JCurve Solutions Limited

Annual Financial Report
For the year ended 30 June 2016

JCurve Solutions Limited
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CORPORATE INFORMATION

ABN 63 088 257 729

Directors
Mr Bruce Hatchman
Mr Mark Jobling
Mr David Franks

Company Secretary
Mr David Franks

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Principal place of business
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Securities Exchange Listings
Australian Securities Exchange
ASX Code: JCS

Website
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CHAIRMAN'S LETTER

Dear Shareholder,

The past 12 months has been a time of continued consolidation and the start of forecast growth for JCurve Solutions Limited (JCurve). As I outlined at our Annual General Meeting in November 2015, your Company's strategic objectives have been to focus on the following initiatives:

1) Maximising value from the TEMS business;
2) Investing to grow the JCurve business; and
3) Leveraging our core strengths and capabilities to diversify our product range and reinvest for further growth in the long term.

I am pleased to report that solid progress has been made by JCurve over the past year in relation to each of these strategic objectives.

The Company continues to ride the long-tail of the Telecommunications Expense Management (TEMS) industry and was able to recognise $4.3 million of revenue from its TEMS solutions which while this was a 23% decrease from the $5.7 million recognised in FY2015 it was offset by a 21% decrease in operating expenses excluding impairment charges following a reduction to headcount in the TEMS product division. The TEMS product division continues to invest in customer relationships and consider opportunities for the TEMS solutions owned by JCurve.

The JCurve software ERP product division experienced impressive growth of 24% in FY2016 with the revenue recognised increasing from $4.1 million in FY2015 to $5.1 million in FY2016. Pleasingly, JCurve's annuity revenue streams continue to increase year on year which has set JCurve up well for a successful FY2017 with the closing June 2016 deferred revenue balance of $3 million expected to be recognised in FY2017.

With diversification and reinvestment in mind, the Board has commenced its review of a variety of opportunities in both the Australian and Asian markets that will support the ongoing growth of JCurve and complement our current offerings.

On an overall Company basis JCurve's statutory net loss after tax for the year ending 30 June 2016 was $2.8 million (2015: $5.6m loss). The statutory net loss after tax included a $3.0 million impairment charge in respect of a write down of the carrying value of the Full Circle and Phoneware Intangible Assets recognised in the half year ended 31 December 2015.

Excluding the impact of non-cash items, pleasingly JCurve's normalised EBITDA loss as outlined in the Directors Report for the full year ended 30 June 2016 was $0.1 million which marks a substantial improvement from the $0.9 million recognised in 2015. The performance for FY2016 exceeded market guidance which was a $0.5 million loss - $0.2 million loss. FY2016 was the first year since JCurve purchased JCurve Business Software Pty Ltd that the overall Group has effectively broken even at an EBITDA level further emphasising the consolidation and growth activities undertaken by the Group over the past year.

Furthermore, the Group's June 2016 cash position increased by $0.4 million over the past 12 months which places JCurve in a very strong position for the start of the new financial year. Importantly, as we forecast a period of strong growth and investigate diversification opportunities, being debt free at this stage will assist with the investigation of a number of opportunities.

The JCurve management team has developed a very strong corporate culture and identity over the past year which is delivering outcomes for our customers which will assist with continued growth in both markets and products. This culminated in the recent North Eastern Sydney NSW Regional Business Chamber Awards where JCurve's CEO, Stephen Canning, was announced the Business Leader of the Year while JCurve was a finalist in the Employer of Choice category. JCurve has also recently been announced as an Employer of Choice in the Australian Business awards.

The Board remains committed to increasing value to its shareholders, leveraging off the Company's strong cash position and guiding management's focused review of value creating opportunities and complementary products. A strong base has now been established from which forecast strong growth can be achieved.

I would like to thank management and shareholders for their continued support through this period of consolidation and look forward to a successful year ahead.

Bruce Hatchman
Chairman

DIRECTORS' REPORT

Your directors present the annual financial report of the consolidated entity (referred to hereafter as JCurve or the Group) consisting of JCurve Solutions Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities

Bruce Hatchman FCA MAICD JP (Non-Executive Chairman)	
Experience and expertise	Mr Hatchman was appointed as the Chairman of JCurve 27 November 2014. Mr Hatchman is an experienced and successful finance professional. As the former Chief Executive of Crowe Horwath, Mr Hatchman has 40 years' experience in providing audit and assurance services to listed companies and large private enterprises. He is a qualified Chartered Accountant and a member of the Australian Institute of Company Directors.
Directorships of other companies	Mr Hatchman is currently the Chairman of Armidale Investment Corporation Limited, Darwin Clean Fuels Limited, Suters Holdings Pty Ltd, and Independent Advisory Board Chairman of the law firm Hunt & Hunt.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Audit & Risk Management Committee and the Chair of the Remuneration Committee.

David Franks B.Ec, CA, F Fin, JP. (Non-Executive Director and Company Secretary)	
Experience and expertise	Mr Franks joined JCurve on 15 September 2014 as Company Secretary and a Non-Executive Director. With over 20 years' experience in finance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted companies. Mr Franks is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Justice of Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University.
Directorships of other companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Chair of the Audit & Risk Management Committee and Member of the Remuneration Committee.

Mark Jobling B. Eco, B Laws (Hons) (Non-Executive Director)	
Experience and expertise	Mr Jobling joined the company on 8 April 2015 as a Non-Executive Director. Mr Jobling is a substantial shareholder of the Company and holds a Bachelor of Economics and Bachelor of Laws (Hons) from Monash University. Mr Jobling manages investments in a diverse range of industries including power technology and angel investing in Asian start-up companies and is currently based in Hong Kong. He began his career as a commercial lawyer with Mallesons Stephen Jaques in Australia and went on to hold senior executive roles in multi-billion dollar companies, including Managing Director of South East Asia and Taiwan for CLP Holdings Limited, and CEO of OneEnergy Limited, a CLP/Mitsubishi Corporation joint venture in Asia.
Directorships of other companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Audit & Risk Management Committee and the Remuneration Committee.

DIRECTORS' REPORT (continued)

Graham Baillie FAICD (Non-Executive Director until 17 November 2015)	
Experience and expertise	Mr Baillie joined the Company in September 2007 as a non-executive Director and held the appointments of Chairman from May 2012 until December 2013, Managing Director from December 2013 until 21 July 2014 and Executive Chairman from 21 July 2014 until 27th November 2014 when he moved to a Non-Executive Director role until 17 November 2015. Mr Baillie remains a substantial shareholder of JCurve. In 1994, Mr Baillie established Outsource Australia Pty Ltd (OSA) to provide outsourcing services to the Australian market. In his capacity as majority shareholder and Chief Executive Officer he developed the company nationally and internationally. Today OSA is known as Converga. Prior to this, Mr Baillie was with AUSDOC during its formative years through to its ultimate ASX listing in September 1993. In this time, he was not only integral to the development of the company throughout Australia but was also involved in establishing similar business operations in New Zealand, USA and United Kingdom.
Directorships of other companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Remuneration Committee until 17 November 2015.

Interests in the shares and options of the Group and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of JCurve were:

	Ordinary Shares	Options over Ordinary Shares
M Jobling	51,204,301	-
B Hatchman	1,000,000 (*)	-
D Franks	2,867,000 (*)	-
	55,071,301	-

* 1,000,000 of which were issued under the Employee Share Plan.

During the financial year no share options were granted as remuneration.

Details of shares issued to employees and directors under the Employee Share Plan are as follows:

	Number of shares	Allotment share price	Escrow Date
JCurve Solutions Ltd	4,800,000	$0.05	11 September 2017
JCurve Solutions Ltd	2,000,000	$0.05	7 December 2017
Total	6,800,000		

During the financial year 2,000,000 of the shares issued under the Employee Share Plan were bought back by the JCurve in accordance with the terms of the Employee Share Plan.

Details of unissued ordinary shares under options as at 30 June 2016 are as follows:

	Number of options	KMP option holdings (1)	Exercise price	Expiry date
JCurve Solutions Ltd	8,928,571	-	$0.000001	31 March 2017
JCurve Solutions Ltd	8,928,571	-	$0.000001	31 March 2018
JCurve Solutions Ltd	8,928,571	-	$0.000001	31 March 2019
Total	26,785,713			

(1) As held by the Group's Key Management Personnel as at 30 June 2016.

No ordinary shares were issued during the financial year as a result of the exercise of these options.

Options totalling 8,928,571 expired during the financial year.

DIRECTORS' REPORT (continued)

Dividends and shareholder returns

No dividends were declared or paid during the financial year ended 30 June 2016.

Principal activities

The principal activities of the Group continued to be a combination of:

1) the sale of a cloud-based Business Management solution targeted at the small business market in Australia and New Zealand, together with associated consulting services (JCurve Business Software); and

2) the development and marketing of Telecommunications Expense Management Solutions (JTEL and Full Circle Group).

