointed a director of the Company on 26 November 2015. Michael founded DateTix in 2013 and has led the company's strategic direction since its inception. Michael was previously an Investment Analyst at Imperia Investment Group Hong Kong Limited, focusing on the internet sector. Prior to that, Michael was a Senior Business Development Manager at GDC Technology Limited, where he led the launch of a new business division focused on the China market, and advised the executive management team and the board of directors on potential acquisitions and investment opportunities. Michael has also worked in the investment banking divisions of Morgan Stanley Asia Limited, J.P. Morgan Chase & Co and Credit Suisse (Hong Kong) Limited, with extensive experience advising technology and internet companies in Greater China and Asia.

Michael holds a Bachelor of Mathematics degree in Computer Science from the University of Waterloo, and an MBA from The Wharton School at the University of Pennsylvania.

Michael was appointed as Chief Executive Officer (CEO) on 1 February 2016.

Other current directorships: None.

Former directorships in last 3 years: None.

Special responsibilities: Chief Executive Officer.

Interests in shares and options: Details of Michael's interests in shares and options in the Company are included later in this report

Leigh Kelson – *Non-executive director (transitioned from Executive Director on 1 February 2016)*

Experience and expertise

Leigh Kelson was appointed as an executive director on 12 May 1997 and transitioned to a non-executive role in February 2016. He is CEO and Founder of Beach City Group Ltd, a computer software company. A web technologies veteran, after commencing his career in the technology sector in the mid 1980s, Mr Kelson founded Datetix Group Ltd (formerly Enverro Ltd) in 1996 and pioneered cloud computing in Australia by establishing the first Salesforce.com professional services practice in Melbourne, which is now one of the longest serving Salesforce.com partners in Australia.

Other current directorships: Beach City Group Ltd

Former directorships in last 3 years: None

Special responsibilities: None, formerly Chief Executive Officer.

Interests in shares and options: Details of Leigh's interests in shares and options in the Company are included later in this report.

Information on directors (continued)

Zhixian (Claire) Lin – *Non-executive director*

Experience and expertise

Claire was appointed a director of the Company on 26 November 2015. She has extensive relationships with senior level executives in the corporate world and financial services with over a decade of experience in executive search in Asia Pacific. She is a senior management member of Career International AP (Hong Kong) Limited. In recent years, she was involved in building up an Executive search and Staffing practice with coverage in Hong Kong, Singapore and Shanghai. As Head of the Hong Kong office, she deals extensively with high level Executives of the major corporates, financial institutions and multi-nationals in the region.

In prior years, Claire, as a founding member, headed the Hong Kong office and was responsible for establishing the brand and clientele for a leading executive search firm. Mainly focused on the investment banking sector, she was involved in senior hire levels such as Managing Directors, Managing Partners and CEOs.

Claire graduated with a Master of Business Administration from University of Technology, Sydney and a Bachelor of Commerce from Charles Sturt University.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities None

Interests in shares and options: Details of Claire's interests in shares and options in the Company are included later in this report.

Christopher Doran – *Executive director (resigned 13 January 2016).*

Experience and expertise

Christopher Doran was appointed as an executive director on 23 August 2013. He resigned as Chief Operating Officer effective 17 November 2015. Mr Doran is a marketing executive with a background in engineering, a deep knowledge of Cloud technology, and a track record of leading revenue growth through high impact marketing programs at companies including Salesforce.com, Manticore Technology Corporation, and Advanced Micro Devices, Inc. He is recognised as a thought leader and expert in demand generation, digital marketing technology and utilising social media to drive new business. Mr Doran is skilled at developing aggressive and effective marketing programs with lean teams and small budgets within both start-up firms and Fortune 1000 companies.

Christopher resigned as a Director of the Company on 13 January 2016.

Other current directorships: Invado Solutions Limited Liability Corporation

Former directorships in last 3 years: None

Special responsibilities: None, formerly Chief Operating Officer

Interests in shares and options: Details of Christopher's interests in shares and options in the Company are included later in this report.

Company secretary

Garry Edwards – *Resigned on 17 June 2016*

Garry resigned as Company Secretary and left the company on 17 June 2016 to pursue other opportunities.

Matthew Foy, Daniel Smith – *Joint Company Secretaries*

Matthew and Daniel were appointed as Joint Company Secretaries of the Company on 17 June 2016. Both have extensive experience in corporate governance as directors of Minerva Corporate Pty Ltd, a Perth based boutique corporate consulting firm.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2016, and the numbers of meetings attended by each director were:

	Full Board		**Audit Committee**	
	Attended	Held	Attended	Held
Anthony Harris	16	16	2	2
Michael Ye	13	13	1	1
Leigh Kelson	16	16	2	2
Zhixian (Claire) Lin	9	10	1	1
Christopher Doran	5	7	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee

Remuneration report - Audited

The directors present the Datetix Group Ltd Group remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year. The information provided in this remuneration report has been audited as required by the *Corporations Act 2001*.

The report is structured as follows:

- Key Management Personnel (KMP) covered in this report
- Remuneration policy and link to Group performance
- Use of remuneration consultants
- Non-executive director remuneration policy
- Executive remuneration and benefits
- Details of remuneration
- Service agreements
- Details of share-based compensation
- Equity instruments held by Key Management Personnel
- Loans to Key Management Personnel

Key Management Personnel disclosed in this report

Non-executive directors	Anthony (Tony) Harris – Chairman
	Zhixian (Claire) Lin
Executive directors	Michael Ye – Appointed 26 November 2015, Chief Executive officer since 1 February 2016
	Leigh Kelson – Chief Executive Officer until 1 February 2016. Non-executive director since 1 February 2016.
	Christopher Doran – Chief Operating Officer until 17 November 2015, resigned as a director 13 January 2016
Other key management personnel	Garry Edwards – Chief Financial Officer and Company Secretary, resigned 17 June 2016
	Wendy Hui – Chief Financial Officer, appointed on 10 May 2016
	Matthew Foy, Daniel Smith – Joint Company Secretaries, appointed on 17 June 2016

Changes during the reporting period are noted above. There had been no changes since 30 June 2016.

Remuneration policy and link to Group performance

The Board's policy for determining the nature and amount of remuneration of key management personnel of the Company and the Group is designed to:

- Maintain the ability to attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and directors with that of the Company and the Group as much as possible.

The Company was originally listed on the Australian Securities Exchange on 5 December 2014, and suspended on 12 October 2015 following approval by shareholders to change the Company's activities by the acquisition of Datetix Limited, a Hong Kong based on-demand dating platform business. The Company was reinstated to official quotation on ASX on 27 November 2015 following completion of the acquisition and, since reinstatement, the primary objectives of the Company have been:

- Consolidating the change of activities, including the sale of the non-core services business;
- Expanding a team of development and marketing personnel for the Datetix on-demand dating business in existing and new market areas;
- Developing, releasing and improving iOS and Android apps for the on-demand dating platform;
- Growing the suite of revenue sources associated with the platform; and
- Acquiring related businesses to generate synergies in marketing and product offerings.

The Company has generated losses since listing on the ASX as it initially sought to achieve market penetration from the Enverro workforce mobilisation platform. More recently, it has developed and marketed the Datetix on-demand dating platform and related business opportunities.

Remuneration policy and link to Group performance (continued)

Details of market price movements in the Company's ordinary share price at 30 June each year since listing on ASX on 5 December 2014 are:

	2015	2016
Share price at year end	$0.45	$0.40
Change in share price [1]	n/a	-$0.05
TSR - Year on year [2]	n/a	-11%
Market capitalisation [3]	$4,052,045	$11,624,618
Loss for the year	$3,714,872	$2,151,675
KMP remuneration	$760,108	$818,099

1. The change in share price as measured by the price at the end of the year from the opening share price.
2. Total shareholder return (TSR) – measured as the percentage change in the share price over the year
3. Market capitalisation – calculated as the total ordinary shares on issue multiplied by the closing share price

The link between remuneration, company performance and shareholder wealth generation is tenuous during the establishment and user acquisition phase of an internet based business.

The Company operates an Employee Incentive Plan. Under the plan, shares under a limited recourse loan were provided to a KMP and options have been granted to the Key Management Personnel (KMP) and other employees. Details of share based compensation granted to KMP are set out below.

Use of remuneration consultants

The Company did not engage any remuneration consultant during the year.

Non-executive Director remuneration policy

Non-executive directors' fees and payments reflect the demands made on, and the responsibilities of, the non-executive directors. The fees are determined within a pool limit, which is periodically reviewed and proposed changes recommended for approval by shareholders. The pool is currently limited to $300,000 per annum. Non–executive directors do not receive performance–based pay. There are no retirement allowances for non-executive directors. No additional fees are payable to non-executive directors.

The following base fees, exclusive of superannuation contributions required under the Australian superannuation guarantee legislation currently apply.

	Date	Per Annum
Chairman - Anthony (Tony) Harris	From listing on 5 December 2014	$60,000
Non-executive director - Zhixian (Claire) Lin	From 26 November 2015	$35,252 (HK$200,000)
Non-executive director - Leigh Kelson	From 1 August 2016	$40,000

Executive remuneration and benefits

Executive payments currently consist of base salary plus statutory superannuation, other benefits and in the case of the former CEO, the provision of a loan to acquire shares or the issue of options under the Employee Incentive Plan. Base pay is structured as a total employment package which may be delivered as a combination of prescribed non-financial benefits at the executives' discretion. There are no guaranteed base pay increases in any executives' contracts.

