FAMILY INSIGHTS GROUP LIMITED

ACN 096 870 978
(Formerly Wangle Technologies Limited)

REISSUED ANNUAL FINANCIAL REPORT & REISSUED AUDITOR'S REPORT

FOR THE YEAR ENDED
30 JUNE 2019

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ANNUAL REPORT
for the year ended 30 June 2019

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Jonathon Wild	Non-Executive Chairman
Mr Sean Smith	Managing Director and Chief Executive Officer
Mr Mathew Walker	Non-Executive Director

REGISTERED OFFICE

Suite 9, 330 Churchill Avenue
Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

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Subiaco WA 6008
AUSTRALIA

POSTAL ADDRESS

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Subiaco WA 6904
AUSTRALIA

CONTACT INFORMATION

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www.familyinsightsgroup.com

EXCHANGE

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152-158 St George's Terrace
Perth WA 6000

ASX Codes: FAM (Shares), FAMO (Options)

AUDITORS

Pitcher Partners BA & A Pty Ltd
Level 11, 12-14 The Esplanade
Perth WA 6000
AUSTRALIA

LAWYERS

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Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000
AUSTRALIA

SHARE REGISTRY

Automic
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DIRECTORS' REPORT

The directors of Family Insights Group Limited (**ASX: FAM**) (**Company** or **Family Insights**) submit herewith the annual financial report of the Company and its controlled entities (**Group**) for the financial year ended 30 June 2019 (**Report**).

DIRECTORS

The names and particulars of the directors of the Group in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

MR JONATHON WILD
NON-EXECUTIVE CHAIRMAN

Jon Wild has been a marketing leader for the past twenty years across a diverse range of categories and companies including Unilever, British Telecom (where he launched the O2 brand in Europe), Telstra, Orbitz Worldwide and more recently at Groupon (NASDAQ:GRPN) in roles including CMO (APAC) and VP of Marketing (North America). Jon has extensive mobile, digital and commercial experience having led marketing strategy from start-ups to large multinational corporate organisations. His passion for disruptive narratives combined with a strong understanding of how technology is constantly changing the interaction between people, brands and business have built Jon's international reputation for marketing strategy leadership.

Mr Jon Wild has not been a director of any other listed entity in the last three years.

MR SEAN SMITH
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Sean Smith has almost two decades of experience growing and leading teams for a range of different sized business' including ASX-list Australian companies, NYSE-listed global businesses and one of Australia's privately funded start-up success stories. Most recently as Head of Customer Experience for Woolworth's Endeavour Drinks Group across its portfolio of liquor brands including Dan Murphy's, Cellarmasters, Langtons, WineMarket and BWS, Sean built customer experience and analytics teams focused on increasing customer retention, value and sustained profitability in a fast paced and crowded market environment.

Sean's extensive experience in the Australian marketplace includes Head of Marketing for online restaurant booking app, Dimmi, where he successfully launched the consumer proposition focusing on customer acquisition, retention and value growth. He led brand, communications and data strategy for HotelClub, an online hotel booking site owned by multinational travel business Orbitz Worldwide, where his focus included customer lifecycle strategy, customer experience and owned media commercialisation. Sean's experience and expertise includes general management, P&L responsibility, omni-channel retail, customer experience, data strategy, marketing technology and marketing strategy.

Mr Sean Smith has not been a director of any other listed entity in the last three years.

MATHEW WALKER *(Appointed 9 July 2018)*
NON-EXECUTIVE DIRECTOR

Mathew Walker is a businessman and entrepreneur with extensive experience in the management of public and private companies, corporate governance and in the provision of corporate advice. In a management career spanning three decades, Mathew has served as executive Chairman or Managing Director for public companies with operations in North America, South America, Africa, Eastern Europe, Australia and Asia.

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Mathew is the co-founder and Chairman of the Cicero Advisory Services Pty Ltd (**Cicero Advisory**) and the former Chairman of Yojee Limited (ASX: YOJ). He is also a director of Corizon Limited (ASX: CIZ) and co-founder and director of the Stone Axe Pastoral Company.

Mr Mathew Walker has been a director of the following listed entities in the last three years:

Corizon Limited
Yojee Limited (resigned 9 June 2017)
Intiger Asset Management (resigned 7 August 2017)

MR JAMES ROBINSON *(Resigned 9 July 2018)*
NON-EXECUTIVE DIRECTOR

James has gained extensive capital markets and advisory experience during over 15 years with some of Western Australia's leading corporate advisory, funds management and stockbroking firms. Since 2008 James has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.

James currently serves as a General Partner of ESVCLP Fund, Alchemy Venture Capital, a non-executive director of Jacka Resources Limited and as a founding shareholder of the Stone Axe Pastoral Company. Along with his various personal interests, he is also Managing Director of Cicero Advisory Services Pty Ltd (**Cicero Advisory**). James is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

Mr James Robinson has been a director of the following listed entities in the last three years:

Jacka Resources Limited (resigned 12 August 2018)

MR QUINTON MEYERS
COMPANY SECRETARY

Mr. Meyers holds a Bachelor of Commerce, majoring in Accounting and Finance, and has been working within accounting firms since 2015. Mr. Meyers has performed a range of accounting and Company Secretarial duties for public and private companies and is experienced in audit management, preparation of accounts, capital budgeting and ASX listing rules. In addition to his position at Family Insights Group Limited, Quinton currently serves as Company Secretary for ASX listed entity Blaze International Limited (ASX: BLZ).