Operating financial review

Financial Results for the Year

The Group recognised a net loss after tax of $2.8 million for year ended 30 June 2016 (2015: $5.6m loss). The EBITDA loss generated for the year ending 30 June 2016 was $3.1 million (2015: $6.1 million).

The major impact on the financial results for the year was the assessment by the Board of the need to write down the carrying value of the Full Circle and Phoneware intangible assets by a combined $3.0 million in the half year ended 31 December 2015. Further details on the impairment expense is included in Note 11 to the Financial Report. The main reason for this impairment is that the Board has taken a more conservative view of the future cash flows from these assets. Following the acquisition of the Full Circle Group Pty Limited in 2014, the acquisition has been fully integrated into the overall JCurve business structure however it has not produced the desired returns to date which resulted in the significant impairment expense which significantly impacted the results of the Group for the year ending 30 June 2016.

The 'Normalised EBITDA' loss for the full year ended 30 June 2016 was $0.1 million (2015: $0.9 million), which has been determined as follows:

	2016 $	2015 $
Statutory loss after income tax for the year	(2,781,707)	(5,622,893)
Add Back: Non-cash expenses:		
Depreciation / amortisation	50,563	188,297
Impairment expense	2,980,493	5,167,008
Total non-cash expenses	3,031,056	5,355,305
Income tax benefit	(363,207)	(626,396)
Interest Income	(17,940)	(22,182)
Finance cost	52	487
Normalised EBITDA	(131,747)	(915,679)

Normalised EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AIFRS adjusted for specific significant items. The table above summarises key items between the statutory loss after tax and normalised EBITDA. The directors use normalised EBITDA to assess the performance of the Group.

Normalised EBITDA has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying audited financial report.

The normalised EBITDA result outlined above pleasingly exceeded the $0.5 million loss - $0.2 million loss (excluding impairments) market guidance provided by the Group in February 2016.

DIRECTORS' REPORT (continued)

The Group's total revenue for the year ended 30 June 2016 was $9.5 million (2015: $11.3 million), which predominately includes revenue from the sale of JCurve licenses and accompanying support and implementation fees $5.1 million (2015: $4.1 million) and revenue from the sale of Telecommunications Expense Management Solutions $4.3 million (2015: $5.7 million).

Total expenses for the full year ended 30 June 2016 was $12.6 million (2015: $17.6 million). The largest expense during the year ended 30 June 2016 was the impairment expense recognised $3 million (2015: $5.2 million).

Financial Position as at 30 June 2016

The Group had significant cash reserves as at 30 June 2016 ($2.4 million) increasing from $2.0 million as at 30 June 2015 following a strong emphasis from management on debt collection in the June 2016 quarter. Having this level of cash reserves while remaining debt free places the Group in a strong position for the start of the new financial year.

The decrease in assets from $10.2 million as at 30 June 2015 to $7.4 million as at 30 June 2016, was the result of the impairment expense recognised in respect of the Full Circle Group and Phoneware operating units ($3.0 million).

The liabilities balance remained consistent at $4.6 million between the balance as at 30 June 2015 and as at 30 June 2016.

Risk management

The Group recognises the need to pro-actively manage the risks and opportunities associated with both day-to-day operations of the organisation and its longer term strategic objectives and has developed a risk management policy.

The Board is responsible for the establishment, oversight and approval of the Group's risk management strategy, internal compliance and controls. The Board is also responsible for defining the "risk appetite" of the Group so that the strategic direction of the Group can be aligned with its risk management policy.

The Group has the following risk management controls embedded in the Group's management and reporting system:

1) A comprehensive annual insurance program;
2) Strategic and operational business plans; and
3) Annual budgeting and monthly reporting systems which enable the monitoring of performance against expected targets and the evaluation of trends.

The Chief Executive Officer reports to the Board on a monthly basis as to whether all identified material risks are being managed effectively across the Group.

During the year, ongoing monitoring, mitigation and reporting on material risks was conducted by senior executives, the Audit and Risk Committee and the Board took place in accordance with the process disclosed above.

A copy of the Risk Management Policy can be found on the Group's website.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report.

Events since the end of the financial year

No significant matters or circumstances have arisen since 30 June 2016 that have significantly affected, or may significantly affect:

(1) the Group's operations in future financial years, or
(2) the results of those operations in future financial years, or
(3) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Therefore, this information has not been presented in this report.

DIRECTORS' REPORT (continued)

Environmental legislation

The Group is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The Group has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as a director and officer. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

JCurve has not indemnified or agreed to indemnify an auditor of the Group or any related body corporate against liability incurred as an auditor.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings (Eligible to attend)	Directors' Meetings (Attended)	Audit & Risk Management Committee Attended/(Eligible)	Remuneration Committee Attended /(Eligible)
Number of meetings held:	11		2	1
Number of meetings attended:				
B Hatchman	11	11	2 (2)	1 (1)
D Franks	11	11	2 (2)	0 (0)
M Jobling	11	11	2 (2)	1 (1)
G Baillie (retired 17 November 2015)	5	5	N/A	1 (1)

Retirement, election and continuation in office of Directors

It is the Board's policy to consider the appointment and retirement of Non-Executive Directors on a case-by-case basis. In doing so, the Board must take into account the requirements of the Australian Securities Exchange Listing Rules and the *Corporations Act 2001.*

Clause 13.4 of the JCurve's Constitution allows the Directors to at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by JCurve's Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting. There have been no such appointments during the year.

Clause 13.2 of JCurve's Constitution requires that no director who is not the Chief Executive Officer may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

Noting that Stephen Canning as Chief Executive Officer is not subject to Clause 13.2 of the Constitution, the current board was re-elected by shareholders at the following prior AGMs:
2015: Bruce Hatchman and Mark Jobling;
2014: David Franks.

Therefore, under Clause 13.4 of the Constitution, no director is due for election under the noted time period.

However, ASX Listing Rule 14.5 states that an entity which has directors must hold an election of directors each year while Clause 13.2 of the Constitution states that an election of Directors shall take place each year and that the Directors to retire at an annual general meeting are those who have been longest in office since their last election. In accordance with Clause 13.2 of the Constitution, David Franks will retire and seeks re-election in accordance with Clause 13.2 of JCurve's Constitution, having voluntarily offered to stand for re-election.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

The Directors are pleased to present JCurve Solution Limited's ("the Company's") remuneration report for the year ended 30 June 2016. The remuneration report is prepared in accordance with section 300A of the *Corporations Act 2001* and has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This report sets out remuneration information for JCurve's Directors and Executives. Executives for the purpose of this report are Key Management Personnel who are not Non-Executive Directors.

1) Directors and other Key Management Personnel

Non-Executive Directors	
Bruce Hatchman	Non-Executive Chairman – Independent
David Franks	Non-Executive Director – Independent
Mark Jobling	Non-Executive Director – Not Independent
Graham Baillie	Non-Executive Director – Not Independent (until 17 November 2015)
Executive Directors	
Stephen Canning	Chief Executive Officer
Brian Doughty	Chief Financial Officer (until 31 May 2016)
James Aulsebrook	Chief Financial Officer (from 18 April 2016)

Key Management Personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly (and include the Directors of the Company).

2) Remuneration governance

<u>Remuneration philosophy</u>

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

– set competitive remuneration packages to attract and retain high calibre employees;
– link executive rewards to shareholder value creation; and
– establish appropriate performance hurdles for variable executive remuneration.

<u>Nomination and Remuneration committee</u>

The Nomination and Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and the executive management team.

The Nomination and Remuneration Committee to 17 November 2015 comprised of Bruce Hatchman (Chair), Mark Jobling and Graham Baillie (until his resignation on 17 November 2015). The Nomination and Remuneration Committee for this period did not comprise a majority of independent Directors so was not in compliance with the ASX Corporate Governance Principles and Recommendations.

From 18 November 2015, the composition of the Nomination and Remuneration Committee comprised Bruce Hatchman (Chair), Mark Jobling and David Franks (appointed 17 November 2015), being three members, all non-executive directors, with an independent Chairman and the majority of whom are not independent. The Nomination and Remuneration Committee from this period was in compliance with the ASX Corporate Governance Principles and Recommendations.

Members of the Nomination and Remuneration Committee are appointed, removed and/or replaced by the Board.

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

The Company's Corporate Governance Statement which can be found on the Company's website: http://www.jcurve.com.au/about/corporate-governance/, provides further information on the role of the Nomination and Remuneration Committee and its composition and structure.

A copy of the Nomination and Remuneration Committee's charter is included on the Company's website.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

3) Remuneration Structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

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

JCurve's constitution adopted at the AGM on 9 November 2010 specifies that the aggregate remuneration of non-executive directors shall be a maximum of $400,000 per year, and can be varied by ordinary resolution of the shareholders in General Meeting.