Throughout the year all remuneration for key management personnel was fixed and not linked to performance except for shares and options issued under the employee incentive plan.

Details of remuneration

2016

	Short term benefit		Share based payments		Post-employment benefit		
Name	Cash Salary, Consultancy & fees	Other	Equity Settled Options: Performance based	Equity Settled Options: As Compensation	Superannuation	Termination Benefits [4]	Total
	$	$	$	$	$	$	$
Non-executive directors							
A Harris	60,000	-	-	-	5,700	.	65,700
Z Lin	20,564	-	-	11,514	-	-	32,078
Executive directors							
M Ye	151,876	-	-	14,921	1,912		168,709
L Kelson [1]	250,000	7,781	-	-	23,750	-	281,531
C Doran [2]	101,645	837	3,709	-	-	-	106,191
Other key management personnel							
W Hui	12,208	-	-	-	445	-	12,653
G Edwards [3]	133,978	-	-	1,811	14,414	-	150,203
M Foy [5]	-	517	-	-	-	-	517
D Smith [5]	-	517	-	-	-	-	517
Total	730,271	9,652	3,709	28,246	46,221	-	818,099

[1] CEO until 1 February 2016, terms of his executive employment contract continued until 31 July 2016 when transitioned to non-executive director remuneration.
[2] COO until 17 November 2015. Resigned as a director 13 January 2016. Mr Doran continues to manage existing Enverro platform clients on a consulting basis and retains the options which were granted to him.
[3] CFO & Company Secretary until 17 June 2016.
[4] No long service leave accrued in respect of any key management personnel
[5] Joint Company Secretarial services and registered office provided by Minerva Corporate Pty Ltd (Matthew Foy and Daniel Smith) for a monthly fixed charges of $2,000 (excluding GST), started on 17 June 2016.

2015

	Short term benefit		Share based payments		Post-employment benefit		
Name	Cash Salary, Consultancy & fees	Other	Equity Settled Options: Performance based	Equity Settled Options: As Compensation	Superannuation	Termination Benefits	Total
	$	$	$	$	$	$	$
Non-executive directors							
A Harris	48,135	-	-	-	4,573	.	52,708
J Nicholson	-	-	-	-	-	-	-
Executive directors							
L Kelson	253,438	19,875	50,939	-	24,077	-	348,329
C Doran	201,208	2,575	7,442	-	-	-	211,225
Other key management personnel							
G Edwards	133,449	-	1,719	-	12,678	-	147,846
Total	636,230	22,450	60,100	-	41,328	-	760,108

Service agreements

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Officer (past and present), the former Chief Operating Officer and the Chief Financial Officer (past and present) are also formalised in service agreements which include provision for participation in the Employee Incentive Plan.

Name	Term of agreement	Base salary including any superannuation	Other benefits
A Harris[1] ***Chairman***	Ongoing, commenced 5 December 2014	$60,000	Not Applicable
Z Lin[1] ***Non-Executive Director***	Ongoing, commenced 26 November 2015	$35,252 (HK$200,000)	Not Applicable
M Ye[1] ***Chief Executive Officer***	Ongoing, commenced 1 February 2016. Notice period six months.	$296,114 (US$216,000) + MPF contribution	Mobile phone and associated costs. Participation in Group health insurance plan
L Kelson[1] **former *Chief Executive Officer***	Commenced 1 July 2014, ended 31 July 2016 after notice period of six months.	$273,750 reviewed annually	Fully maintained vehicle, mobile phone costs.
C Doran[1] ***Chief Operating Officer***	Commenced 1 September 2014, ended 17 November 2015 after notice period of six months.	$229,000 (US$170,000)	Participation in Group health insurance plan (USA)
W Hui[1] ***Chief Financial Officer***	Ongoing, commenced 10 May 2016 Notice period one month.	$126,905 (HK$720,000) + MPF contribution + Discretionary Bonus	Participation in Group health insurance plan. Professional association memberships.
M Foy & D Smith ***Joint Company Secretaries***	Ongoing, commenced 17 June 2016	$24,000	Not Applicable
G Edwards[1] **former *Chief Financial Officer***	Ongoing, commenced 4 August 2014, reduced to part-time (80%) 1 May 2016. Notice period one month.	$140,160	Professional association memberships

[1] Key management personnel have no entitlement to any termination benefit. Options lapse on termination are the decision of the board.

Details of Equity Settled share based compensation

2016	Name	Grant date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Long term options								
1	M Ye[a]	23 Nov 2015	400,000	$48,463	Nil	Nil	Nil	Nil
2	Z Lin[a]	23 Nov 2015	100,000	$11,514	Nil	Nil	Nil	Nil
3	G Edwards[a]	23 Nov 2015	39,000	$4,639	Nil	Nil	39,000	$4,639
4	A Harris	N/A	Nil	Nil	Nil	Nil	Nil	Nil
5	L Kelson	N/A	Nil	Nil	Nil	Nil	Nil	Nil
6	W Hui	N/A	Nil	Nil	Nil	Nil	Nil	Nil
7	M Foy	N/A	Nil	Nil	Nil	Nil	Nil	Nil
8	D Smith	N/A	Nil	Nil	Nil	Nil	Nil	Nil

[a]Options granted are as compensation
There are no options granted as performance based for the year 30 June 2016

2015	Name	Grant date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Shares issued subject to repayment of interest free loan, with recourse limited to the shares issued								
1	L Kelson	11 Nov 2014	155,000	104,061	n/a	n/a	n/a	n/a
Long term options								
2	C Doran	13 Oct 2014	136,500	$17,571	Nil	Nil	Nil	Nil
3	G Edwards	10 Nov 2014	39,000	$4,598	Nil	Nil	Nil	Nil

Terms and conditions of share based compensation

	Grant date	Vesting date	Expiry date	Exercise price	Value per security at grant date	Hurdle to be achieved	% vested
Long term options granted during the year ended 30 June 2016							
1	23 Nov 2015 (Escrowed until 27 Nov 2017)	23 Nov 2016 -25%	31 Dec 2020	$0.40	$0.115	n/a	-
		23 Nov 2017 -25%			$0.115		-
		23 Nov 2018 -25%			$0.123		-
		23 Nov 2019 -25%			$0.131		-
2	23 Nov 2015 (Escrowed until 27 Nov 2017)	Immediate	31 Dec 2020	$0.40	$0.115	n/a	100%
3	23 Nov 2015	23 Nov 2016 -25%	31 Dec 2020	$0.40	$0.106	n/a	-
		23 Nov 2017 -25%			$0.115		-
		23 Nov 2018 -25%			$0.123		-
		23 Nov 2019 -25%			$0.131		-
Shares issued subject to repayment of interest free loan, with recourse limited to the shares issued (2015)							
4	11 Nov 2014	11 Nov 2014	Loan term ends 11 Nov 2021 or earlier if employment ceases	Repay loan of $1 per share	$0.329	No hurdle specified, however, the share price needs to exceed $1.00 per share to deliver a benefit.	100%
Long term options (2015)							
5	13 Oct 2014	13 Oct 2015 -30%	13 Oct 2019	$1.00	$0.136	Share price of $1.25	-
		13 Oct 2016 -30%			$0.129	Share price of $1.50	-
		13 Oct 2017 -40%			$0.123	Share price of $1.75	-
6	10 Nov 2014	10 Nov 2015 -30%	10 Nov 2019	$1.00	$0.121	Share price of $1.25	-
		10 Nov 2016 -30%			$0.119	Share price of $1.50	-
		10 Nov 2017 -40%			$0.115	Share price of $1.75	-

Equity instruments held by Key Management Personnel

The number of shares and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below. There were no shares issued during the year as compensation (2015: shares issued subject to the repayment of a loan as detailed in 2015 Loans to Key management Personnel below).

2016		Balance at the start of the year **	Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Datetix Group Ltd						
A Harris	Shares	2,000	-	-	3,000	5,000
	Options	-	-	-	-	-
L Kelson	Shares	1,008,129	-	-	-	1,008,129
	Options	-	-	-	-	-
C Doran	Shares	2,000	-	-	-	2,000
	Options	136,500	-	-	-	136,500
M Ye	Shares	-	-	-	8,000,000	8,000,000
	A Performance rights	-	-	-	2,560,000	2,560,000
	B Performance rights	-	-	-	2,560,000	2,560,000
	C Performance rights	-	-	-	2,560,000	2,560,000
	Options	-	400,000	-	-	400,000
Z Lin	Shares	-	-	-	-	-
	Options	-	100,000	-	-	100,000
Other Key Management Personnel of the Group						
G Edwards	Shares	4,000	-	-	7,000	11,000
	Options	39,000	-	-	-	39,000
W Hui	Shares	-	-	-	-	-
	Options	-	-	-	-	-
M Foy	Shares	-	-	-	-	-
	Options	-	-	-	-	-
D Smith	Shares	-	-	-	-	-
	Options	-	-	-	-	-

2015		Balance at the start of the year ***	Shares subject to loan repayment and Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Datetix Group Ltd						
J Nicholson *	Shares	536,863	-	-	-	536,863
	Options	-	-	-	-	-
A Harris	Shares	-			2,000	2,000
	Options	-			-	-
L Kelson	Shares	853,129	155,000	-		1,008,129
	Options	-	-	-	-	-
C Doran	Shares	-	-	-	2,000	2,000
	Options	-	136,500	-	-	136,500
Other Key Management Personnel of the Group						
G Edwards**	Shares	-	-	-	4,000	4,000
	Options	-	39,000	-	-	39,000

* Resigned 3 September 2014
** Resigned 17 June 2016
***Numbers have been adjusted to reflect the consolidation of shares which took place on 10 November 2014 on a 1:33.33 basis.