DIRECTORS' SHAREHOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in pre-consolidated shares and options of Family Insights Group Limited and the relevant changes since 30 June 2018:

Directors	At Ordinary Shares[(i)]		Options over Ordinary Shares[(i)]	
	At Date of Report Current Holdings	Net increase/ (decrease)	Holdings at Date of Report	Net increase/ (decrease)
Mr Jonathon Wild	50,000,000	48,000,000	76,000,000	70,000,000
Mr Sean Smith	5,500,000	2,000,000	101,750,000	90,000,000
Mr Mathew Walker	300,000,000	250,000,000	-	-

(i) All references to securities in the Company have been reported on a pre-consolidation basis.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' reports and in the financial report have been rounded to the nearest dollar.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report on pages 5 - 10. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based compensation
D. Directors' equity holdings
E. Relationship between the remuneration policy and company performance

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE NATURE & AMOUNT OF REMUNERATION

The whole Board form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- The directors and executives who receive the superannuation guarantee contribution, as required by the government, received 9.5% of base salary for the year ended 30 June 2019 and do not receive any other retirement benefits.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, which during the year none was required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group.
- In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Group and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. No external remuneration consultant was used during the year.
- All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

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The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. The Group currently has no performance-based remuneration component built into director and executive remuneration packages.

NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive directors consists of directors' fees, payable in advance. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Group's Non-Executive directors are eligible to receive fees for their services in addition to their role and the reimbursement of reasonable expenses.

OTHER BENEFITS

During the year ended 30 June 2019, the Non-Executive directors of the Group implemented an incentive package for the Group's Managing Director and Chief Executive Officer, Mr Sean Smith, to ensure the achievement of short-term operation goals of the Group.

The incentive package consisted of four different tranches of a $15,000 cash payment to Mr Sean Smith for the total of possible cash payment of $60,000.

The milestones were set by the Non-Executive Directors of the Group, Mr Jon Wild and Mr Mathew Walker. The Non-Executive Directors accessed the progress against the milestones on a monthly basis.

Mr Sean Smith achieved all four milestones and received a total of $60,000.

SERVICE CONTRACTS

The Group entered into services agreements with its executive Director and key management personnel as part of the onboarding process. At the same time, the Group also entered into Non-Executive Director appointment letters outlining the policies and terms of this appointment including compensation to the office of Director. The principal terms of the executive service agreements existing at reporting date are set out below:

MR JONATHON WILD
NON-EXECUTIVE CHAIRMAN

The Group entered into a consultancy agreement with Mr Jon Wild in respect of his appointment as a Non-Executive Chairman of the Group. Mr Wild is paid a fee of $96,000 per annum for his services as Non-Executive Chairman and is reimbursed for all reasonable expenses incurred in performing his duties. Payments for Mr Wild's services are made to Wild Consulting, a related entity.

The agreement may be terminated:

(a) by providing the Group with written notice allowing reasonable time for the Group to plan for the departure; or
(b) in accordance with the law or the Company's constitution.

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MR SEAN SMITH
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The Group entered into an employment agreement with Mr Sean Smith in respect of his role as Managing Director and Chief Executive Officer of the Group. From 1 November 2018, Mr Smith was paid a salary of $260,000 per annum (excluding superannuation) for his services as Managing Director and Chief Executive Officer. Prior to November, he was paid a salary of $220,000 per annum (excluding superannuation). In addition, to this he was paid a total $60,000 in bonuses during the year. Mr Sean Smith is reimbursed for all reasonable expenses incurred in performing his duties.

The agreement may be terminated:

(a) by either party without cause with 3 months' written notice or if the Group elects to with payment in lieu of notice;
(b) by the Group, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law; or
(c) by Mr Smith immediately, by giving notice, if the Group is in breach of a material term of this agreement.

MATHEW WALKER *(Appointed 9 July 2018)*
NON-EXECUTIVE DIRECTOR

The Group entered into a consultancy agreement with Mr Mathew Walker in respect of his appointment as a Non-Executive Director of the Group. Mr Walker is paid a fee of $120,000 per annum for his services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing his duties. Payments for Mr Walker's services are made to Great Southern Flour Mills Pty Ltd, a related entity.

The agreement may be terminated:

(a) by providing the Group with written notice allowing reasonable time for the Group to plan for the departure; or
(b) in accordance with the law or the Group's constitution.

B. DETAILS OF REMUNERATION

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Family Insights Group Limited are set out below.

The key management personnel of Family Insights Group Limited are the directors as listed above.

The Group does not have any other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

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The table below shows the 2019 and 2018 figures for remuneration received by the Group's directors and key management personnel:

Directors	Short-term Employee Benefits Salary & Fees $	Superannuation $	Reimbursements $	Other Benefits $	Share-based Payments $	Post-employment Prescribed Benefits $	Total $
2019							
Jonathon Wild(i)	96,000	-	-	-	138,776	-	234,776
Sean Smith	246,667	23,433	-	60,000	185,035	-	515,135
James Robinson(ii)	-	-	-	-	-	-	-
Mathew Walker(iii)	120,000	-	-	-	-	-	120,000
	462,667	23,433	-	60,000	323,811	-	869,911
2018							
Jonathon Wild(i)	96,000	-		-	738	-	96,738
Sean Smith	220,000	20,900	-	-	1,476	-	242,376
James Robinson(ii)	84,000	-	3,253	-	443	-	87,696
Donna Cross(iv)	45,000	-	-	-	443	-	45,443
	445,000	20,900	3,253	-	3,100	-	472,253

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017. Director fees for Jonathon Wild were paid to Wild Consulting, a related entity of Mr Wild.
(ii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018. Director fees for James Robinson were paid to Sabreline Pty Ltd, a related entity of Mr Robinson.
(iii) Mr Walker was appointed as a Non-Executive Director on 9 July 2018. Director fees for Mathew Walker were paid to Great Southern Flour Mills Pty Ltd, a related entity of Mr Walker.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018. Director fees for Donna Cross were paid to Sante Holdings Pty Ltd, a related entity of Prof. Cross.