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

An Employee Share Plan was approved by shareholders at the Annual General Meeting held on 31 October 2013. Following approval by shareholders at the Annual General Meeting held on 17 November 2015, on 7 December 2015, 1,000,000 shares were issued to both Bruce Hatchman and David Franks under the Employee Share Plan with payment via a non-recourse loan.

Non-executive directors are paid their fees in cash, including statutory superannuation contributions. They do not receive any bonus payments nor are they entitled to any payment upon retirement or resignation.

The remuneration of non-executive directors for the year ended 30 June 2016 and comparative year is detailed in Table 1 of this report.

Executive remuneration

The Company's Executive remuneration structure consists of three components:

Fixed components	***Variable 'at-risk' components***
Base salary and benefits, including superannuation.	(i) Short-term incentives in the form of cash bonuses; and (ii) Long-term incentives, through participation in the Employee Share Plan.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The executive remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice if required.

An Employee Share Plan was approved by shareholders at the Annual General Meeting held on 31 October 2013. On 11 September 2015, 4,800,000 shares were issued to employees under the employee share plan with payment via a non-recourse loan.

The remuneration of JCurve's executives for the year ended 30 June 2016 and comparative year is detailed in Table 2 of this report.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

4) Remuneration of key management personnel

Table 1: Key Management Personnel remuneration for the year ended 30 June 2016: Directors

		Short-term employee benefits			Post-employment	Equity	Total	
Directors		Director's Fees $	Bonuses / Commission $	Other short term benefits $	Super-annuation $	Shares $	Total $	Performance Related %
B Hatchman (1)	2016	82,040	-	-	15,606	2,306	99,952	2%
Chairman (non-executive)	2015	52,039	-	-	4,944	-	56,983	-
D Franks (2)	2016	60,000	-	-	5,700	2,306	68,006	3%
Director (non-executive)	2015	47,071	-	-	4,942	-	52,013	-
M Jobling (3)	2016	60,000	-	-	-	-	60,000	-
Director (non-executive)	2015	15,000	-	-	-	-	15,000	-
G Baillie (4)	2016	20,565	-	-	1,954	-	22,519	-
Chairman (executive) / Director (non-executive)	2015	130,523	-	-	11,862	-	142,385	-
J Bond (5)	2016	-	-	-	-	-	-	-
Director (non-executive)	2015	24,385	-	-	2,317	-	26,702	-
C Gabriel (6)	2016	-	-	-	-	-	-	-
Director (non-executive)	2015	15,000	-	-	1,425	-	16,425	-
N Gupta (7)	2016	-	-	-	-	-	-	-
Director (non-executive)	2015	39,239	-	-	2,728	-	41,967	-
Total Directors Fees	2016	222,605	-	-	23,260	4,612	250,477	2%
Total Directors Fees	2015	323,257	-	-	28,218	-	351,475	-

(1) Appointed 27 November 2014 as Non-Executive Chairman
(2) Appointed 15 September 2014 as a Non-Executive Director
(3) Appointed 8 April 2015 as a Non-Executive Director
(4) Mr Baillie served as non-executive Chairman from 1 July 2013 to 9 December 2013, Managing Director from 9 December 2013 to 21 July 2014, Executive Chairman from 21 July 2014 and non-executive Director from 27th November 2014 to 17 November 2015. The Directors fees and accompanying superannuation of $22,519 were paid to Millenium International Pty Ltd, a company owned by Mr Baillie.
(5) Resigned 27 November 2014 as a Non-Executive Director
(6) Resigned 15 September 2014 as a Non-Executive Director
(7) Resigned 21 July 2014 as a Non-Executive Director

DIRECTORS' REPORT (continued)

4) Remuneration of key management personnel (continued)

Table 2: Key Management Personnel remuneration for the year ended 30 June 2016: Executives

		Short-term employee benefits			Post-employment	Equity	Total	
Executives		Salary $	Bonuses / Commission $	Other short term benefits (8) $	Super-annuation $	Shares $	$	Performance Related %
S Canning (1)	2016	280,000	25,000	4,961	20,461	4,556	334,978	9%
Chief Executive Officer	2015	132,821	-	3,425	9,392	-	142,213	-
B Doughty (2)	2016	166,036	-	-	15,319	5,684	187,039	3%
Chief Financial Officer	2015	151,250	-	-	14,369	-	165,619	-
J Aulsebrook (3)	2016	35,897	-	-	3,410	-	39,307	-
Chief Financial Officer	2015	-	-	-	-	-	-	-
J Butchers (4)	2016	-	-	-	-	-	-	-
Chief Financial Officer	2015	37,539	-	126,702	6,478	-	170,719	-
J Slaiman (5)	2016	-	-	-	-	-	-	-
General Manager MTN	2015	189,512	32,500	55,522	17,937	-	295,471	11%
A Simmons (6)	2016	-	-	-	-	-	-	-
General Manager JTEL	2015	209,152	-	223	14,664	-	224,039	-
M Thompson (7)	2016	-	-	-	-	-	-	-
General Manager JCBS	2015	117,083	-	-	10,774	-	127,857	-
Total Executive Rem.	2016	481,933	25,000	4,961	39,190	10,240	561,324	6%
Total Executive Rem.	2015	837,357	32,500	185,872	73,614	-	1,129,343	3%

(1) appointed 12 January 2015, bonus of $25,000 was paid in August 2016 based on performance related KPIs
(2) appointed 1st August 2014 and resigned 31st May 2016
(3) appointed 18 April 2016
(4) resigned 5 August 2014
(5) ceased employment on 31 March 2015
(6) resigned 8 April 2015
(7) resigned 30 January 2015
(8) other short term benefits include car parking expenses
(9) Prior year comparatives have been adjusted to correct an error from the non-inclusion of other short term benefits paid to executives, totalling $3,425.

5) Relationship between remuneration and JCurve's performance

Performance in respect of the current year and the previous four years is detailed in the table below:

	2016	2015	2014	2013	2012
	$	$	$	$	$
Total profit/(loss) for the year	**(2,781,707)**	(5,622,893)	(1,424,796)	(3,120,459)	(2,009,123)
Normalised EBITDA	**(131,747)**	(915,679)	(723,919)	490,133	10,170
Share price at year end ($)	**0.006**	0.015	0.044	0.024	0.019
Increase/(decrease) in share price	**(60%)**	(66%)	83%	26%	(44%)
Dividends paid	**-**	-	-	-	-

The remuneration of JCurve's executives outlined in Table 2 has consisted primarily of salaries and superannuation reflecting the recent performance levels of the Company outlined in the above table.

DIRECTORS' REPORT (continued)

6) Voting and comments made at the Company's 2015 Annual General Meeting

The JCurve Remuneration Report resolution was carried by a show of hands, with the results of both the show of hands and proxy position in excess of 75% in favour of the resolution. Of valid proxies received, more than 94% of proxies lodged voted "yes" on the Remuneration Report for the 2015 financial year. Comments raised by shareholders during the course of the Annual General Meeting were responded to by the Directors during the meeting.

7) Details of share-based compensation

Table 1: Shares issued to Directors under the employee share plan on 7 December 2015

	Shares Issued
Directors	
B Hatchman	1,000,000
D Franks	1,000,000

Table 2: Shares issued to Executives under the employee share plan on 11 September 2015

	Shares Issued
Executives	
S Canning	1,300,000
B Doughty	1,000,000

Table 3: Shares granted as part of remuneration during the year ended 30 June 2016

	Value of shares granted $	Value of shares exercised $	Value of shares lapsed $	Total value of shares granted, exercised and lapsed $	Value of shares included in remuneration for the year $	% remuneration consisting of shares for the year
Directors						
B Hatchman	8,183	-	-	8,183	2,306	2%
D Franks	8,183	-	-	8,183	2,306	3%
Executives						
S Canning	11,367	-	-	11,367	4,556	1%
B Doughty	5,684	-	(5,684)	-	5,684	3%

For further details on the Employee Share Plan, please refer to Notes 15 and 16.

8) Equity instruments held by Key Management Personnel

Table 1: Option holdings of Key Management Personnel (Consolidated)

						Vested as at end of period (#)	
30 June 2016	Balance at beginning of period	Granted as remune-ration	Options exercised	Net change Other #	Balance at end of period (#)	Exercisable	Not Exercisable
<u>Directors</u>							
G Baillie	35,714,284	-	-	8,928,571	26,785,713	-	26,785,713

						Vested as at end of period	
30 June 2015	Balance at beginning of period	Granted as remune-ration	Options exercised	Net change Other #	Balance at end of period	Exercisable	Not Exercisable
<u>Directors</u>							
G Baillie	35,714,284	-	-	-	35,714,284	-	35,714,284

 # Includes forfeitures, rights issue and balance on resignation. Graham Bailie retired on 17 November 2015 and the information outlined in the above tables is at the date of Graham Baillie's resignation.