Loans to Key Management Personnel

Details of loans made to Key management Personnel of the Group, including their personally related parties are set out below.

Name	Balance at the start of the year	Amount advanced during the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2016 L Kelson	155,000	-	-	-	155,000	155,000
2015 L Kelson	-	155,000	-	-	155,000	155,000

Pursuant to shareholder approval, the Company advanced $155,000 to Director and CEO Leigh Kelson to acquire 155,000 shares in the Company on 11 November 2014.The loan is for seven years or less if the CEO ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited. The loan for shares arrangement was treated as a Share based payment and is reflected in the Share based payments reserve.

END OF AUDITED REMUNERATION REPORT

Shares under option

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

2016

Date options granted	Expiry date	Escrowed until	Issue price of shares	Number under option
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	400,000
23 Nov 2015	31 Dec 2020	27 Nov 2020	$0.40	200,000
23 Nov 2015	31 Dec 2020	n/a	$0.40	1,100,000
18 July 2014	18 July 2019	28 Nov 2016	$0.84	1,200,004
13 Oct 2014	13 Oct 2019	5 Dec 2016	$1.00	136,500
10 Nov 2014	10 Nov 2019	n/a	$1.00	59,000

2015

Date options granted	Expiry date	Escrowed until	Issue price of shares	Number under option
18 July 2014	18 July 2019	28 Nov 2016	$0.84	1,200,004
13 Oct 2014	13 Oct 2019	5 Dec 2016	$1.00	136,500
10 Nov 2014	10 Nov 2019	-	$1.00	59,000

The option granted will give the option holder the right to acquire ordinary shares in capital of the Company upon exercise (option). Option holders also have the right to participate in future share issues.

Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against any liability incurred as director, secretary or executive officer 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.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entity against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed in Note 20 did not compromise the auditor's independence for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

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 page 20.

This report is made in accordance with a resolution of directors.

Michael Ye
Director
21 September 2016

Corporate Governance

The Company's Corporate Governance Statement, prepared in accordance with the third edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found at: http://www.datetix.com/documents

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DATETIX GROUP LTD
ABN 82 009 027 178

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Datetix Group Ltd and the entities it controlled during the year.

S M WHIDDETT
Partner

PITCHER PARTNERS
Sydney

21 September 2016

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue from continuing operations			
Enterprise Services		83,032	121,691
Dating Services		140,212	-
Interest income		53,567	43,491
	5	276,811	165,182
Other income	5	11,221	122,008
Expenses			
Auditing and accounting fees		146,463	158,101
Consulting fees		76,648	398,331
Depreciation and amortisation	6	53,518	13,143
Employee benefits expense – G&A		1,120,543	1,333,573
Employee benefits expense – R&D		174,225	-
Event expenses		103,597	-
Finance costs	6	8,500	41,286
Legal fees		59,353	77,560
Marketing expenses		532,928	183,038
Office rent		55,474	21,000
Other expenses		266,276	279,070
Recruitment expenses		-	102,494
Research and Development expenses		81,828	-
Travel expenses		13,321	69,283
Transaction costs		194,160	-
Foreign Exchange gains and losses		12,677	(9,936)
		2,899,511	2,666,943
Loss before income tax		(2,611,479)	(2,379,753)
Income tax	8	-	-
Loss for the year from continuing operations		(2,611,479)	(2,379,753)
Profit / (Loss) from Discontinuing operations	24	459,804	(1,335,119)
Loss for the year		(2,151,675)	(3,714,872)
Other comprehensive income for the year			
Exchange differences on conversion of foreign operation		5,082	(6,862)
Total comprehensive Loss for the year		(2,146,593)	(3,721,734)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company		Cents	Cents
Basic (loss) per share	30	(12.4)	(33.2)
Diluted (loss) per share	30	(12.4)	(33.2)
Earnings per share for loss attributable to the ordinary equity holders of the Company		Cents	Cents
Basic (loss) per share	30	(10.3)	(51.8)
Diluted (loss) per share	30	(10.3)	(51.8)

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

Statement of Financial Position
as at 30 June 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	2,634,671	1,622,226
Trade and other receivables	10	9,432	200,650
Other assets	11	58,353	6,988
Total Current Assets		2,702,456	1,829,864
Non-current assets			
Property, plant and equipment	12	43,934	29,934
Intangible assets	13	5,831,775	135,000
Total Non-Current Assets		5,875,709	164,934
Total assets		**8,578,165**	**1,994,798**
LIABILITIES			
Current liabilities			
Trade and other payables	14	286,243	458,395
Borrowings	15	17,508	9,992
Total Current Liabilities		303,751	468,387
Non-current liabilities			
Borrowings	16	-	17,508
Total Non-current Liabilities		-	17,508
Total liabilities		**303,751**	**485,895**
Net assets		**8,274,414**	**1,508,903**
EQUITY			
Contributed equity	17	13,565,617	5,868,520
Reserves	18	1,448,197	228,108
Accumulated losses		(6,739,400)	(4,587,725)
Total equity		**8,274,414**	**1,508,903**

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

Statement of Changes in Equity
for the year ended 30 June 2016

	Contributed equity $	Reserves $	Accumulated losses $	Foreign Currency Translation Reserve $	Total equity $
Balance at 1 July 2014	663,559	-	(872,852)	-	(209,293)
Loss for the year	-	-	(3,714,873)		(3,714,873)
Other comprehensive loss	-	-	-	(6,862)	(6,862)
Total comprehensive loss for the year	**-**	**-**	**(3,714,873)**	**(6,862)**	**(3,721,735)**
Transactions with owners in their capacity as owners					
Issue of shares for cash	6,000,000	-	-	-	6,000,000
Issue of shares under employee incentive plan	155,000	(155,000)			-
Cost of share issue	(627,066)	-	-	-	(627,066)
Share based payments expense on securities granted for:					
• capital raising fee	(322,973)	322,973	-	-	-
• employee services	-	66,997	-	-	66,997
	5,204,961	234,970	-	-	5,439,931
Balance at 30 June 2015	**5,868,520**	**234,970**	**(4,587,725)**	**(6,862)**	**1,508,903**
Loss for the year	-	-	(2,151,675)		(2,151,675)
Other comprehensive income	-	-	-	5,082	5,082
Total comprehensive loss for the year	**-**	**-**	**(2,151,675)**	**5,082**	**(2,146,593)**
Transactions with owners in their capacity as owners					
Issue of shares for cash	3,000,000	-	-	-	3,000,000
Issue of shares as consideration for business combination	5,000,000	-	-	-	5,000,000
Issue of shares as consideration for investor relations services	39,900	-	-	-	39,900
Cost of share issue	(331,289)	-	-	-	(331,289)
Share based payments expense on securities granted for:					
• capital raising fee	(11,514)	11,514	-	-	-
• business combination		1,128,774			1,128,774
• director services		23,806			23,806
• employee services	-	50,913	-	-	50,913
	7,697,097	1215,007	-	-	8,912,104
Balance at 30 June 2016	**13,565,617**	**1,449,977**	**(6,739,400)**	**(1,780)**	**8,274,414**

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

Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		1,401,353	1,112,421
Payments to suppliers and employees		(3,393,882)	(3,668,829)
Other revenue		7,054	122,008
Interest received		58,101	33,480
Interest and other costs of finance paid		(1,608)	(6,039)
Net cash (outflows) from operating activities	29	(1,928,982)	(2,406,959)
Cash flows from investing activities			
Payments for property plant and equipment		(33,175)	(4,627)
Payments for proprietary software development		-	(709,529)
Cash acquired as part of acquisition		311,896	-
Net cash inflows / (outflows) from investing activities		278,721	(714,156)
Cash flows from financing activities			
Proceeds from issue of shares		3,000,000	6,000,000
Share issue transaction costs		(331,289)	(627,066)
Repayment of borrowings		(6,005)	(634,101)
Net cash inflows from financing activities		2,662,706	4,738,833
Net increase in cash and cash equivalents		1,012,445	1,617,718
Cash and cash equivalents at the beginning of the year		1,622,226	4,508
Cash and cash equivalents at the end of the year	9	2,634,671	1,622,226

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

Notes to the financial statements

Note 1: Summary of significant accounting policies

Datetix Group Ltd is a listed public company domiciled in Australia. The address of the Company's registered office is Office J, Level 2, 1139 Hay Street, West Perth WA 6005. The financial statements are for the year ended 30 June 2016.

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

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* The Group is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements were authorised for issue on 21 September 2016 by the Board of Datetix Group Ltd.

i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

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

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Datetix Group Ltd ('the Company' or 'the Parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Datetix Group Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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.

Note 1: Summary of significant accounting policies (continued)

b) Principles of consolidation

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity.losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity 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 consolidated entity 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.

c) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 1: Summary of significant accounting policies (continued)

c) Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

d) Going concern

Although the Group incurred a loss of $2,151,675 for the year, as well as incurring net cash outflows from operating activities of $1,928,982, the annual report has been prepared on the going concern basis as the directors are of the opinion that the company has sufficient financial resources to fund its activities in the short term.