RELATED PARTY TRANSACTIONS

The Group entered into a mandate with Cicero Corporate Services Pty Ltd (**CCS**), a company related to Messrs Robinson and Walker for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. CCS provided services to the amount of $120,000 (2018: $122,882). As at 30 June 2019, $Nil amount payable (2018: $22,182) remains outstanding.

The Group entered into a mandate with Cicero Advisory Services Pty Ltd (**CAS**), a company related to Messrs Robinson and Walker for corporate advisory services. CAS provided services to the amount of $162,654 (2018: $44,600). As at 30 June 2019, $Nil amount payable (2018: $20,000) remains outstanding.

Other than the above, no KMP has received any loan and no balances are outstanding.

C. SHARE-BASED COMPENSATION

Options can be issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interests of directors, executives and shareholders.

21,000,000 unlisted options, exercisable at $0.10, were granted as share-based compensation to directors during the 2018 financial year. The options expired unexercised on 31 August 2018. During the 2019 financial year, 100,000,0000 and 75,000,000 options exercisable at $0.01 on or before 30 June 2021 were issued to Mr Sean Smith and Mr Jon Wild, respectively. All options issued fully vested as no performance or service conditions were attached. No further options have been granted to directors since.

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D. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Family Insights Group Limited:

The following fully paid ordinary shares were held directly, indirectly or beneficially by key management personnel and their related parties on a pre-consolidated basis during the years ended 30 June 2019 and 30 June 2018:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2019						
Jonathon Wild	2,000,000	-	48,000,000	-	-	50,000,000
Sean Smith	3,500,000	-	2,000,000	-	-	5,500,000
James Robinson	2,000,000	-	-	-	2,000,000	-
Mathew Walker(i)	50,000,000		75,000,000	-	-	125,000,000
2018						
Jonathon Wild	1,000,000	-	1,000,000	-	-	2,000,000
Sean Smith	1,000,000	-	2,500,000	-	-	3,500,000
James Robinson	1,000,000	-	1,000,000	-	-	2,000,000
Donna Cross(ii)	-	-	-	-	-	-

(i) Mr Walker was appointed as a Non-Executive Director on 9 July 2018, this amount represent his ownership at 1 July 2018 and his appointment date.
(ii) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.

(ii) Share options of Family Insights Group Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties on pre-consolidation basis during the years ended 30 June 2019 and 30 June 2018:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	At date of resignation No.	Balance at 30 June No.(v)
2019						
Jonathon Wild	6,000,000	75,000,000	-	(5,000,000)(iv)	-	76,000,000(v)
Sean Smith	11,750,000	100,000,000	-	(10,000,000)(iv)	-	101,750,000(v)
James Robinson(i)	9,000,000	-	-	(9,000,000)(iv)	-	-
Mathew Walker(ii)	-	-	-	-	-	-
2018						
Jonathon Wild	-	5,000,000	-	1,000,000	-	6,000,000(v)
Sean Smith	-	10,000,000	-	1,750,000	-	11,750,000(v)
James Robinson(i)	5,000,000	3,000,000	-	1,000,000	-	9,000,000(v)
Donna Cross(iii)	-	3,000,000	-	-	3,000,000	-

(i) Mr Robinson was reappointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(ii) Mr Walker was appointed as a Non-Executive Director on 9 July 2018.
(iii) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.
(iv) Options expired, unexercised on 31 August 2018.
(v) Options are fully vested and exercisable.

(iii) Performance shares of Family Insights Group Limited:

There were no performance shares held directly, indirectly or beneficially by the key management personnel or their related parties during the years ended 30 June 2019 or 30 June 2018.

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E. RELATIONSHIP BETWEEN THE REMUNERATION AND COMPANY PERFORMANCE

Per the Groups remuneration policy, directors remuneration can be linked to either short term or long term performance conditions. The Board feels that other than the short term incentives for the Group's Managing Director and Chief Executive Officer, Mr Sean Smith, currently the terms and conditions of options and shares currently on issue to the directors are a sufficient incentive to align the goals of the directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors of the Group. The Board will continue to monitor this policy to ensure that it is appropriate for the Group in future years.

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the four years to 30 June 2019:

	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Revenues from contracts with customers	10,887	12,220	40,195	53,977
Loss from ordinary activities after tax attributable to members	(3,182,653)	(6,004,172)	(5,073,278)	(7,740,266)
Net loss for the period attributable to members	(3,182,653)	(6,004,172)	(5,073,278)	(7,740,266)
Share price at start of year ($)*	0.003	0.008	0.019	0.035
Share price at end of year ($)*	0.001	0.003	0.008	0.019
Basic & diluted profit/(loss) per share*	(0.002)	(0.006)	(0.007)	(0.014)

** Pre-consolidation basis*

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2018 was put to the shareholders of the Group at the Annual General Meeting (AGM) held on 30 November 2018. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- - END OF REMUNERATION REPORT - -

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 23.