DIRECTORS' REPORT (continued)

9) Shareholdings of Key Management Personnel (Consolidated)

Ordinary shares held in JCurve Solutions Limited (number)

30 June 2016	Balance 01 Jul 15	Granted as remuneration	Issued under employee share plan	Net Change Other (1)	Balance 30 Jun 16
Directors					
G Baillie (1)	83,124,215	-	-	(83,124,215)	-
B Hatchman	-	-	1,000,000	-	1,000,000
D Franks	-	-	1,000,000	1,867,000	2,867,000
M Jobling	51,204,301	-	-	-	51,204,301
Executives					
S Canning	2,000,000	-	1,300,000	1,233,418	4,533,418
B Doughty (1)	1,571,320	-	1,000,000	(2,571,320)	-
J Aulsebrook	-	-	-	-	-
Total	137,899,836	-	4,300,000	(82,595,117)	59,604,719

(1) Includes the purchase and disposal of shares as well as number of shares held at the date of resignation or retirement. G Baillie retired as a Non-Executive Director on 17 November 2015. The information shown for G Baillie was at his retirement date as per the Appendix 3Z, being he held 83,124,215 shares on the date he retired as a director. B Doughty resigned effective 31 May 2016.

30 June 2015	Balance 01 Jul 14	Granted as remuneration	On Exercise of Options	Net Change Other (1)	Balance 30 Jun 15
Directors					
G Baillie	81,319,478	-	-	1,804,737	83,124,215
J Bond	31,198,481	-	-	(31,198,481)	-
N Gupta	4,064,020	-	-	(4,064,020)	-
M Jobling	-	-	-	51,204,301	51,204,301
Executives					
J Butchers	197,698	-	-	(197,698)	-
J Slaiman	100,333	-	-	(100,333)	-
A Simmons	6,380,943	-	-	(6,380,943)	-
S Canning	-	-	-	2,000,000	2,000,000
B Doughty	-	-	-	1,571,320	1,571,320
Total	123,260,953	-	-	14,638,883	137,899,836

(1) Includes disposal of shares as well as number of shares held at the date of resignation or retirement.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the company would have adopted if dealing at arm's length.

DIRECTORS' REPORT (continued)

KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

Transactions with Directors

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Purchases from Related Parties	**2016** **$**	**2015** **$**
Taos Creative Pty Ltd		
Digital marketing & consulting (1)	2,277	240,500
	2,277	240,500
Franks & Associates Pty Ltd		
Company secretarial services (2)	65,460	74,011
Directors Fees (included in Table 1)	65,700	52,013
	133,466	126,024
Millennium International Pty Ltd		
Corporate Consultancy (3)	-	45,000
Directors Fees (included in Table 1)	22,519	43,452
	22,519	88,452
Outserve Australia Pty Ltd		
Professional Services (4)	112,400	131,781
	112,400	131,781

(1) Former Chairman and current Non-Executive Director Graham Baillie's step-daughter Sam Brown was a majority shareholder and Director of Taos Creative Pty Ltd, which specialise in digital marketing & consulting services for business. In 2016 JCurve was provided with services on commercial terms from Taos Creative Pty Ltd amounting to $2,277 net of GST (2015: $240,500) while Graham Bailie was a Director.

(2) David Franks was appointed as Company Secretary on 15 September 2014 and was also appointed as a Non-Executive Director on that date. David is the Proprietor of Franks and Associates, a firm that has provided guidance on corporate compliance requirements pursuant to the Company's constitution, ASX Listing Rules and Corporations Act, assistance in drafting notices of meeting and announcements; Board documentation, and assistance with preparation of annual and half yearly financial reports. Company secretarial service fees for the year ended 30 June 2016 amounted to $65,460 net of GST and out of pocket expenses (2015: $74,011) and were provided on commercial terms. Franks and Associates invoices JCurve for Mr Franks' Directors fees and superannuation, which has been included in Table 1.

(3) Millenium International is a company fully owned by former Chairman and non-executive Director Graham Baillie. Millenium International invoices JCurve for Mr Baillie's Directors fees, which has been included in Table 1, and also was engaged to provide consultancy services amounting to $45,000 in 2015.

(4) Former Chairman and former current Non-Executive Director Graham Baillie's son-in-law Stephen John Nankervis is a Director of Outserve Australia Pty Limited who have been engaged to provide professional services on commercial terms. The services provided by Outserve up until the date Mr Baillie retired as a Non-Executive Director amounted to $112,400 net of GST for the year ended 30 June 2016 (2015: $131,781).

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

End of Remuneration Report

DIRECTORS' REPORT (continued)

Proceedings on behalf of the company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor Independence and Non-Audit Services

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 18 and forms part of this Directors' Report for the year ended 30 June 2016.

Non-Audit Services

There was no non-audit related activities carried out by the Company's auditors during the year ended 30 June 2016.

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. The Board supports a system of corporate governance to ensure that the management of JCurve is conducted to maximise shareholder wealth in a proper and ethical manner.

The Corporate Governance Statement which outlines the principal corporate governance procedures of JCurve can be found on the company's website at:

http://www.jcurve.com.au/about/corporate-governance/

Signed in accordance with a resolution of the directors.

B Hatchman
Chairman
Dated at Sydney 23 August 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of JCurve Solutions Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
23 August 2016

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated ($)	
	Notes	2016	2015
Revenue	2	9,472,993	11,343,889
Cost of goods sold		(2,012,082)	(2,502,466)
Gross profit		7,460,911	8,841,423
Employee benefits expense		(4,692,055)	(6,372,768)
Other employee related expense		(764,531)	(836,192)
Communications expense		(102,304)	(189,833)
Advertising and marketing		(537,645)	(408,920)
Professional fees		(601,431)	(1,001,397)
Occupation expense		(398,781)	(384,054)
Listing expense		(45,508)	(52,330)
Depreciation and amortisation expense	2	(50,563)	(188,297)
Impairment expense	11	(2,980,493)	(5,167,008)
Finance expense	2	(52)	(487)
Product development expense		(4,313)	(15,899)
Loss on disposal of fixed asset		(46,440)	-
Other expenses		(381,709)	(473,527)
Loss before income tax		(3,144,914)	(6,249,289)
Income tax benefit/(expense)	3	363,207	626,396
Net loss for the period		(2,781,707)	(5,622,893)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,781,707)	(5,622,893)
Basic loss per share (cents per share)	5	(0.84)	(1.72)
Basic loss per share from continuing operations (cents per share)	5	(0.84)	(1.72)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	Consolidated ($) 2016	Consolidated ($) 2015
Assets			
Current Assets			
Cash and cash equivalents	6	2,382,699	2,049,069
Trade and other receivables	7	1,040,155	1,405,712
Other current assets	8	1,184,487	1,060,375
Total Current Assets		4,607,341	4,515,156
Non-Current Assets			
Property, plant and equipment	10	158,714	91,418
Intangible assets	11	2,303,989	5,286,746
Other financial assets	9	19,078	19,078
Deferred tax asset	3	289,467	245,009
Total Non-Current Assets		2,771,248	5,642,251
Total Assets		7,378,589	10,157,407
Liabilities			
Current Liabilities			
Trade and other payables	13	4,387,192	4,246,624
Provisions	14	176,036	195,876
Current tax liabilities		-	93,562
Total Current Liabilities		4,563,228	4,536,062
Non-Current Liabilities			
Trade and other payables	13	13,133	-
Provisions	14	47,921	107,689
Total Non-Current Liabilities		61,054	107,689
Total Liabilities		4,624,282	4,643,751
Net Assets		2,754,307	5,513,656
Equity			
Share capital	15	17,588,248	17,588,248
Reserves	15	1,745,372	1,723,014
Accumulated losses		(16,579,313)	(13,797,606)
Total Equity		2,754,307	5,513,656

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Consolidated ($) Inflows / (Outflows) 2016	2015
Cash flows from operating activities			
Receipts from customers		10,086,596	12,321,905
Payments to suppliers and employees		(10,241,416)	(13,350,925)
Interest received		17,940	22,182
Interest paid		(52)	(487)
Income tax received		632,597	338,007
Net cash provided by/(used in) operating activities	6	495,665	(669,318)
Cash flows (used in)/from investing activities			
Purchase of non-current assets		(162,035)	(46,878)
Net cash used in investing activities		(162,035)	(46,878)
Net increase/(decrease) in cash and cash equivalents		333,630	(716,196)
Cash and cash equivalents at 1 July 2015		2,049,069	2,765,265
Cash and cash equivalents at 30 June 2016	6	2,382,699	2,049,069

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Consolidated	Share Capital	Accumulated Losses	Equity Benefits Reserve	Total
	$	$	$	$
As at 1 July 2014	17,588,248	(8,174,713)	1,723,014	11,136,549
Loss for the year	-	(6,249,289)	-	(6,249,289)
Income tax expense	-	626,396	-	626,396
Balance at 30 June 2015	17,588,248	(13,797,606)	1,723,014	5,513,656
As at 1 July 2015	17,588,248	(13,797,606)	1,723,014	5,513,656
Loss for the year	-	(3,144,914)	-	(3,144,914)
Income tax benefit	-	363,207	-	363,207
Issued shares under employee share plan	-	-	22,358	22,358
Balance at 30 June 2016	17,588,248	(16,579,313)	1,745,372	2,754,307

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The accounting policies detailed below have been consistently applied to all years unless otherwise stated. The financial report is for the consolidated entity consisting of JCurve Solutions Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

JCurve is a listed public company, incorporated in Australia and also operating in South Africa until 30 June 2016.