The financial position of the company is underpinned by:

- positive net assets of $8,274,414 at 30 June 2016
- cash and cash equivalents of $2,6434,671 as at 30 June 2016; and
- the acquisition of Lovestruck Limited as detailed in Note 27
- tightening of cash outflows by reducing spending on non-cash generating units

e) Operating segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Further information is contained in Note 4.

f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

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

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

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

Note 1: Summary of significant accounting policies (continued)

g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, refunds, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised for the major business activities as follows:

(i) Dating Services

It comprises of online, events and matchmaking services.

- Online Apps Income:
  Revenue derived from the provision of workforce mobilisation services and dating services via the internet is recognised when the Group has delivered services to the purchaser and there is no unfulfilled obligation that could affect the purchasers acceptance of service.

- Event Income:
  This relates to events held. Income is mainly derived through the sales of tickets. Revenue is recognised upon delivery of the service to the customer.

- Matchmaking Income:
  This relates to revenue derived from Premium matchmaking services targeting singles seeking serious relationships and marriage. Service packages offered range from one month to twelve months. Revenue will be recognised over the service period.

(ii) Enterprise Services

This relates to revenue derived from the provision of licence and support services. Revenue recognition will be recognised over the service period with the customers.

Note 1: Summary of significant accounting policies (continued)

h) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable, profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

i) Leases

Leases of property, plant and equipment, where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

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 term of the lease.

j) Impairment of non-financial assets

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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1: Summary of significant accounting policies (continued)

k) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, 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, and bank overdrafts. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used 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 30 days overdue) are considered indicators that the receivable is 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.

The amount of the impairment loss is recognised in profit or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

m) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. 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 the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the diminishing value method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:

– Vehicles; 3-6 years
– Office furniture and equipment; 1-3 years

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Note 1: Summary of significant accounting policies (continued)

n) Intangible Assets and Goodwill

(i) Goodwill

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less 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, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

(ii) Intangible assets

- **Software development costs**

  Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads.

  IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

  The group amortises intangible assets with a limited useful life using the straight-line method over the following periods: Capitalised software development costs; 6 years

- **Website and Platform**

  Website and Platform acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years.

Note 1: Summary of significant accounting policies (continued)

n) Intangible Assets and Goodwill (continued)

(ii) Intangible asset

- **APPS**

  APPS acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years

- **Brands**

  Brands acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit and loss using the straight line method over 3 years

o) Impairment of Assets

The Group assesses at the end of each reporting period whether there is objective evidence that an asset or group of assets is impaired. An asset, or a group of assets, is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

q) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs

Note 1: Summary of significant accounting policies (continued)

q) Borrowings (continued)

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

r) Employee benefits

(i) Short-term employee benefits

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

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled wholly 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.

(iii) Share-base payments

The Company established an Employee Share Ownership Plan, and issued share options to employees under the Plan. The share options constitute equity based payments in accordance with AASB 2 Share Based Payments, and the options have been valued in accordance with the requirements of AASB 2. The options have been valued by independent consultants who used both the Black-Scholes and Binomial Option Pricing Models to determine the value of the options.

s) 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.

t) Dividends

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

Note 1: Summary of significant accounting policies (continued)

u) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

  Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

v) Goods and Services Tax (GST)

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

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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flow.

w) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

x) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not yet mandatory for 30 June 2016 reporting periods.

- AASB 9 ‘Financial Instruments’ includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 ‘Financial Instruments: Recognition and Measurement’, which becomes mandatory for the Group’s 31 December 2017 financial statements.

- AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 ‘Revenue’, IAS 11 ‘Construction Contracts’, and IFRIC 13 ‘Customer Loyalty Programmes’. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

Note 1: Summary of significant accounting policies (continued)

x) New Accounting Standards and Interpretations (continued)

- AASB 16 'Leases' introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard becomes mandatory for the Group's 31 December 2019 financial statements. As the Company has no significant leases of over 12 months it is not expected that the introduction of this standard will have a material impact on the financial statements.

The Group does not consider that the effect of the above standards on the financial statements will be material.

Note 2: Financial risk management

(a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets:
- Cash and cash equivalents
- Trade and other receivables

Financial Liabilities:
- Trade and other payables
- Borrowings

Note 2: Financial risk management (continued)

(a) General Objectives, Policies and Processes (continued)

The carrying amounts of the Group's financial assets and liabilities at balance sheet date are:

	2016	2015
	$	$
Financial Assets		
Cash and cash equivalents	2,634,671	1,622,226
Trade and other receivables	67,785	207,638
Non-Traded Financial Assets	2,702,456	1,829,864
Financial Liabilities		
Trade and other payables	286,243	458,395
Borrowings	17,508	27,500
Non-Traded Financial Liabilities	303,751	485,895

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk and price 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 price risks and aging analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

(b) Market risk

The Group's exposure to market interest rate related primarily to the Group's cash deposits.

	2016	**2015**
	$	**$**
Cash and cash equivalents	2,634,671	1,622,262

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

The following sensitivity analysis is based on the interest rate risk relating to cash deposits at balance date.

Note 2: Financial risk management (continued)

(b) Market risk (continued)

At 30 June 2016, if interest rates had increased or decreased by 50 basis points from the year end rates, as illustrated in the table below, with all other variables held constant, post-tax loss for the year would have been affected as follows:

	2016 $	2015 $
Judgement of reasonable possible movement		
+0.5% (50 basis points)	13,173	8,111
-0.5% (50 basis points)	(13,173)	(8,111)

The movement in losses are due to higher/lower interest received. As the Group does not have any derivative instruments the movements in equity are those of profit only. A movement of + and - 0.5% is selected because this historically is within a range of rate movements.

(c) Foreign currency risk

The group operates internationally and is exposed to foreign currency risk from various currency exposures, primarily with respect to the HK dollar and Chinese Renminbi.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the group 's foreign currency denominated financial assets and financial liabilities at the reporting date were not significant.

(d) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables. Cash is deposited with major banks in Australia, China, Hong Kong and Singapore. Trade and other receivables are closely monitored and in most cases services are invoiced in advance or progressively, which limits the chance of financial loss.

In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(e) Fair value

The carrying value of cash and cash equivalents, receivables, payables and current borrowings represent reasonable approximations of their fair values due to their short-term nature. The fair value of non-current borrowings approximates the carrying amount as the impact of discounting is not significant.

Note 2: Financial risk management (continued)

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group has Total Liabilities of $303,751 (2015: $485,895) of which $303,751 (2015: $468,387) is recorded as current liabilities and Total Current Assets of $8,578,165 (2015: $1,994,798) of which $2,634,671 (2015: $1,622,226) consists of cash or cash equivalents providing the Board with comfort that the Group is solvent and can meet its payment obligations in full as they fall due.

Maturities of financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2016	$	$	$	$
	0 to 6 months	**6 to 12 months**	**Greater than 12 months**	**Carrying Amount**
Trade and other payables	286,243	-	-	286,243
Borrowings	3,332	14,176	-	17,508
	289,575	14,176	-	303,751

2015	$	$	$	$
	0 to 6 months	**6 to 12 months**	**Greater than 12 months**	**Carrying Amount**
Trade and other payables	405,778	-	-	405,778
Borrowings	2,893	3,112	17,508	23,513
	408,671	3,112	17,508	429,291

Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of Intangible software development costs

The balance of the intangible software development costs relating to the Enverro software was written down to nil, with an impairment charge of $82,632 being recognised for the year ended 30 June 2016 (2015: Impairment charges of $1,079,798).

Note 3: Critical accounting estimates and judgements (continued)

(b) Purchase Price Allocation – Datetix Limited

On 23 November 2015 the Company acquired Datetix Limited for a consideration of $6,128,774. Included in the assets acquired were cash and cash equivalents, prepayments and deposits, trade and other payables, website and platform, Apps, brand name and goodwill. Where possible, the Company has allocated purchase consideration to separately identifiable assets. Purchase consideration of $125,788 has been allocated to website & platform, $53,909 allocated to apps and $35,940 allocated to brand. Accordingly, the remaining purchase consideration of $5,658,068 has been allocated to goodwill

(c) Income tax

The Company has incurred tax losses and has no tax liabilities for the financial year (2015: nil)

Note 4: Operating segments

(a) Identification of reportable operating segments

The consolidated entity is organised into three operating segments based on differences in products and services provided: Dating services, Enterprise services and Corporate.

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management who are identified as the Chief Operating Decision Makers (CODM) and that are used to make strategic decisions and in assessing performance. The Board considers the Group from both a business unit and geographic perspective and has identified two reportable segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported is on a monthly basis.

Type of products and services

The principal products and services of each of these operating segments are as follows:

Dating Services	the online, events and matchmaking services in China, Hong Kong and Singapore
Enterprise Services	the licence and support services in Australia
Corporate	indirect expenses likes auditing and accounting fees, employee benefits expenses for G&A and R&D staffs, transaction costs, and office rent, etc.