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS MEETINGS

The following table sets out the number of Directors' meetings held during the financial year ended 30 June 2019 and the number of meetings attended by each Director. During the period, 7 Board meetings were held. There is no separate nomination, remuneration or audit committee.

Board of Directors			
Board Member	Eligible to Attend	Attended	Circular Resolutions Passed
Jonathon Wild	7	6	3
Sean Smith	7	7	3
Mathew Walker	7	7	3

PRINCIPAL ACTIVITIES

The principal activities of the Group are the sale and distribution, marketing and customer support of its suite of cyber safety and grocery comparison products and services.

REVIEW OF OPERATIONS

DIRECTORS' COMMENTS

Family Insights Limited (**Family Insights Group** or the **Group**) is pleased to present its Audited Final Report for the year ended 30 June 2019 (**Period**).

OPERATIONAL UPDATE, FAMILY INSIGHTS (FI)

Operations in the first half of the year ended 30 June 2019 focused on a major review and user experience redesign of the Family Insights mobile app. After relaunching the redesigned version of Family Insights in late October, the Group concentrated on gathering and actioning early feedback as well as final bug fixes across further staged releases in November and December.

In parallel with the Family Insights mobile app launch, the Group successfully launched its ground-breaking educational book for parents in support of its cyber safety software platform **Family Insights**. Written by the Group's cyber-safety expert Robyn Treyvaud, the book offers crucial guidance to families for the digital safety and wellbeing of their children as they become further immersed in the internet.

From the back cover:

The Parents' Survival Guide to Children, Technology and the Internet consolidates information, research and advice from over 300 leading international resources, including some of the world's best technologists, child psychologists and online safety experts. In this ground-breaking book you will learn everything you need to know about:

- *how to deal with the internet, gaming and social media addiction*
- *how to recognise and confront cyberbullying, extremism and online grooming*
- *teaching your children about pornography and other potential danger zones*
- *recognising when your children are having difficulties online*
- *overcoming sleep deprivation caused by technology*
- *setting a great example for your children*

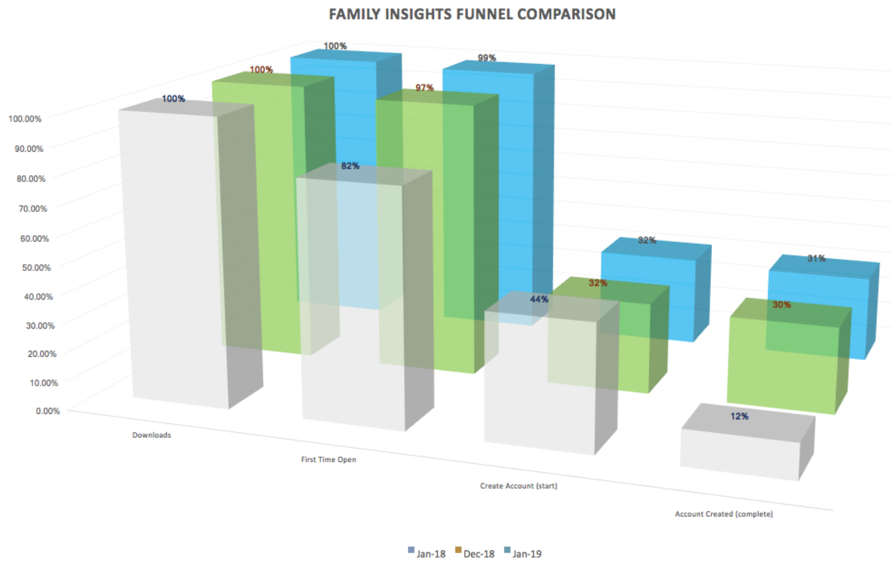
To further promote the Family Insights mobile app and book release, the Group announced that it had signed an Affiliate Heads of Agreement with South Metro Junior Football League to promote and support the digital wellbeing of its league players and participants over the course of 2019. The initiative offered SMJFL members access to world class educational content and technology including an affiliate program for **Family Insights** and special offers to the Group's recently released book "**The Parents' Survival Guide to Children, Technology & the Internet**".

SMJFL is one of the largest junior sports competitions in Australia, delivering Australian Rules football competitions in Boys, Mixed and Girls divisions. In 2019 the SMJFL will manage 25 clubs, over 500 teams, 11,500 players, over 700 umpires and 4000 volunteers.

Following staged bug fix releases for Family Insights in November and December, the Group began investing in performance marketing to drive downloads of FI across iOS and Android platforms, with an initial goal to measure the effectiveness of the major User Experience update undertaken in the first half.

In particular the Group was interested in improvements to the app configuration funnel where significant complexity in the initial release of the FI app had led to a large number of downloaders leaving the configuration stage incomplete.

The major UX redesign of the FI app, aimed to address the setup complexity, reduced the steps to a simple 3 step process per device, a significant simplification for parents attempting to set-up the FI platform. Analysis of the effectiveness of the changes showed significant improvements in device setup completion, with the January 2018 drop-out rate of 72% being reduced in January 2019 to just 5%.