(b) New and amended standards adopted by the Group

(i) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)

The AASB has clarified that the use of revenue- based methods to calculate the depreciation of an asset is not appropriate. The clarification has had no impact on the Group's depreciation accounting policies.

(c) New accounting standards and interpretations not yet adopted

In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has assessed that there will be no impact on the Group's future financial reporting.

AASB 9 must be applied for financial years commencing on or after 1 January 2018. The Group does not expect to adopt the new standard before 1 July 2018.

(ii) AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements. At this stage, the Group is not able to estimate the effect of the new rules on the Group's financial statements. The Group will make more detailed assessments of the effect over the next twelve months. AASB 15 must be applied for financial years commencing on or after 1 January 2018. The Group does not expect to adopt the new standard before 1 July 2018.

(iii) AASB 16 Leases

The AASB has issued AASB 16 which will replace AASB 117 Leases and a number of interpretations. AASB 16 will provide a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations not yet adopted (continued)

(iii) AASB 16 Leases (continued)

The new standard will have three possible main changes on the Group's accounting for leases:

- Enhanced guidance on identifying whether a contract contains a lease;
- A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet except for short-term leases and leases of low value assets; and
- Enhanced financial statement disclosures.

Lessor accounting will not significantly change under AASB 16.

Management is currently assessing the effects of applying the new standard on the Group's financial statements. There may be an impact on the Group's current property leases. At this stage, the Group is not able to estimate what the effect on the Group's financial statements apart from there being a requirement for additional disclosures. The Group will make more detailed assessments of the effect over the next twelve months. AASB 16 must be applied for financial years commencing on or after 1 January 2019. The Group does not expect to adopt the new standard before 1 July 2019.

(d) Statement of Compliance

The financial report was authorised for issue on 23 August 2016.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of JCurve Solutions Limited and its subsidiaries as at 30 June each year (the Group).

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(f) Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 12.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black - Scholes model, using the assumptions as detailed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Significant accounting judgments, estimates and assumptions (continued)

(iii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over future years together with future tax planning strategies.

(iv) Recognition of subscription costs of sales

The recognition of the license cost associated with each JCurve software subscription is estimated on a gross margins basis and is amortised over the life of the contract in a manner consistent with the method for recognising the revenue.

(v) Identification of intangible assets on acquisition

The definition of an intangible asset requires an intangible asset to be identifiable to distinguish it from goodwill. Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. The future economic benefits may result from synergy between the identifiable assets acquired or from assets that, individually, do not qualify for recognition in the financial statements.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
- arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

(g) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of JCurve.

(h) Revenue Recognition

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

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Subscription revenue

Subscription revenue comprises the recurring monthly fee from customers who subscribe to JCurve software services. Customers are invoiced annually in advance. The contract term is generally a 12-month contractual term. Revenue is recognised as the services are provided to the customer. Revenues that are not yet recognised at year end are recognised in the Statements of Financial Position as unearned income and included within current liabilities or non-current liabilities depending on the contractual term.

(iii) Rendering of services

Revenue from the rendering of services is recognised upon delivery of the service to the customer.

(iv) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs - refer Note 1 (i).

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Income tax

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax (continued)

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Tax Consolidation Legislation
JCurve Solutions and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

JCurve Solutions Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or Liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

(n) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(o) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Business Combinations (continued)

On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(p) Property, plant & equipment and depreciation and amortisation

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Depreciation is calculated on a straight line basis over the estimated useful life of the assets.

Leasehold improvements are amortised over the period of the lease or the estimated useful life, whichever is the shorter, using the straight-line method. The following estimated useful lives are used in the calculation of depreciation and amortisation:

Plant and equipment	2 – 14 years
Leasehold improvements	1 – 6 years

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

(i) Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

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

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

(q) Investments in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Investments in associates and joint ventures (continued)

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised on the consolidated statement of financial position and adjusted thereafter to recognised the Groups' share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceased to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised I other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassified to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(r) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Interests in joint operations (continued)

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interests a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(s) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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 groups 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; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or 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 an 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.

Impairment losses recognised for goodwill are not subsequently reversed.

(t) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

(u) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(w) Employee benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and 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 period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(y) Share-based transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black- Scholes model, further details of which are given in Note 16.

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(z) Loss per share

Basic loss per share is calculated as net profit/loss 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 loss per share is calculated as net profit/loss 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 period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) Foreign currency translation

Both the functional and presentation currency of JCurve Solutions Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: REVENUES AND EXPENSES

	Consolidated ($)	
	2016	**2015**
(a) Revenue		
Telecommunications expense management – Australia	4,344,714	5,664,618
Telecommunications expense management – South Africa	-	704,165
IBM software licences & maintenance renewals	-	405,343
Computer services & subscriptions	-	372,170
JCurve cloud software & solutions	5,075,453	4,137,078
Gain on sale of Resources System	-	36,027
Interest income	17,940	22,182
Other income	34,886	2,306
	9,472,993	11,343,889

	Consolidated ($)	
	2016	**2015**
(b) Expenses		
Interest expense	52	487
Depreciation of non-current assets	48,299	71,154
Operating lease rental expense: minimum lease payments	346,269	308,345
Amortisation of intangibles	2,264	117,143
Directors' Fees (includes superannuation)	245,865	363,969
Consultancy Fees	77,200	389,115

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3: INCOME TAX

	Consolidated ($)	
	2016	2015
Income tax recognised in profit or loss		
The major components of tax expense are:		
Current tax benefit	(49,404)	(507,793)
Origination and reversal of temporary differences	64,418	(243,321)
Under/(over) provision from prior years - current tax	(378,221)	124,718
Total tax (benefit)/expense	(363,207)	(626,396)
Attributable to:		
Continuing operations	(363,207)	(626,396)
The prima facie income tax (benefit)/expense on pre-tax accounting (loss)/profit from continuing operations reconciles to the income tax (benefit)/expense in the financial statements as follows:		
Accounting loss before tax	(3,144,914)	(6,249,289)
Income tax benefit calculated at 30%	(943,474)	(1,874,787)
Deferred tax expense relating to the origination and reversal of temporary differences:		
Permanent differences - non assessable income	14,936	(10,438)
Impairment of goodwill and intangibles	894,148	1,550,102
Non-deductible expenses	-	88,710
Research and development tax incentive (1)	-	(723,495)
Tax losses not brought to account	49,404	218,794
Under/(over) provision in prior years	(378,221)	124,718
Income tax benefit reported in the Statement of Comprehensive Income	(363,207)	(626,396)
Net Deferred Tax Asset		
Analysis of deferred tax assets:		
Tax losses recognised and available to offset against future taxable income (2)	-	-
Accruals and provisions	289,467	245,009
	289,467	245,009
Analysis of deferred tax liabilities:		
Capitalised research and development	-	-
Prepayments	-	-
	-	-
Net Deferred Tax Asset	289,467	245,009

(1) An estimate for the R&D tax incentive has not been accrued for the year ending 30 June 2016.

(2) The balance of recouped tax losses that have not been recognised in the Financial Statements amount to $1,548,398 (2015: $1,383,718 after adjusting for the prior year over provision). The deductible temporary differences and tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future tax profits will be available against which the Group can utilise the benefits thereof.

Tax Consolidation
JCurve Solutions and its 100% owned Australian resident subsidiaries implemented the tax consolidation legislation from 1 January 2014. The accounting policy for the implementation of the tax consolidation legislation is set out in note 1 (m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3: INCOME TAX (continued)

The entities in the tax consolidated group have entered into a tax sharing agreement on adoption of the tax consolidation legislation which, in the opinion of the directors, limits the joint and several liability of the controlled entities in the case of a default by the head entity, JCurve Solutions.

JCurve Solutions and its controlled entities have entered into a tax funding agreement under which the 100% owned Australian resident subsidiaries compensate JCurve Solutions for all current tax payable assumed and are compensated by JCurve Solutions for any current tax receivable and deferred tax assets which relate to unused tax credits or unused tax losses that, under the tax consolidation legislation, are transferred to JCurve Solutions. These amounts are determined by reference to the amounts which are recognised in the financial statements of each entity in the tax consolidated group.