Note 4: Operating segments (continued)

(b) Operating segment information

Consolidated - 2016	Dating Services $	Enterprise Services $	Corporate $	Total $
Revenue				
Sales to external customers	140,212	83,032	-	223,244
Other Revenue	-	-	11,221	11,221
Total segment revenue	140,212	83,032	11,221	234,465
Interest revenue				53,567
Total Revenue				288,032
EBITDA	(158,101)	(30,549)	(2,414,376)	(2,603,027)
Depreciation and amortisation				(53,518)
Interest revenue				53,567
Finance costs				(8,500)
Loss before income tax expense				(2,611,479)
Income tax expense				-
Loss after income tax expense				(2,611,479)

Consolidated - 2015	Dating Services $	Enterprise Services $	Corporate $	Total $
Revenue				
Sales to external customers	-	121,691	-	121,691
Other Revenue	-	-	122,008	122,008
Total segment revenue	-	121,691	122,008	243,699
Interest revenue				43,491
Total Revenue				287,190
EBITDA		(1,537,443)	(831,373)	(2,368,816)
Depreciation and amortisation				(13,143)
Interest revenue				43,491
Finance costs				(41,286)
Loss before income tax expense				(2,379,754)
Income tax expense				-
Loss after income tax expense				(2,379,754)

Geographical information

	Sales to exernal customers 2016 $	2015 $
Australia	83,032	121,691
China	6,999	-
Hong Kong	132,557	-
Singapore	656	-
	223,244	121,691

No individual customer constitue more than 10% of revenue.

Note 5: Revenue

	2016 $	2015 $
From continuing operations		
Sales revenue		
Enterprise Services	83,032	121,691
Dating Services	140,212	-
Interest Income	53,567	43,491
	276,811	165,182
Other Income		
Research and development grant	-	122,008
Profit on disposal of assets	6,559	-
Bad Debts recovered	4,093	-
Other income	569	-
	11,221	122,008
Total revenue and other income	288,032	287,190

Note 6: Expenses

(Loss) before income tax includes the following specific expenses:	**2016 $**	**2015 $**
Continuing Operations		
Depreciation		
Vehicles	2,726	7,771
Office furniture and equipment	8,863	5,372
Amortisation		
Intangible asset		
- Website & Platform	24,459	-
- APPS	10,482	-
- Brand	6,988	-
Total depreciation and amortisation	53,518	13,143
Finance Cost		
Interest and finance charges paid / payable	8,500	41,286
Rental expenses relating to operating leases		
Minimum lease payments	55,474	21,000
Superannuation contribution expense	86,955	137,330
Discontinued Operations		
Amortisation		
Intangible asset - Properiety Software	52,368	114,079
Total depreciation and amortisation	52,368	114,079

Note 7: Share-based payments

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

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 is measured at fair value on grant date. Fair value is independently determined using the 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 consolidated entity 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 is 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.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

(a) Performance rights granted as part consideration for business combination

The grant of performance rights on 23 November 2015 (settlement date) as part consideration for the business combination detailed in note 23 were as follows:

- 4,000,000 Class A Performance Rights which convert into fully paid ordinary shares upon the attainment of the 20-Day volume weighted average price of Datetix Group Ltd shares as traded on ASX at any time equalling or exceeding $0.60 and achieving either:

  - $100,000 or more in DateTix gross revenue over any six month period; or

  - 250,000 cumulative downloads of all applications developed and owned by Datetix Limited (now and in the future), across any/all mobile platform (including but not limited to iOS/Android)

  within 24 months of Settlement.

Note 7: Share-based payments (continued)

(a) Performance rights granted as part consideration for business combination (continued)

- 4,000,000 Class B Performance Rights which convert into fully paid ordinary shares upon the attainment of the 20-Day volume weighted average price of Datetix Group Ltd shares as traded on ASX at any time equalling or exceeding $0.80 and achieving either:

  - $250,000 or more in DateTix gross revenue over any six months period; or

  - 500,000 cumulative downloads of all applications developed and owned by Datetix Limited (now and in the future), across any/all mobile platform (including but not limited to iOS/Android)

  within 36 months of Settlement.

- 4,000,000 Class C Performance Rights which convert into fully paid ordinary shares upon the attainment of the 20-Day volume weighted average price of Datetix Group Ltd shares as traded on ASX at any time equalling or exceeding $1.00 and achieving either:

  - $500,000 or more in DateTix gross revenue over any six months period; or

  - 1,000,000 cumulative downloads of all applications developed and owned by Datetix Limited (now and in the future), across any/all mobile platform (including but not limited to iOS/Android)

  within 48 months of Settlement.

The fair value of the performance rights has been measured using the Black – Scholes model with the following inputs to the model;

Performance rights	**Class A**	**Class B**	**Class C**
Weighted average share price	$0.31	$0.31	$0.31
Expected volatility	100%	100%	100%
Life of right (years)	2	3	4
Expected dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	1.99%		
Value per right	$0.12	$0.09	$0.07
Total Value	$479,039	$360,259	$289,476

The rights vested immediately upon grant, but are restricted by ASX for one to two years. There were no other features of the rights used in the model to determine fair value. The fair value of the rights, as above, totalled $1,128,774.

Note 7: Share-based payments (continued)

(b) Options granted as part of an equity raising fee

The grant of share options as part of a fee in respect of a share issue has been recognised during the year as a cost of the share issue and in equity as a Share-based payments reserve. The net effect on equity is nil.

On 23 November 2015 the Company issued 100,000 options, exercisable at $0.40 at any time on or before 31 December 2020 for no cash consideration as a fee arrangement in respect of the issue of shares under a prospectus offer.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price $0.40
- Exercise price $0.40
- Expected volatility 35%
- Option life 5.1 years
- Expected dividends Nil
- Risk-free interest rate 2.17%
- An assumption was made in respect of expected early exercise using 3.6 years as the time of exercise.

The options vested immediately upon grant, but are restricted by ASX for two years. There were no other features of the options used in the model to determine fair value. The fair value was measured as 11.5 cents per option, a total of $11,514. The fair value has been recorded as an expense and credited to the share based payments reserve at 30 June 2016.

(c) Share based payments to a Director

On 23 November 2015, pursuant to shareholder approval, the Company issued 100,000 options to Director Claire Lin, for no cash consideration, exercisable at $0.40 at any time on or before 31 December 2020. The options were on the same terms and subject to the same restriction by ASX and as the options detailed in (b) above, therefore the fair value was also measured at 11.5 cents per option, a total of $11,514. The fair value has been recorded as an expense and credited to the Share based payments reserve at 30 June 2016.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price $0.40
- Exercise price $0.40
- Expected volatility 35%
- Option life 5.1 years
- Expected dividends Nil
- Risk-free interest rate 2.17%
- An assumption was made in respect of expected early exercise using 3.6 years as the time of exercise.

Note 7: Share-based payments (continued)

(d) Share based payments to a Director and employees

On 23 November 2015, pursuant to shareholder approval, the Company issued a total of 1,500,000 Employee Options to employees, including Michael Ye, founder of Datetix Limited, director and Chief Executive Officer of DateTix Group Ltd. The options were issued for no cash consideration, exercisable at $0.40, expiring on 31 December 2020 and vesting in four equal tranches 12, 24, 36 and 48 months after grant date. 400,000 options issued to Michael Ye are restricted by ASX for two years.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price $0.40
- Exercise price $0.40
- Expected volatility 35%
- Option life 5.1 years
- Expected dividends Nil
- Risk-free interest rate 2.15 – 2.23
- Assumptions made in respect of expected early exercise were that the options would be exercised 3.1, 3.6, 4.1 and 4.6 years after grant.
- There were no other features of the options used in the model to determine fair value.

The fair value of the 400,000 Employee options issued to Michael Ye was measured as 11.5, 11.5, 12.3, and 13.1 cents per option for the four vesting tranches respectively, a total of $48,463, which will be expensed over the vesting period of the options. For the year ended 30 June 2016, an amount of $14,859 was recorded as an expense and also included within the share based payments reserve.

The fair value of the 1,100,000 Employee options issued to other employees was measured as 10.6, 11.5, 12.3, 13.1 cents per option for the four vesting tranches respectively, a total of $130,856, which will be expensed over the vesting period of the option. For the year ended 30 June 2016, an amount of $39,406 was recorded as an expense and also included within the share based payments reserve.

Note 7: Share-based payments (continued)

(e) Share based payments to employees

On 13 October 2014 the Company issued 136,500 options to the former Chief Operating Officer, for no cash consideration, exercisable at $1.00, expiring on 13 October 2019 and vesting in three tranches subject to employment continuity;

- 40,950 options one year from date of grant subject to the weighted average share price being at least $1.25
- 40,950 options two years from date of grant subject to the weighted average share price being at least $1.50
- 54,600 options three years from date of grant subject to the weighted average share price being at least $1.75

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

• Weighted average share price	$0.85
• Exercise price	$1.00
• Expected volatility	35%
• Option life	5 years
• Expected dividends	Nil
• Risk-free interest rate	2.76%

Assumptions made in respect of expected early exercise were that the three tranches would be exercised thirty six, forty two and forty eight months after grant, respectively.

The Company was not listed and no shares had been traded prior to the grant. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 35% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair values for the three tranches were measured as $0.136, $0.129 and $0.123 per option respectively, a total of $17,571.

For the year ended 30 June 2016, an amount of $5,970 was recorded as an expense and also included within the share based payment reserve.

On 10 November 2014 the Company issued 205,500 options to the five employees, for no cash consideration, exercisable at $1.00, expiring on 10 November 2019 and vesting in three tranches subject to employment continuity;

- 61,650 options one year from date of grant subject to the weighted average share price being at least $1.25
- 61,650 options two years from date of grant subject to the weighted average share price being at least $1.50
- 82,200 options three years from date of grant subject to the weighted average share price being at least $1.75

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

• Weighted average share price	$0.85
• Exercise price	$1.00
• Expected volatility	35%
• Option life	5 years
• Expected dividends	Nil
• Risk-free interest rate	2.76%

- Assumptions made in respect of expected early exercise were that the three tranches would be exercised thirty six, forty two and forty eight months after grant, respectively.