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Following the relaunch and marketing of Family Insights, the **Group** commenced working on native front end development to further optimise the customer experience and ease of use of the app, a major overhaul of platform's affiliate tracking capability, as well as preparing for a major update to the underlying infrastructure to deliver significant reductions in operating costs.

Educational resources developed by the FI Education team, including the highly sought-after cyber safety eBook series and the significant article base, were incorporated into the FI subscription service to be available to Family Insights app subscribers only. The education assets generated considerable interested during commercial partnership discussions and their inclusion in the subscription layer provide the Group commercial team with a stronger partnership proposition to take to market.

Finally the business model for FI was placed under review with plans to be formulated in the next financial year for a Freemium model to be developed to accelerate app user growth and grow user data being captured and analysed for further commercial benefit.

OPERATIONAL UPDATE, WANGLE MOBILE VPN

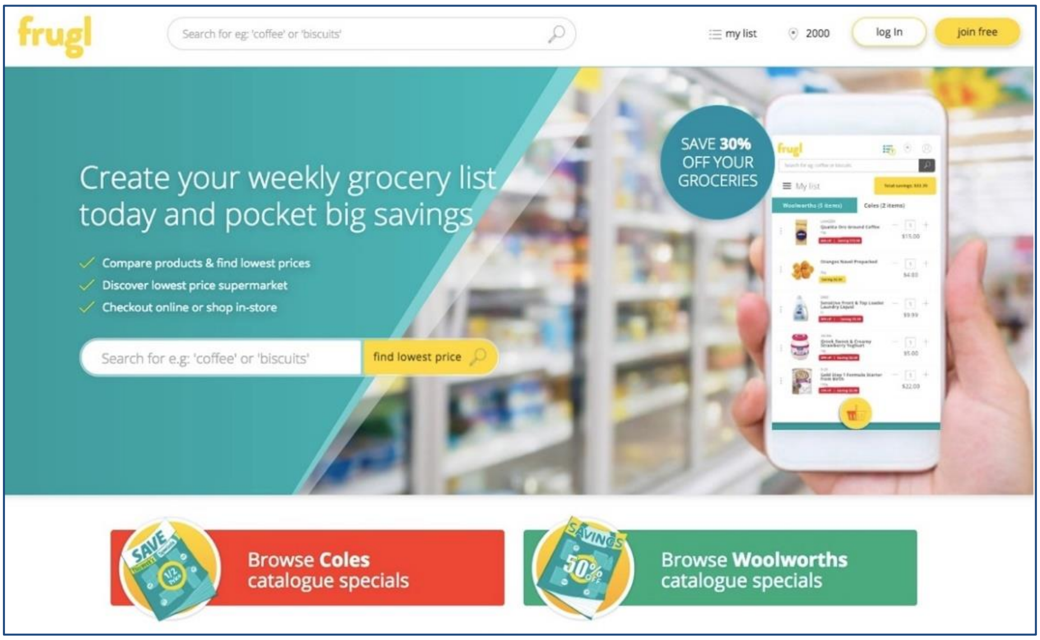
A review of the Wangle VPN infrastructure contracts and cost base enabled the Group to separate the VPN network infrastructures for the stand-alone mobile VPN and Family Insights products. Subsequently, the Group was able to decommission the stand-alone Wangle VPN product to reduce operating costs by a further $30,000 per quarter in addition to prior realised network savings of $80,000 per quarter. The global network of servers was decommissioned in the final quarter.

OPERATIONAL UPDATE, FRUGL ACQUISITION & DEVELOPMENT

In late October the Group announced it had commenced acquisition activities for grocery comparison and data analytics platform, Frugl.

Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. **Frugl** provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets.

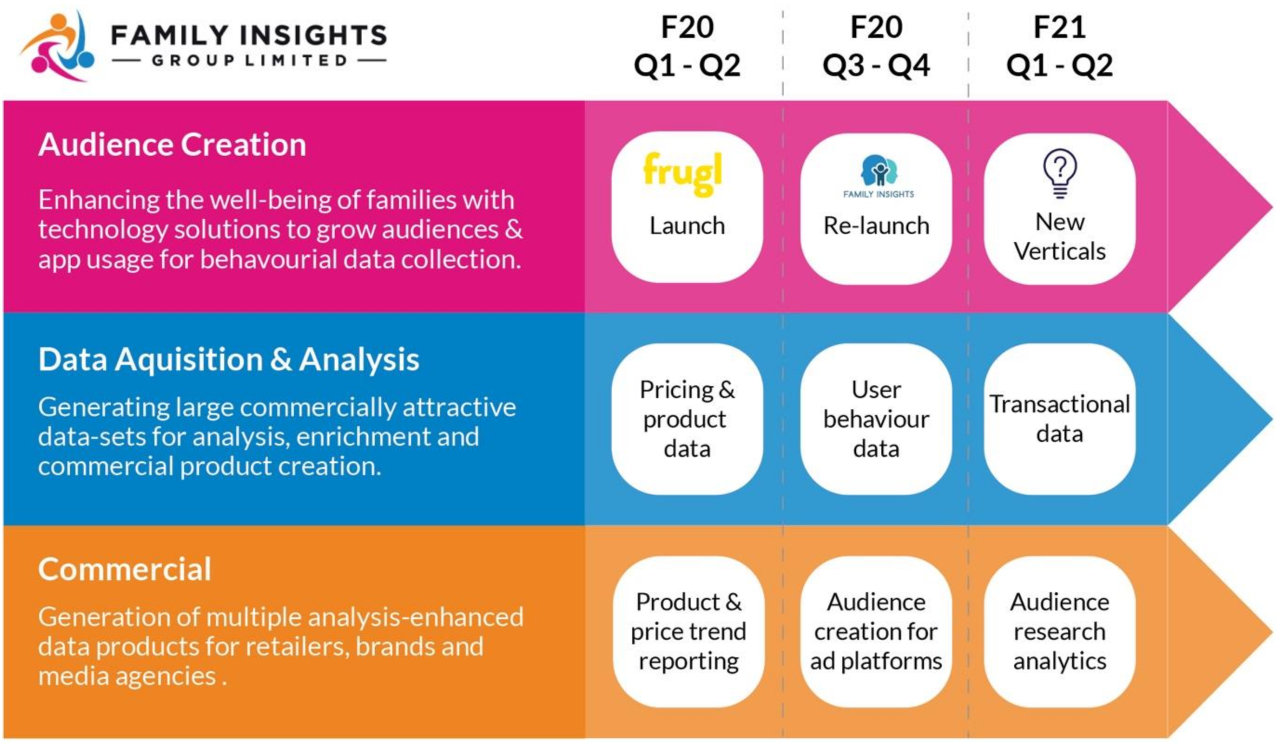
Frugl had spent three years developing its data capture and analysis engine, focusing on the domestic groceries market. By capturing supermarket product and pricing data in real time, it had established a historical data source of category and product metadata including associated price movements over time and the associated shifting shopper behaviours driven by changes in prices.