The amounts receivable/ payable under the tax funding agreement are due on receipt of the funding advice from JCurve Solutions, which is issued as soon as practicable after the financial year end. JCurve Solutions may also require payment of interim funding amounts to assist with obligations to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

NOTE 4: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Directors of JCurve Solutions Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. The Group operates predominantly in one business and geographical segment being the software development and software solutions industry providing services for corporate and government clientele predominately throughout Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTE 5: LOSS PER SHARE

	Consolidated	
	2016	**2015**
	$	**$**
Earnings used for calculation of basic and diluted earnings per share		
Loss from operations	(2,781,707)	(5,622,893)
	No.	**No.**
Weighted average number of shares used for calculation of basic and diluted EPS		
Weighted average number of shares	332,207,720	327,856,900
	Cents per share	**Cents per share**
Earnings used for calculation of basic and diluted earnings per share		
Basic loss per share (cents per share)	(0.84)	(1.72)
Diluted loss per share (cents per share)	(0.84)	(1.72)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated ($)	
	2016	2015
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	2,382,699	2,049,069

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 30 June 2016, the Group has no committed borrowing facilities.

	2016	2015
Reconciliation of (loss)/profit for the year after tax to net cash flows from operating activities		
(Loss)/profit for the year	(2,781,707)	(5,622,893)
Non cash flows in operating (loss)/profit:		
Depreciation and amortisation from continuing operations	50,563	188,297
Impairment from continuing operations	2,980,493	5,167,008
Loss on disposal of fixed assets	46,440	-
Equity settled share based payment	22,358	-
Gain on sale of investment – Resources Systems	-	(36,027)
(Increase)/decrease in assets:		
Trade and other receivables	365,557	1,350,112
Other current assets	(124,112)	(432,304)
Other financial assets	-	12,778
Deferred tax assets	(44,458)	(27,397)
Increase/(decrease) in liabilities:		
Trade and other payables – Current	140,568	(1,228,859)
Provisions – Current	(19,840)	-
Current tax liabilities	(93,562)	82,287
Trade and other payables – Non-current	13,133	-
Provisions – Non-current	(59,768)	(122,320)
Net cash used in operating activities	495,665	(669,318)

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated ($)	
	2016	2015
Current:		
Trade receivables (i)	1,171,762	1,531,139
Allowance for doubtful debts	(131,607)	(135,058)
Accrued revenue	-	9,631
	1,040,155	1,405,712

(i) the average credit period on sales of goods and rendering of services is 30 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. Refer to note 17 for ageing of receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 8: OTHER CURRENT ASSETS

	Consolidated ($)	
	2016	2015
Prepayments	78,309	61,925
Term deposit	170,907	-
Research and development rebate	-	333,317
Deferred expenditure	899,514	637,996
Sundry debtors	35,757	27,137
	1,184,487	1,060,375

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated ($)	
	2016	2015
Security Deposits	19,078	19,078

NOTE 10: PLANT AND EQUIPMENT

	Consolidated ($)	
	2016	2015
Plant and equipment, at cost	226,976	679,618
Less accumulated depreciation	(68,761)	(589,033)
Net carrying amount	158,215	90,585
Leasehold improvements, at cost	1,000	44,120
Less accumulated depreciation	(501)	(43,287)
Net carrying amount	499	833
Total net carrying amount	158,714	91,418

Reconciliations: Consolidated

	Plant & Equipment $	Leasehold Improvements $	Total $
Movements:			
Net carrying amounts as at 30 June 2014	103,576	12,118	115,694
Disposals	(151,318)	(24,985)	(176,303)
Additions	45,878	1,000	46,878
Depreciation write-back on disposals	151,311	24,986	176,297
Depreciation charges	(58,862)	(12,286)	(71,148)
Net carrying amounts as at 30 June 2015	90,585	833	91,418
Disposals	(614,677)	(43,120)	(657,797)
Additions	162,035	-	162,035
Depreciation write-back on disposals	568,237	43,120	611,357
Depreciation charges	(47,965)	(334)	(48,299)
Net carrying amounts as at 30 June 2016	158,215	499	158,714

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: INTANGIBLE ASSETS

Consolidated	Licences & Other Intangibles	Goodwill	Total
	$	$	$
Year ended 30 June 2015			
At 1 July 2014, net of accumulated amortisation and impairment	3,553,396	7,017,501	10,570,897
Additions	-	-	-
Amortisation	(117,143)	-	(117,143)
Impairment charge	(1,160,000)	(4,007,008)	(5,167,008)
At 30 June 2015, net of accumulated amortisation and impairment	2,276,253	3,010,493	5,286,746
Year ended 30 June 2016			
At 1 July 2015, net of accumulated amortisation and impairment	2,276,253	3,010,493	5,286,746
Additions	-	-	-
Transfers	30,000	(30,000)	-
Amortisation	(2,264)	-	(2,264)
Impairment charge	-	(2,980,493)	(2,980,493)
At 30 June 2016, net of accumulated amortisation and impairment	2,303,989	-	2,303,989

Goodwill is subject to annual impairment testing (see Note 12).

An impairment loss of $2,980,493 (2015: $5,167,008) was recognised for the Group's continuing operations in the 2016 financial year. The net assets as at 30 June 2015 included goodwill for The Full Circle Group Pty Ltd $2,623,097 and Phoneware Pty Ltd $357,396. These assets are now fully impaired and have a carrying value of $nil as at 30 June 2016, due to reduced future cash inflows as a result of changes in market forces. Further explanation of the factors that lead to the impairment charge are noted in Note 12.

NOTE 12: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

Goodwill acquired through business combinations has been allocated to 3 individual cash generating units **(CGU)** for impairment testing as follows:

- Phoneware;
- JCurve Business Software;
- The Full Circle Group.

Phoneware

The recoverable amount of the Phoneware product division was determined based on a value in use calculation using cash flow projections covering a 5-year period. The discount rate applied to cash flow projections is 12% (2015: 12%). Based on these value in use calculations, the remaining Phoneware Goodwill balance of $357,396 was assessed as being fully impaired and an impairment charge of $357,396 was recognised (2015: nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES (continued)

JCurve Business Software

The JCurve Business Software intangible asset balance relates to the recoverable amount of the amount paid for the purchase of the exclusive reseller agreement with NetSuite. This Agreement provides JCurve Solutions with exclusive selling rights for the JCurve edition of the NetSuite business software for an indefinite period. The NetSuite agreement provides that in the event of cancellation of the Agreement, the customers of JCurve would be assigned to NetSuite and NetSuite would be required to pay JCurve a royalty of 30% of the future revenue stream to NetSuite for a 3-year period. On the basis of current trends, JCurve Business Software revenue is increasing year on year, and should this trend continue, it is unlikely that there will be impairment in future periods.

The recoverable amount of any royalty payment from NetSuite has been determined based on a value in use calculation using cash flow projections covering a 3-year period. The discount rate applied to the contractual royalty cash flow projections is 6.25% (2015: 6.25%). Based on these value in use calculations, there is no impairment for the year ended 30 June 2016 (2015: $5,167,008 which was applied to Goodwill $4,007,008, the NetSuite License $797,142 and the implementation wizard $362,858).

The carrying value of the NetSuite License remains $2,303,989.

If the discount rate applied was 10% higher the recoverable amount would decrease by $28,178 and if the discount rate applied was 10% lower the recoverable amount would increase by $28,321. If the royalty cash flow projections applied was 10% higher the recoverable amount would increase by $351,071 and if the royalty cash flow projections applied was 10% lower the recoverable amount would decrease by $351,071.

The Full Circle Group

Goodwill of $2,623,097 was recorded on the acquisition of the Full Circle Group which occurred on 17 June 2014. The recoverable amount of The Full Circle Group Goodwill has been determined based on a value in use calculation using cash flow projections covering a 5-year period. The discount rate applied to cash flow projections is 12% (2015: 12%). Based on these value in use calculations, the remaining Full Circle Group Goodwill balance of $2,623,097 was assessed as being fully impaired and an impairment charge of $2,623,097 was recognised (2015: nil).

Carrying amount of intangibles allocated to each of the cash generating units

	Consolidated ($)			
	Phoneware	Full Circle	JCurve Business Software	Total
At 30 June 2015				
Carrying amount of goodwill	387,396	2,623,097	-	3,010,493
Carrying amount of licences & other intangibles	-	3,396	2,272,857	2,276,253
Total	387,396	2,626,493	2,272,857	5,286,746
At 30 June 2016				
Carrying amount of goodwill	-	-	-	-
Carrying amount of licences & other intangibles	-	1,132	2,302,857	2,303,989
Total	-	1,132	2,302,857	2,303,989

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated ($) 2016	2015
Current:		
Trade payables (i)	356,777	364,097
Other payables	373,240	483,213
Accrued expenses	634,090	638,230
Unearned Income	3,023,085	2,761,084
	4,387,192	4,246,624
Non-current:		
Unearned Income	13,133	-
	13,133	-

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the effective interest rate and credit risk of current payables is set out in Note 17.