The Company was not listed and no shares had been traded prior to the grant. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 35% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair values for the three tranches were measured as $0.121, $0.119 and $0.115 per option respectively. For the year ended 30 June 2016, an amount of $2,740 was recorded as an expense and also included within the share based payment reserve.

Note 7: Share-based payments (continued)

(e) Share based payments to employees (continued)

On 11 November 2014, pursuant to shareholder approval, the Company advanced $155,000 to Director and CEO Leigh Kelson to acquire 155,000 shares in the Company. The advance is for seven years, or less if the CEO ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited.

Consequently the arrangement has been treated as a share based payment. Fair value of the share based payment has been measured using the Black - Scholes model with the following inputs to the model;

• Weighted average share price	$0.84
• Exercise price	$1.00
• Expected volatility	37.5%
• Option life	7 years
• Expected dividends	Nil
• Risk-free interest rate	3%

The Company was not listed and no shares had been traded prior to the advance and issue of the shares. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 37.5% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair value was measured as $0.329 per security, a total of $50,939.

Note 8: Income tax

	2016 $	2015 $
Tax losses available for subsequent financial years	-	3,006,378

As the Company is not carried on the same business throughout the year and in future, the tax losses cannot be brought forward for deduction.

The Company has incurred tax losses and no tax liability for the financial year (2015: nil).

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain.

Note 9: Current assets – Cash and cash equivalents

	2016 $	2015 $
Cash at bank	491,833	280,389
Term deposits	2,138,378	1,337,377
Bond	4,460	4,460
Cash at bank and in hand	**2,634,671**	**1,622,226**

Cash at bank and in hand earn no interest (2015: nil). Deposits earn between 1.75% to 2.95% (2015: 2.05% - 3.34%).

Note 10: Current assets – Trade and other receivables

	2016 $	2015 $
Trade debtors	3,956	203,504
Less provision for doubtful debts	-	(12,864)
Interest receivable	5,476	10,010
	9,432	**200,650**

Trade debtors ageing as follows:

	2016	2015
0 to 30 days	3,956	183,142
61 + days		
Ageing of past due but not impaired	-	7,498
Ageing of past due but impaired	-	12,864
	3,956	**203,504**

There are no balances considered past due at 30 June 2016.

Reconciliation of provision for doubtful debts

	2016	2015
Carry amount at beginning	(12,864)	-
Bad debts written off	8,771	-
Bad debts recovered	4,093	-
Provision for doubtful debts	-	(12,864)
Carry amount at end	-	(12,864)

Note 11: Current assets – Other assets

	2016 $	2015 $
Deposits	31,101	-
Prepayments	27,252	6,988
	58,353	**6,988**

Note 12: Non-current assets – Property, plant and equipment

	Vehicles	Office furniture & equipment	Total
	$	**$**	**$**
30 June 2016			
Opening net book amount	28,195	1,739	29,934
Additions	-	36,518	36,518
Disposals	(10,929)	-	(10,929)
Depreciation expense	(2,726)	(8,863)	(10,589)
Closing net book amount	**14,540**	**29,394**	**43,934**
At 30 June 2016			
Cost	32,854	51,185	84,039
Accumulated depreciation	(18,314)	(21,791)	(40,105)
Net Book amount	**14,540**	**29,394**	**43,934**

	Vehicles	Office furniture & equipment	Total
	$	**$**	**$**
30 June 2015			
Opening net book amount	35,966	2,484	38,450
Additions	-	4,627	4,627
Depreciation expense	(7,771)	(5,372)	(13,143)
Closing net book amount	**28,195**	**1,739**	**29,934**
At 30 June 2015			
Cost	117,027	17,476	134,503
Accumulated depreciation	(88,832)	(15,737)	(104,569)
Net Book amount	**28,195**	**1,739**	**29,934**

Note 13: Non-current assets – Intangible assets

	2016	2015
	$	$
Goodwill	5,658,068	-
Less: Impairment expense	-	-
	5,658,068	-
Proprietary software - at cost	231,573	314,205
Less: Accumulated Amortisation	(231,573)	(179,205)
	-	135,000
Website and Platform - at cost	125,787	-
Less: Accumulated Amortisation	(24,459)	-
	101,328	-
APPS - at cost	53,909	-
Less: Accumulated Amortisation	(10,482)	-
	43,427	-
Brand - at cost	35,940	-
Less: Accumulated Amortisation	(6,988)	-
	28,952	-
	5,831,775	135,000

Reconciliations

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

	Goodwill	Proprietary software	Website & Platform	APPS	Brand	Total
	$	$	$	$	$	$
Balance at 1 July 2014	-	619,348	-	-	-	619,348
Additions	-	709,529	-	-	-	709,529
Impairment of assets	-	(1,079,798)	-	-	-	(1,079,798)
Amortisation expense	-	(114,079)	-	-	-	(114,079)
Balance at 30 June 2015	-	135,000	-	-	-	135,000
Additions through business combinations (note 22)	5,658,068	-	125,787	53,909	35,940	5,873,705
Impairment of assets	-	(82,632)	-	-	-	(82,632)
Amortisation expense	-	(52,368)	(24,459)	(10,482)	(6,988)	(94,297)
Balance at 30 June 2016	5,658,068	-	101,328	43,427	28,952	5,831,775

Goodwill is subjected to annual impairment testing. The goodwill related to acquisition of Datetix Limited in Hong Kong (Details refer to note 23 – business combination).

Note 13: Non-current assets – Intangible assets (continued)

The carrying amount of the goodwill was allocated to cash generating business units as follows:

	2016	2015
	$	$
Dating Services		
DateTix Business Division	565,800	-
Matchmaking Business Division	5,092,268	-
	5,658,068	-

Recoverable amount of goodwill – DateTix and Matchmaking Business Division:

The recoverable amount is determined based on a value in use calculation in accordance with AASB136, in which pre-tax cash flow projections are used based on recent financial budgets approved by Management that cover a ten year period.

The key assumptions used in generating the cash flow projections are as follows:

- Revenue growth is based upon expected sales based on existing revenue plus other provinces penetration in China under budget in the first three years;
- 10% year-on-year growth in revenue in years 4 and 5, 15% growth in years 6 and 7, 20% growth in years 8 and 9 and 25% growth in year 10. The growth rate is derived from management's past experience, as well as potential penetration rate from market research reports into the Dating Industry in China;
- Direct costs are based on the existing cost of sales model with inflation applied and increases in line with revenue growth;
- Indirect costs to grow over the period at an average of 10% per annum. This is in line with expected budgeted plans; and
- A pre-tax discount factor of 10% has been applied to the cash flows. This discount factor is based on the assumption of an annual interest rate of 0.5% with a 10 years duration.

An impairment charge to reduce the carrying value of the goodwill balance may be necessary should the acquired DateTix business not generate positive cash flows from its operations going forward. Any impairment of goodwill would result in an expense being recognised in the statement of Profit or Loss and Other Comprehensive Income in the year of impairment.

Management believes that no reasonably possible changes in the key assumptions on which the value in use calculation is based would cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Note 14: Current liabilities – Trade and other payables

	2016 $	2015 $
Trade payables	37,678	122,824
Other payables and accruals	52,500	113,193
Payment received for services not yet delivered	67,810	165,775
Employee benefits	128,255	56,603
	286,243	**458,395**

Note 15: Current liabilities – Borrowings

	2016 $	2015 $
Bank overdraft and credit cards	-	3,987
Lease liabilities	17,508	6,005
	17,508	**9,992**

Note 16: Non-Current liabilities – Borrowings

	2016 $	2015 $
Lease liabilities	-	17,508
	-	**17,508**

Note 17: Contributed equity

	2016 Shares	2015 Shares	2016 $	2015 $
(a) Share capital				
Ordinary shares fully paid	29,061,546	9,004,456	13,565,617	5,868,520

Note 17: Contributed equity (continued)

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2014	Opening balance	81,650,000		663,559
18 July 2014	Share issue	80,000,000	0.833	2,000,000
26 Sept 2014	Share consolidation [1]	(156,800,454)	-	-
9 Nov. 2014	Incentive plan issue	155,000	1.00	155,000
28 Nov. 2014	IPO issue	4,000,000	1.00	4,000,000
	Share issue costs	-		(950,039)
30 June 2015	Balance	**9,004,546**		**5,868,520**
1 July 2015	Opening balance	9,004,546		5,868,520
23 Nov. 2015	Prospectus issue	7,500,000	0.40	3,000,000
23 Nov. 2015	Part consideration for Datetix Limited	12,500,000	0.40	5,000,000
8 Dec. 2015	For services	57,000	0.70	39,900
	Share issue costs	-		(342,803)
30 June 2016	Balance	**29,061,546**		**13,565,617**

[1] The 161,650,000 shares on issue at 26 September 2014 were consolidated on the basis of 33.33 existing shares for 1 share, resulting in the decrease of 156,800,454 shares

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

(d) Shares in escrow

There were 13,992,695 shares in escrow at 30 June 2016 (2015: 1,492,695).

(e) Options

There were 3,095,504 shares under option as at 30 June 2016 (2015 – 1,395,504).