In January, the Group completed its acquisition of the controlling interest in Frugl. Following the settlement, the Group technical group began the technical handover and transfer of technical IP into the Group's infrastructure.

FAM SHORT-TERM FOCUS ON FRUGL AS FASTEST PATH TO REVENUE GROWTH

In the second half of the year the Group focused internal resources on the foundational development of FG to accelerate future Group revenue growth, with data warehouse architecture, data collation, Frugl app design and business development as the four key focus areas:



FAM Roadmap & Commercial Pathway

FRUGL DATA WAREHOUSE DEVELOPMENT

Following a review of future data storage and analytics requirements in parallel with a review of currently available data warehouse platforms, the Group commenced the design and build of its data infrastructure utilising the Snowflake data warehouse platform on cloud-based AWS infrastructure.

Snowflake is a data warehouse solution built specifically for cloud-based handling of structured and semi-structured data, offering full integration with AWS, and utilising separated storage and processing performance configurations making it easier, faster and cheaper to configure than other data warehouse platforms as our data requirements develop in the future.

Snowflake is also fully compatible with downstream analytics and BI tools from multiple vendors including PowerBI and Tableau, both heavily used in the retail sector. Furthermore, Snowflake will allow the Group to harness machine learning techniques to further enhance app-based user experiences and broaden our analytics capabilities.

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	Snowflake Elastic Data Warehouse	Amazon Redshift	Microsoft Azure Data Warehouse	Google BigQuery
Broad performance across of range of relational queries	✓	✓	✓	Low
Concurrent throughput	✓	✓	✓	Low
High performance for JSON scans	✓	Only w/Spectrum	No	✓
Concurrent throughput for JSON	✓	No	No	Moderate
Scalable to handle large concurrency mix (single DW)	✓	✓	✓	No
Scale up, down, or off, quickly without delay	✓	Low	✓	✓ (w/Limits)
Multi-warehouse concurrency against same data	✓	No	No	No