NOTE 14: PROVISIONS

	Consolidated ($) 2016	2015
Current:		
Annual leave	176,036	195,876
	176,036	195,876
Non-current:		
Provision for long service leave	47,921	107,689
	47,921	107,689

NOTE 15: SHARE CAPITAL AND RESERVES

Ordinary shares issued and fully paid (i)	17,382,891	17,382,891
Unissued shares (ii)	205,357	205,357
	17,588,248	17,588,248

(i) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	No.	$
At 1 July 2014	327,856,900	17,382,891
Shares issued	-	-
At 30 June 2015	327,856,900	17,382,891
Shares issued (a)	6,800,000	-
Share by back and cancellation (a)	(2,000,000)	-
At 30 June 2016	332,656,900	17,382,891

(a) Shares issued and bought back under the Employee Share Plan. Refer to Note 16(a) for further information.

(ii) Movement in unissued shares

At 1 July 2014	-	-
Deferred consideration (a)	4,464,285	205,357
At 30 June 2015	4,464,285	205,357
Deferred consideration	-	-
At 30 June 2016	4,464,285	205,357

(a) Unissued shares in respect of the Full Circle acquisition to which the earn out levels were not achieved.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 15: SHARE CAPITAL AND RESERVES (continued)

Shares issued under Employee Share Plan – in escrow

JCurve Solutions Limited issued a total of 6,800,000 shares to employees (4,800,000) and Directors (2,000,000) during the year ending 30 June 2016 under an Employee Share Plan. Refer to Note 16(a) for further information.

Share Option Plan - Acquisition of JCurve Business Software

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its' subsidiary JCurve Business Software Pty Ltd in October 2013. Refer to Note 16(b) for further information.

Reserves	**2016**	**2015**
	$	**$**
Balance at the start of the year	1,723,014	1,723,014
Issued shares under Employee Share Plan	15,547	-
Shares cancelled under Employee Share Plan	6,811	-
Balance at the end of the year	1,745,372	1,723,014

Nature and purpose of reserves

Employee Equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to Note 16 for further details of the plan.

NOTE 16: SHARE BASED PAYMENT PLANS

(a) Shares issued under Employee Share Plan

An employee share plan was approved by shareholders at the Annual General Meeting held on 31 October 2013. On 11 September 2015, 4,800,000 shares (valued at $27,281) were issued to employees under the employee share plan with payment via a non-recourse loan.

Following approval by shareholders at the Annual General Meeting held on 17 November 2015, on 7 December 2015, 1,000,000 shares were issued to both Bruce Hatchman and David Franks (2,000,000 in total valued at $16,367) under the Employee Share Plan with payment via a non-recourse loan.

The shares remain in escrow until 11 September 2017 and 7 December 2017.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 15.

2,000,000 of the shares issued under the Employee Share Plan (valued at $15,914) were bought back by the JCurve during the year in accordance with the terms of the Employee Share Plan.

(b) Share Option Plan – Acquisition of JCurve Business Software

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its subsidiary JCurve Business Software Pty Ltd.

The contractual life of each option granted is between 3 and 5 years. There are no cash settlement alternatives.

NOTE 16: SHARE BASED PAYMENT PLANS (continued)

(b) Share Option Plan - Acquisition of JCurve Business Software (continued)

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2016		2015	
	No.	**Weighted average exercise price**	**No.**	**Weighted average exercise price**
Outstanding at the beginning of the year	35,714,284	$0.000001	35,714,284	$0.000001
Expired during the year	(8,928,571)	-	-	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	26,785,713	$0.000001	35,714,284	$0.000001
Exercisable at the end of the year	26,785,713		35,714,284	

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 is between 1 and 3 years (2015: 1 and 4 years).

The range of exercise prices for options outstanding at the end of the year was $0.000001 (2015: $0.000001).

8,928,571 of options expired during the year.

The outstanding balance of share options as at 30 June 2016 is represented by:

- 8,928,571 options which automatically vest when the share price reaches 10.0c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 options which automatically vest when the share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018;
- 8,928,571 options which automatically vest when the share price reaches 15.0c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019

NOTE 17: FINANCIAL INSTRUMENTS

(a) Capital risk management

Capital risk is managed and monitored by liaising with banks and communicating with shareholders. JCurve considers new government legislation and monitors the market place by canvassing information from stockbrokers and investors.

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management adjust the capital structure as necessary to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(b) Categories of financial instruments

	Consolidated ($)	
	2016	**2015**
Financial assets		
Cash and cash equivalents	2,382,699	2,049,069
Receivables	1,040,155	1,405,712
Other current assets	170,907	-
Other financial assets	19,078	19,078
Financial liabilities		
Payables	4,400,325	4,246,624

The Group has no derivative instruments in designated hedging relationships.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: FINANCIAL INSTRUMENTS (continued)

(c) Financial Risk Management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Group's principal financial liabilities are trade payables and unearned income which arise during the course of operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Group's policy throughout 2016 has remained that no trading in derivatives shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees on policies for managing each of these risks which are summarised in following pages.

(d) Interest Rate Risk

The following table sets out the carrying amount, by maturity, of the Group's financial instruments including those exposed to interest rate risk:

	Consolidated			
	Within 1 year	**1 to 5 years**	**Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**%**
Year ended 30 June 2016				
Financial assets				
Trade and other receivables	1,040,155	-	1,040,155	
	1,040,155	-	1,040,155	
Floating rate:				
Cash Assets	2,382,699	-	2,382,699	0.95%
Other Current Assets	170,907	-	170,907	3.03%
	2,553,606	-	2,553,606	
	3,593,761	-	3,593,761	
Financial liabilities				
Payables	4,387,192	13,133	4,400,325	
	4,387,192	13,133	4,400,325	
Year ended 30 June 2015				
Financial assets				
Trade and other receivables	1,405,712	-	1,405,712	
	1,405,712	-	1,405,712	
Floating rate:				
Cash Assets	2,049,069	-	2,049,069	2.33%
	2,049,069	-	2,049,069	
	3,454,781	-	3,454,781	
Financial liabilities				
Payables	4,246,624	-	4,246,624	-
	4,246,624	-	4,246,624	

For all financial instruments, the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised forms.

NOTE 17: FINANCIAL INSTRUMENTS (continued)

(d) Interest Rate Risk (continued)

Interest on financial instruments classified as floating rate is fixed at intervals of less than one year. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss before tax would increase by $12,768 and decrease by $8,864 respectively (2015: increase by $4,757 and decrease by $4,757). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash deposits.

(e) Price Risk – Equity and Commodity

The Group's exposure to commodity and equity securities price risk is minimal.

(f) Foreign Currency Risk

The Group has minimal exposure to foreign currency risk as the Group trades mainly within Australia. The Joint Venture contract for in South Africa stipulates that the service revenue will be billed in Australian dollars.

(g) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

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

At 30 June 2016, the ageing analysis of trade receivables is as follows:

Consolidated	Total	0-30 days	0-30 days CI*	31-60 days	31-60 days CI*	61-90 Days PDNI*	61-90 Days CI*	+91 days PDNI*	+91 days CI*
	$	$	$	$	$	$	$	$	$
2016	1,171,762	359,337	1,028	355,942	4,125	104,897	12,084	242,219	92,130
2015	1,531,139	765,893	-	273,253	-	136,259	-	220,677	135,057

* **PDNI** - Past due not impaired

CI - Considered impaired

The receivables which are past due but not considered impaired was $347,116 (2015: $356,936).

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: FINANCIAL INSTRUMENTS (continued)

(h) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 18: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

There are no commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date.

Operating Lease Commitments

The Group had the following operating lease commitments at balance date:

	Consolidated ($)	
	2016	**2015**
Within one year	272,515	53,457
After one year but not more than five years	798,474	79,239
	1,070,989	132,696

Contingent Liabilities

The Group does not have any contingent liabilities.

NOTE 19: EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since 30 June 2016 that significantly affect, 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.

NOTE 20: AUDITOR'S REMUNERATION

The auditor of JCurve Solutions Limited is HLB Mann Judd.

	Consolidated ($)	
	2016	**2015**
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	84,177	82,500

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21: INTEREST IN JOINT OPERATION

The Group's 50% interest in the Webhouse Software joint venture, which was involved in providing telecommunications expense management solutions in South Africa was sold on the 30 June 2016. The entity was deconsolidated as at 30 June 2016 and shares in the joint venture were sold to the joint venture partner for consideration of $1.