(f) Capital risk management

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

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

Note 18: Reserves

	2016 $	2015 $
Share-based payments reserve		
Balance at the beginning of the year	234,970	-
Movement during the year	1,215,007	234,970
Balance at the end of the year	**1,449,977**	**234,970**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	(6,862)	-
Movement during the year	5,082	(6,862)
Balance at the end of the year	**(1,780)**	**(6,862)**
Total reserves	**1,448,197**	**228,108**

The share-based payments reserve is used to recognise the expense of the fair value at grant date of options granted to employees but not exercised and to recognise the fair value of shares issued to an employee under a limited recourse loan which is not yet due to be repaid.

Note 19: Key management personnel disclosures

	2016 $	2015 $
(a) Key management personnel compensation		
Short term employee benefits	730,271	636,320
Post-employment benefits	46,221	41,328
Other benefits	9,652	22,450
Share based payments	31,955	60,100
	818,099	**760,108**

(b) Equity instrument disclosures relating to key management personnel

The number of shares and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below.

Note 19: Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

500,000 options were granted as compensation during the year, of which 400,000 were issued to Michael Ye, and 100,000 issued to Claire Lin (2015: 136,500 to C Doran and 39,000 to G Edwards).

Other than the above, there were no options or shares issued during the year as compensation (2015: shares issued subjected to the repayment of a loan as detailed in 2015 Loans to Key management Personnel below).

2016		Balance at the start of the year **	Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Datetix Group Ltd						
A Harris	Shares	2,000	-	-	3,000	5,000
	Options	-	-	-	-	-
L Kelson	Shares	1,008,129	-	-	-	1,008,129
	Options	-	-	-	-	-
C Doran	Shares	2,000	-	-	-	2,000
	Options	136,500	-	-	-	136,500
M Ye	Shares	-	-	-	8,000,000	8,000,000
	A Performance rights	-	-	-	2,560,000	2,560,000
	B Performance rights	-	-	-	2,560,000	2,560,000
	C Performance rights	-	-	-	2,560,000	2,560,000
	Options	-	400,000	-	-	400,000
Z Lin	Shares	-	-	-	-	-
	Options	-	100,000	-	-	100,000
Other Key Management Personnel of the Group						
G Edwards	Shares	4,000	-	-	7,000	11,000
	Options	39,000	-	-	-	39,000
W Hui	Shares	-	-	-	-	-
	Options	-	-	-	-	-

2015		Balance at the start of the year	Options Granted as compensation and shares issued under incentive plan	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Datetix Group Ltd						
A Harris	Shares	-	-	-	2,000	2,000
	Options	-	-	-	-	-
J Nicholson *	Shares	536,863	-	-	-	536,863
	Options	-	-	-	-	
L Kelson	Shares	853,129	155,000	-	-	1,008,129
	Options	-	-	-	-	
C Doran	Shares	-	-	-	2,000	2,000
	Options	-	136,500	-	-	136,500
Other Key Management Personnel						
G Edwards	Shares	-	-	-	4,000	4,000
	Options	-	39,000	-	-	39,000

* Resigned 3 September 2014

**Numbers have been adjusted to reflect the consolidation of shares which took place on 10 November 2014 on a 1:33.33 basis.

Note 19: Key management personnel disclosures (continued)

(c) Loans to key management personnel

Details of loans made to Key management Personnel of the Group, including their personally related parties are set out below.

Name	Balance at the start of the year	Amount advanced during the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2016 L Kelson	155,000	-	-	-	**155,000**	**155,000**
2015 L Kelson	-	155,000	-	-	**155,000**	**155,000**

The 2015 loan was provided under the employee incentive plan for Leigh Kelson to acquire 155,000 shares in the company

(d) Other transactions with key management personnel

On 23 November 2015 the Company acquired 100% of the issued shares in Datetix Limited. The consideration for the acquisition of Datetix HK consisted entirely of equity securities as detailed in Note 23 to the Financial Statements.

Michael Ye, CEO, became a director of the Company at the time of the acquisition of Datetix Limited. Pursuant to shareholder approval he received 4,545,455 fully paid ordinary shares and 4,363,635 performance rights in the Company as consideration for his shareholding in Datetix Limited. That portion of the consideration was valued at $2,228,645.

During the year a director purchased a vehicle from the Company which had become surplus to requirements for $11,980 plus GST.

The Company paid fee of $2,000 to Minerva Corporate Pty Ltd for the Company Secretarial Services provided by Matthew Foy and Danial Smith, and registered office of the Company. At 30 June 2016, the amount payable to Minerva Corporate Pty Ltd was $1,037.

No other transactions occurred between Key management personnel and their related entities with the Group during the year (2015: Nil).

Note 20: Remuneration of auditors

	2016 $	2015 $
i) Audit and other assurance services:		
Audit and review of financial statements	57,000	40,110
Total remuneration for audit and other assurance services	57,000	40,110
ii) Non-assurance services provided by related practice of the auditor:		
Taxation services	9,250	32,900
Financial due diligence	45,000	29,308
Total non-assurance services	54,250	62,208
Total remuneration	111,250	102,318

Note 21: Commitments

(a) Capital commitments

The Group had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2015 – nil).

(b) Operating leasing commitments - Premises

	2016 $	2015 $
Non cancellable operating lease contracted for but not capitalised in financial statements		
Payable - minimum lease payment		
- not later than 12 months	155,518	-
- between 12 months and 5 years	20,928	-

Note 22: Related party transactions

Key management personnel and transactions with other related parties

For details of transactions that key management personnel and their related entities had with the Group during the year refer note 19.

Note 23: Business combination

On 23 November 2015 the Company acquired 100% of the issued shares in DateTix Limited for total purchase consideration of $6,128,774. Founded in 2013 and based in Hong Kong, DateTix operates DateTix.com, a mobile and location-based online marketplace for meeting new people for on-demand dates. The acquisition has given the Group a new focus following a contraction in the market sectors for the Group's workforce mobility platform. The goodwill is in respect of future profitability of the acquired business. The purchase consideration consisted entirely of equity instruments.

Details of the acquisition are as follows:		Fair Value
	$	$
Cash and cash equivalents		311,896
Prepayments and deposits		14,123
Trade and other payables		(70,949)
Net tangible assets acquired		255,070
Goodwill		5,658,068
Identifiable intangible assets (note 13)		215,636
- Website and Platform	125,787	
- APPS	53,909	
- Brand	35,940	
Acquisition-date fair value of the total consideration transferred		6,128,774
Representing:		
12,500,000 fully paid ordinary shares at notional issue price of $0.40 per share		5,000,000
4,000,000 class A performance rights at fair value		479,039
4,000,000 class B performance rights at fair value		360,259
4,000,000 class C performance rights at fair value		289,476
Shares issued to vendors		6,128,774
Acquisition costs expensed to profit or loss		194,160

Contribution of Business Combination to Group Performance

	Date of acquisition 23 Nov 2015 to 30 June 2016	1 July 2015 to 30 June 2016 (a)
	$	$
Revenue	132,560	169,013
Profit / (Loss) after tax	(1,119,125)	(1,390,346)

(a) shows contribution had the entity been acquired at 1 July 2015.

Note 24: Discontinued operations

(a) Description

On 7 March 2016 the Company signed an asset sale agreement to sell the non-core services business it operated as PRM Cloud Solutions. The business was sold on 1 April 2016 and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the nine months ended 31 March 2016 (2016 column) and the year ended 30 June 2015.

	9 months to 31 March 2016 $	Year ended 30 June 2015 $
Profit and Loss		
Revenue	680,277	946,281
Expenses		
Consulting fees	(212,714)	(314,463)
Depreciation and amortisation	(52,368)	(114,079)
Employee benefits expense - G&A	(337,748)	(757,328)
Impairment of software development asset	(82,632)	(1,079,798)
Marketing	(10,289)	(1,546)
Travel expense	(5,979)	(14,187)
(Loss) before income tax	(21,453)	(1,335,119)
Income tax expenses	-	-
(Loss) after income tax of discontined operation	(21,453)	(1,335,119)
Gain on sales of business after income tax (see (c) below)	481,257	-
Profit / (Loss) from discontinued operation	459,804	(1,335,119)
Asset and Liabilities	$	$
Assets		
Account Receivables	-	95,907
Work in Progress	18,743	-
Non-current assets		
Intangible assets	-	135,000
Liabilities		
Accounts Payable	(16,500)	(21,263)
Prepaid Income	-	(98,671)
Net Assets	2,243	110,973
Cash Flow	$	$
Net cash inflow / (outflow) from operating activities	594,804	(141,242)
Net cash inflow / (outflow) from investing activities	-	(709,529)
Net increase / (decrease) generated by the discontinued business	594,804	(850,771)

Note 24: Discontinued business (continued)

(c) Details of the sale of the business

	2016	2015
	$	$
Consideration received or receivable:		
Cash	500,000	-
Fair Value of contingent consideration	238,045	-
Total disposal consideration	738,045	-
Carrying amount of net assets sold (note 1 below)	(256,788)	
Gain on sale before income tax	481,257	-
Income tax expense on gain	-	-
Gain on sale after income tax	481,257	-

Note 1 - Carrying amount of net assets sold	
Fair Value of contingent consideration	254,545
WIP	18,743
Account Payable	(16,500)
	256,788

Provided the business retains two key employees until 1 April 2017, additional cash consideration of $80,000 will be receivable. In addition, if the operations of the business achieve certain performance criteria during the period from 1 April 2016 to 31 March 2017 as specified in the “earn out” clause in the sales agreement, further cash consideration of up to $200,000 will be receivable. At the time of the sale, the fair value of the contingent consideration was determined to be $238,045.