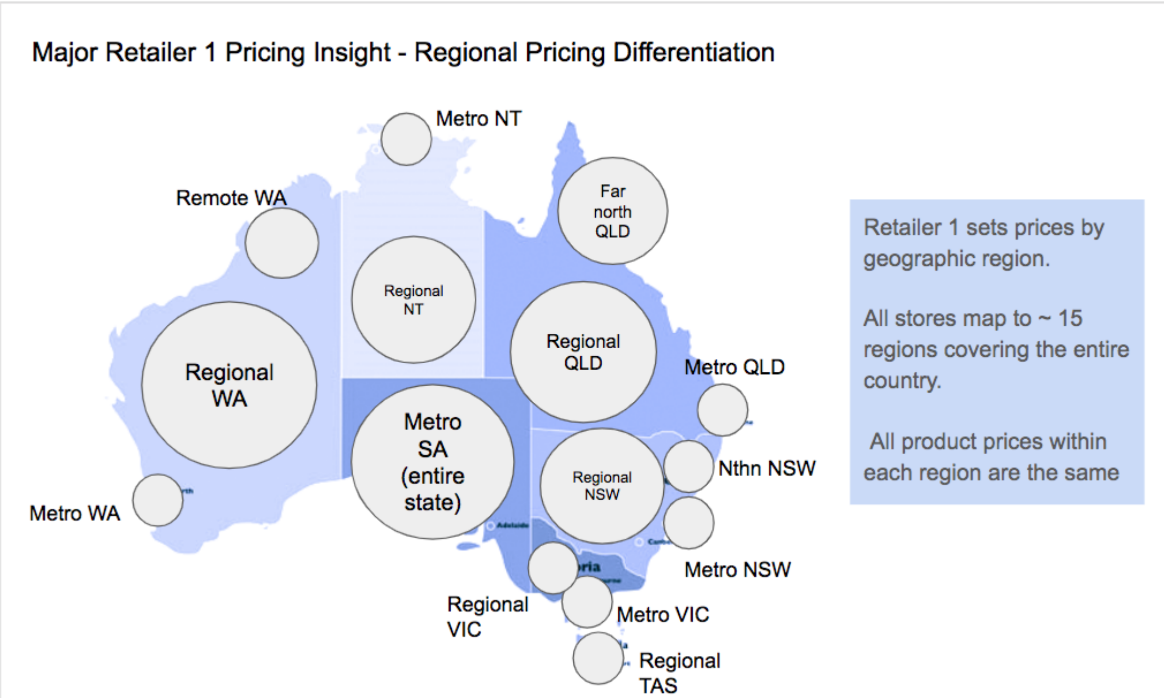
Cloud-based Data Warehouse comparison

FRUGL DATA COLLATION – DEVELOPMENT AND OPERATIONS

The Group continued to develop its data acquisition capabilities with full daily pricing and promotional data from two major grocery retailers (localised by state and region) having commenced at the beginning of June.

Data acquisition has continued with analysis of the data already delivering major insights into grocery retailer behaviours and tactics, to be utilised for both B2B analytics product development and B2C Frugl App development purposes.

Additional data collation sources will be developed during the first half of F20 with weekly multi-retailer catalogue promotional data, health & nutritional data, and additional retailer pricing and promotions data soon to be added to the data collation schedule.



Frugl Data Grocery Insight Example (regional pricing differentiation by retailer)

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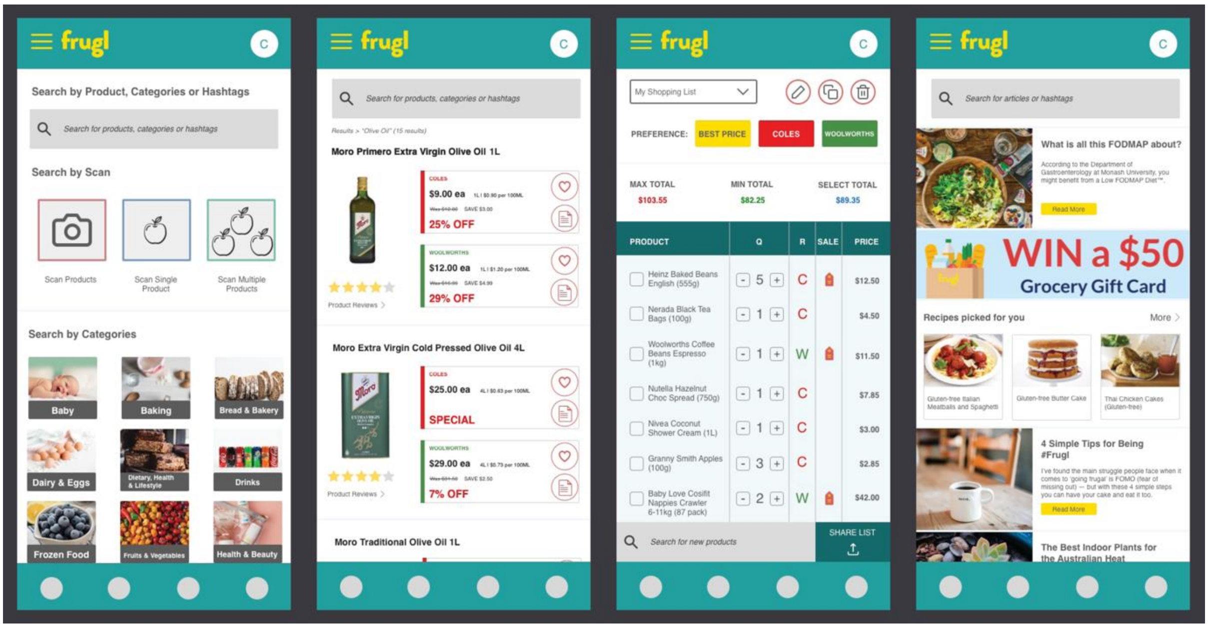
FRUGL APP DESIGN – MVP AND PHASE 1

The Frugl App is a supermarket comparison engine that allows shoppers to compare products across Woolworths and Coles supermarkets, create brand-specific shopping baskets and optimise shopping lists by cheapest prices.

In addition, the Group is overlaying wellness tools for shoppers to enable them to compare products and optimise shopping baskets by nutritional value, ingredient listings, allergens inclusions, health ratings and product sustainability.

Group resources have been focused on customer research and design of the new Frugl grocery & wellness app, with core functional specifications developed alongside shopper insight collation and data intelligence developed via ongoing grocery data collation.

The Group anticipates the release of the MVP version in second quarter of the next financial year, with the full-feature Phase 1 to be released early in the third quarter.



Frugl Grocery App Screen Designs

FRUGL DATA – BUSINESS DEVELOPMENT

The Group commenced business development activities for its data analytics products, having initiated discussions with major Australian retailers to determine their key data analytics objectives and identify appropriate FAM-built solutions. Retailer feedback and analytics requirements are being utilised as part of the data warehouse and analytics platform design process, in parallel with the business pipeline creation objectives of the business development team.

OPERATIONS UPDATE

On 4 July 2018, the Group entered into an Affiliate Heads of Agreement with SkoolBag (**SkoolBag**) (a subsidiary of ASX listed entity MOQ Limited) in support of its child protection software, Family Insights.