The share of the assets, liabilities, revenue and expenses of the jointly controlled operation, which are included in the consolidated financial statements, are as follows:

	2016	2015
Current assets		
Trade and other receivables	-	89,567
Total current assets	-	89,567
Non-current assets		
Total Non-current assets	-	-
Current liabilities		
Trade and other payables	-	-
Total current liabilities	-	-
Non-current liabilities		
Total Non-current liabilities	-	-

	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Operating Revenue	-	704,165
Interest Revenue	-	809
Administrative expenses	-	(1,713)
Communications expenses	-	-
Consultancy expenses	-	(19,491)
Travel expenses	-	-
Profit before income tax	-	683,770
Income tax expense	-	-
Net Profit	-	683,770

There were no capital commitments and guarantees. There were no impairment losses in the jointly controlled operation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 22: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of JCurve Solutions Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2016	% Equity Interest 2015
JCurve Services Pty Ltd	Australia	-	100
JCurve Business Software Pty Ltd	Australia	100	100
Mobile Fleet Pty Ltd	Australia	-	100
Fleet Manager Pty Ltd	Australia	100	100
Phoneware Pty Ltd	Australia	100	100
Interfleet Pty Ltd	Australia	100	100
The Full Circle Group Pty Ltd	Australia	100	100

JCurve Solutions Limited is an Australian entity and ultimate parent of the Group. JCurve Business Software Pty Ltd, Fleet Manager Pty Ltd, Phoneware Pty Ltd, Interfleet Pty Ltd and The Full Circle Group Pty Ltd are all incorporated in Australia.

JCurve Services Pty Ltd and Mobile Fleet Pty Ltd which were no longer trading entities as at 30 June 2015 were deregistered on 19 August 2015.

NOTE 23: PARENT ENTITY DISCLOSURES

Financial position

	30 June 2016 $	30 June 2015 $
Assets		
Current assets	2,422,630	2,331,247
Non-current assets	1,107,113	2,863,480
Total assets	3,529,743	5,194,727
Liabilities		
Current liabilities	670,458	1,182,421
Non-current liabilities	104,978	89,267
Total liabilities	775,436	1,271,688
Net Assets	2,754,307	3,923,039
Equity		
Issued capital	17,588,248	17,588,248
Accumulated losses	(16,556,955)	(15,388,223)
Reserves	1,723,014	1,723,014
Total equity	2,754,307	3,923,039

Financial Performance	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Net profit/(loss) for the year	(1,168,732)	(447,411)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 24: DIRECTORS AND EXECUTIVE DISCLOSURES

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

	30 June 2016 $	30 June 2015 $
Short-term employee benefits	734,499	1,378,986
Post-employment benefits	62,450	101,832
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	14,852	-
Total Compensation	811,801	1,480,818

NOTE 25: GOING CONCERN

The Group incurred a loss after tax of $2,781,707 (2015: $5,622,893), which included an impairment charge of $2,980,493 (2015: $5,167,008). At balance date, the Group has cash assets of $2,382,699 (2015: $2,049,069) and a working capital position of $44,113 (2015: negative working capital position of $20,906). The working capital position of $44,113 includes unearned revenue of $3,036,218 (2015: $2,761,084).

Whilst the recognition of unearned revenue acknowledges there are future obligations in terms of services to be provided this does not represent a future cash outlay. The Group has prepared cash flow forecasts based on expected future cash inflows and expected future cash outlays and, on the basis of these cash forecasts, and with reference to the cash flow statement incorporated into these Financial Statements, in the opinion of the Directors, the Group will be able to pay its debts as and when they fall due.

DIRECTORS' DECLARATION

1. In the opinion of the directors:

(a) the financial statements and notes set out on pages 19 to 48 are in accordance with the *Corporations Act 2001*, including:

(i) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is signed in accordance with a resolution of the Board of Directors.

B Hatchman

Chairman

Dated 23 August 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of JCurve Solutions Limited

Report on the Financial Report

We have audited the accompanying financial report of JCurve Solutions Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated 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 about whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

Auditor's opinion

In our opinion:

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

  (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and 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(d).

Report on the Remuneration Report

We have audited the Remuneration Report included in 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.

Auditor's opinion

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
23 August 2016

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Shareholder information

(a) Distribution of shareholder and listed option holder numbers

Category	Ordinary	Units	% of Issued Capital
1 - 1,000	54	3,233	0.00%
1,001 - 5,000	11	38,413	0.01%
5,001 - 10,000	47	408,329	0.12%
10,001 - 100,000	303	15,766,845	4.74%
100,001 - and over	322	316,440,080	95.13%
	737	**332,656,900**	**100.00%**

There are 142 shareholders that hold less than a marketable parcel as at 31 July 2016.

(b) Substantial shareholders

The names of the substantial shareholders listed in the Group's register as at 30 June 2016 and 31 July 2016 are:

	30 June 2016		31 July 2016	
Shareholder	**Number of ordinary shares held**	**% held of ordinary share capital**	**Number of ordinary shares held**	**% held of ordinary share capital**
Gramell Investments Pty Limited	83,124,215	25.35	83,124,215	25.35
Mr Mark Jobling	51,204,301	15.62	51,204,301	15.62
Two Tops Pty Ltd	31,198,481	9.52	-	-

(c) Voting rights

At members' meetings, each eligible voter (i.e. eligible member, proxy, attorney or representative of an eligible member) has one vote on a show of hands; and one vote on a poll (except where a share has not been fully paid, that share will only confer that fraction of one vote which has been paid, and if the total number of votes does not constitute a whole number, the fractional part of that total will be disregarded). This is subject to the following:

Where any calls due and payable have not been paid;

Where there is a breach of a restriction agreement;

Where a member and their proxy or attorney are both present at the meeting, or if more than one proxy or attorney is present;

Where a vote on a particular resolution is prohibited by the *Corporations Act 2001*, Listing Rules, ASIC or order of a Court.

(d) Company secretary

The name of the company secretary is David Franks.

(e) Registered office

The address of the principal registered office in Australia is:
Level 8, 9 Help Street
Chatswood NSW 2067

(f) Register of securities

The registers of securities are held at the following address:
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Ph. (08) 9323 2000

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

(g) Top 20 Registered Holders – Ordinary Shares as of 31 July 2016

	Name	Number of Ordinary Shares	% of Ordinary Shares Held
1	GRAMELL INVESTMENTS PTY LIMITED <SUPERANNUATION FUND	83,124,215	24.99
2	MR MARK CHRISTOPHER JOBLING	47,899,564	14.4
3	POTENTATE INVESTMENTS PTY LIMITED	6,330,943	1.9
4	COMSEC NOMINEES PTY LIMITED	6,242,325	1.88
5	LTL CAPITAL PTY LTD <LTL CAPITAL TRADING A/C>	6,000,000	1.8
6	MR WAFA MUHAMMAD IQBAL	4,500,000	1.35
7	MR STEPHEN CANNING	3,233,418	0.97
8	NETSHARE NOMINEES PTY LTD	3,120,000	0.94
9	ALET INVESTMENTS PTY LTD	3,007,783	0.9
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,951,875	0.89
11	MR MARK JAMES STEMMER	2,768,964	0.84
12	MR PETER GRAHAM DORAN + MRS BARBARA LINDA DORAN <DORAN & SONS FAMILY A/C>	2,271,973	0.69
13	CORNELA PTY LTD	2,000,000	0.6
14	MRS GLENYS KAYE DOUGHTY	2,000,000	0.6
15	PATEL FAMILY SUPERANNUATION PTY LTD <PATEL FAMILY SUPER FUND A/C>	2,000,000	0.6
16	MISS BILIYANA PETRESKA	2,000,000	0.6
17	MR TONY MICHAEL SIMMONS	2,000,000	0.6
18	MR MICHAEL STARR	2,000,000	0.6
19	TWENTY TEN ENTERPRISES PTY LTD <TWENTY TEN INVESTMENTS A/C>	2,000,000	0.6
20	GLEN ALPINE PTY LTD <HILEY S/F A/C>	1,970,710	0.59
	TOTAL HELD BY TOP 20 HOLDERS	**187,421,770**	**56.34**
	TOTAL HELD BY REMAINING SHAREHOLDERS	**145,235,130**	**43.66**

(h) Stock exchange listing– ordinary shares (as of 30 June 2016)

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange.

(i) Restricted securities

As at 30 June 2016 and 31 July 2016 there are no restricted security classes recorded in the Company's share register.

(j) Unquoted securities

The unquoted securities of the Company as at 31 July 2016 are 26,785,713 Options are outlined below

Number of Options	Exercise Price	Expiry Date	Number of Holders
8,928,571	$0.000001	31 March 2017	1
8,928,571	$0.000001	31 March 2018	1
8,928,571	$0.000001	31 March 2019	1

(k) Listing Rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of JCurve is scheduled for 22 November 2016.