Note 25: Parent entity discloses

As at, and throughout, the financial year ended 30 June 2016, the parent entity of the Group was Datetix Group Ltd. The following information relates to the parent entity and has been prepared using accounting policies that are consistent with those presented in Note 1.

a) Summary financial information

	2016 $	2015 $
Result of parent entity		
Loss for the year after tax	(845,718)	(2,642,997)
Other comprehensive income	-	3,074
Total comprehensive loss for the year	**(845,718)**	**(2,639,923)**
Financial position of parent entity at year end		
Current assets	2,177,952	1,821,349
Non-current assets	7,638,621	164,934
Total assets	**9,816,573**	**1,986,283**
Current liabilities	286,132	454,584
Non-current liabilities	-	17,508
Total liabilities	**286,132**	**472,092**
Net assets	**9,530,441**	**1,514,191**
Contributed equity	13,565,617	5,868,520
Reserve	1,401,848	234,970
Accumulated losses	(5,437,024)	(4,589,299)
Total equity	**9,530,441**	**1,514,191**

b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in respect of its subsidiaries.

c) Contingent liabilities

The parent entity has no contingent liabilities

d) Contractual commitments for the acquisition of property, plant and equipment

Nil

Note 26: 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(b).

Name of entity	Country of incorporation	Class of shares	Equity holding 2016 %	Equity holding 2015 %
Enverro Asia Pacific Pty Ltd (incorporated 18 August 2014)	Australia	Ordinary	100	100
Datetix Solutions Pty Ltd (formerly PRM Cloud solutions Pty Ltd) (incorporated 18 August 2014)	Australia	Ordinary	100	100
Enverro Inc (incorporated 11 August 2014)	U.S.A	Common	100	100
Datetix Limited (incorporated 18 February 2013, acquired 23 November 2015)	Hong Kong	Common	100	-
Datetix Pte Limited (incorporated 4 January 2016)	Singapore	Common	100	-
Datetix China Limited (incorporated 6 January 2016)	Shenzhen, China	Common	100	-
Datetix China Shenzhen Limited (incorporated 17 June 2016)	Shenzhen, China	Common	100	-

Note 27: Events occurring after the reporting period

On 31 July 2016 the company acquired Lovestruck Limited, a leading premium online dating platform for serious long-term relationships. Lovestruck currently operates in Hong Kong, Singapore and the United Kingdom.

The acquisition significantly strengthens the Company's market share in Hong Kong and Singapore, and is expected to deliver significant user and revenue growth and drive strong synergies with the Datetix app and matchmaking business.

The consideration for this acquisition is as follows:

- Two million fully paid ordinary shares in Datetix Group Ltd, escrowed for a period of 24 months from the date of settlement; and
- Cash consideration equivalent to the net cash balance across any and all of Lovestruck's bank accounts at settlement; and
- A contingent earn-out consideration of up to A$270,000 will be payable in two equal instalments upon Lovestruck reaching certain revenue milestones

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 30 June 2016 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 28: Contingent liabilities

There were no contingent liabilities for the Group at 30 June 2016 (2015: nil).

Note 29: Reconciliation of (loss) after income tax to net cash outflow from operating activities

	2016 $	2015 $
(Loss) for the year	(2,151,675)	(3,714,873)
Adjustment for:		
Depreciation and amortisation	105,886	127,222
Impairment of intangible asset	82,632	1,079,798
Share based payments	26,529	67,324
Foreign exchange differences	12,677	(9,936)
Net non-cash operating expenses	37,259	(1,292)
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	191,218	(50,515)
(Increase) in loans and other assets	(51,365)	(6,988)
(Decrease)/Increase in trade and other payables	(182,144)	102,301
Net Cash (outflow) from operating activities	(1,928,982)	(2,406,959)

Note 30: Earnings per share

	2016 Cents	2015 Cents
(a) Basic and Diluted[1] earnings (loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	(12.4)	(33.2)
From discontinued operations	2.1	(18.6)
Total basic earnings attributable to the ordinary equity holders of the Company	(10.3)	(51.8)
(b) Reconciliation of earnings used in calculating earnings per share	**$**	**$**
Net loss for the year attributable to the ordinary equity holders of the Company used to calculate loss per share – basic and diluted[1].		
From continuing operations	(2,611,479)	(2,379,753)
From discontinued operations	459,804	(1,335,119)
	(2,151,675)	(3,714,872)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used to calculate earnings (loss) per share	21,116,025	7,175,339

[1]Diluted earnings per share are the same as basic earnings per share because the options and performance rights on issue are anti-dilutive.

Directors' declaration

In the opinion of the directors:

(a) The attached financial statements and notes set out on pages 21 to 65 are in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
ii) Complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a); and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Michael Ye
Director
Hong Kong
21 September 2016

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DATETIX GROUP LTD
ABN 82 009 027 178

Report on the Financial Report

We have audited the accompanying financial report of Datetix Group Ltd and its Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Datetix Group Ltd are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DATETIX GROUP LTD
ABN 82 009 027 178

Independence

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

Opinion

In our opinion:

a) the financial report of Datetix Group Ltd and its Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of consolidated entity's financial position as at 30 June 2016 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) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter – Going concern

We draw your attention to Note 1)d) of the financial statements, which indicates that the Group incurred a net loss of $2,103,546 for the year ended 30 June 2016 as well as net cash outflows from operating activities of $1,928,982, and describes the uncertainty surrounding the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Carrying value of Goodwill

Without modifying our opinion, we draw your attention to Note 13 of the financial statements, which shows goodwill of $5,658,058 recognised relating to the acquisition of the Datetix Limited entity during the year. There is a significant risk surrounding the carrying value of goodwill, and an impairment charge to reduce the goodwill balance may be necessary in future reporting periods should the acquired Datetix business not generate positive cash flows from its operations going forward. Any impairment of goodwill would result in an expense being recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year of impairment. Our opinion is not modified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DATETIX GROUP LTD
ABN 82 009 027 178

Opinion

In our opinion, the Remuneration Report of Datetix Group Ltd for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001.*

S M WHIDDETT	PITCHER PARTNERS
Partner	Sydney

21 September 2016

Shareholder information

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 14 September 2016

(a) Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Size of holding	Number of Shareholders
100,001 and Over	32
10,001 - 100,000	100
5,001 - 10,000	58
1,001 - 5,000	265
1 - 1,000	24
Total	479

There were no holders of less than a marketable parcel of ordinary shares.

(b) Quoted Equity security holders

Twenty largest quoted equity security holders

Name	Quoted ordinary shares held	Percentage of issued shares
MICHAEL YE	4,545,455	14.996%
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	3,973,278	13.108%
GOLD RESOURCES LTD	3,750,000	12.372%
GLOBAL MARKETPLACE LIMITED	3,454,545	11.397%
RYDER INVESTMENT MANAGEMENT PTY LTD	1,200,000	3.959%
CAREN GOLLAN <LECARLIA A/C>	1,008,129	3.326%
MR BRETT PAUL HARDING	816,000	2.692%
LOBSTER BEACH PTY LTD	695,000	2.293%
GOODE NICHOLSON PTY LTD <GOODE NICHOLSON FAMILY A/C>	536,863	1.771%
LOBSTER BEACH PTY LTD	505,892	1.669%
ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	465,244	1.535%
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	300,001	0.990%
UBS NOMINEES PTY LTD	300,000	0.990%
ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	284,756	0.939%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	276,232	0.911%
MR LAURENCE PETER HOLLOWAY	272,000	0.897%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	249,000	0.821%
THIRTY-FIFTH CELEBRATION PTY LTD <JC MCBAIN SUPER FUND A/C>	244,957	0.808%
MR WAYNE JOHN KELSON <KELSON FAMILY A/C>	241,811	0.798%
EAST MIDLANDS EARLY GROWTH FUND LTD	240,000	0.792%
	23,359,163	**77.064%**

Shareholder information (Continued)

(c) Substantial holders

Substantial holders in the Company are set out below:

Ordinary Shares	Number Held	Percentage
Michael Ye	4,545,455	14.99%
Sandhurst Trustees Ltd <IMFG CONSOL A/C>	3,973,278	13.10%
	8,518,733	**28.09%**

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below.

(i) Ordinary Shares

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 will have one vote.

OTHER INFORMATION

In accordance with ASX listing rule 4.10.19; the Company advises that it has used the cash, and assets in a form readily converted into cash, that it had at the time of reinstatement to ASX on 27 November 2015, in a way consistent with its business objectives.

Corporate Directory

Board of Directors
Anthony Harris, Non-executive Chairman
Michael Ye, Chief Executive Officer
Leigh Kelson, Non-executive director
Zhixian Lin, Non-executive director

Company Secretary
Minerva Corporate Pty Ltd
-Daniel Smith
-Matthew Foy

Websites
www.datetix.com
www.enverro.com

Lawyers
Mills Oakley Lawyers
Level 4, 145 Ann Street
Brisbane QLD 4000
Australia
www.millsoakley.com.au

Registered Office
Office J, Level 2
1139 Hay Street
West Perth WA6005
Australia

Auditor
Pitcher Partners
Level 22, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia
www.pitcher.com.au

Share Registry
Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000
www.boardroomlimited.com.au