SkoolBag is Australia's leading school communication platform, used by over 2,700 primary and secondary schools nationally to update over 1 million parents. Its offering includes a mobile app for schools to communicate with parents, white labelled school websites, and eNewsletter distribution to parents.

The Group announced the appointment of Mr Mathew Walker as a Director of the Group on 9 July 2018. Mr Walker is a businessman and entrepreneur with extensive experience in the management of public and private companies, corporate governance and in the provision of corporate advice. In a management career spanning three decades, Mr Walker has served as executive Chairman, or Managing Director, for public companies with operations in North America, South America, Africa, Eastern Europe, Australia and Asia.

On 17 September 2018, the Group announced the successful lodgement of the Group's Research & Development Claim for a refundable offset under the Federal Government's Research Development Tax Incentive Scheme for the amount of $1.2 million (**R&D Refund**). The Group received its R&D Refund on 22 October 2018.

It was announced by the Group on 20 September 2018 that the Group had commenced public beta testing ahead of the major re-launch and renaming of its family cyber safety software suite, Family Insights.

The Group announced on 17 October 2018 it had successfully launched a major update to its Family Insights cyber safety platform on the Apple App Store, following a major usability review and redesign project.

Following the Group announcement on 17 October 2018 of the successful relaunch on the Apple Store, the Group announced the successful relaunch on the Android App Store on 24 October 2019.

As previously disclosed in this report, on 30 October 2018, the Group announced it had entered into an agreement to acquire Frugl Group Limited (**Frugl**) with a combination of cash and equity consideration. Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. Frugl provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets. Settlement of the acquisition of Frugl occurred on 22 January 2019.

The Group announced on 14 December 2018 the upcoming global launch of a ground-breaking educational book for parents in support of its cyber safety software platform Family Insights. Written by the Group's education team lead by cyber-safety expert Robyn Treyvaud, the book offers crucial guidance to families for the digital safety and wellbeing of their children as they become further immersed in the internet.

A Group Update was announced on 9 April 2019, which provided the market with an update on Group operations, parental control platform Family Insights, and development and deployment of its grocery comparison engine Frugl.

Accompanying this announcement was the appointment of Alistair McCall to the position of Chief Data Officer (**CDO**). Mr McCall is a data professional with almost two decades of experience across the retail, advertising, telecommunications and leisure industries. He has been responsible for realising the full commercial value of data assets for major brands including several years within the Woolworths Group as Head of Customer Management and most recently with Australia's leading data agency, MercerBell, as Director of Data Strategy.

On 26 April 2019, the Group announced the launch of a new schools-based digital wellbeing initiative in support of its parental control platform Family Insights. The Group had reached agreement to launch a Digital Wellbeing initiative for all parents of the St Bernardine's School Regents Park (Qld).

Being offered and driven by the St Bernardine's Parents and Friends Association on behalf of all parents of the schools 700+ children, the initiative provides a comprehensive parental awareness and education program as well as access to and use of Family Insights cyber safety platform at scale over the course of the 2019 school year.

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FINANCIAL UPDATE

The Group announced on 22 October 2018 it had received a total $1,215,315 as a R&D Refund.

CHANGES TO SECURITIES

The Group announced the Shortfall Placement had closed fully subscribed on 26 July 2018. The Shortfall Placement raised $2,176,953 (before costs) through the issue of 725,650,970 pre-consolidated fully paid ordinary shares at a price of $0.003 per share. In addition, the Shortfall included the issue of 725,650,970 free attaching listed options issued a one for one basis exercisable at $0.01 and expiring on 30 June 2021.

On 31 August 2018, the following three classes of unlisted options expired unexercised:
- 138,034,867 pre-consolidated unlisted options exercisable at $0.025 on or before 31 Aug 2018;
- 5,000,000 pre-consolidated unlisted options exercisable at $0.075 on or before 31 Aug 2018; and
- 26,000,000 pre-consolidated unlisted options exercisable at $0.10 on or before 31 Aug 2018.

On 10 December 2018, the Group issued 175,000,000 pre-consolidated unlisted options exercisable at $0.01 on or before 30 June 2021.

The 175,000,000 pre-consolidated unlisted options were issued to Mr Sean Smith and Mr Jon Wild following shareholder approval a Group's Annual General Meeting on 30 November 2018.

On 27 May 2019, the Group announced the successful completion of a placement issue of 422,111,665 pre-consolidated fully paid ordinary shares at an issue price of $0.001 per share to raise $422,111.65 before costs.

FINANCIAL REVIEW

The Group has incurred a net loss after tax for the year ended 30 June 2019 of $3,182,653 (2018: $6,004,172), and a net cash outflow from operations of $1,958,806 (2018: $2,454,623). At 30 June 2019, the Group has net current liability of $379,037 (2018: $405,388) and net deficiency of $929,370 (2018: $349,004).

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The key risks that the Board has currently identified are:
- Technology Risk
- Intellectual Property Rights
- Competition Risk
- Reliance on Key Personnel Risk

The Group believes that it is crucial for all Board members to be part of the process of managing risks through governance and oversight, and as such the Board has not established a separate risk management committee.

Furthermore, the Board has a number of mechanisms in place to ensure management's objectives and activities are aligned to the Board. These include the following:
- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and Board monitoring of the progress against budgets.

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SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year ending 30 June 2019, the Group acquired 95.71% of Frugl Group Limited (**Frugl**), a grocery and behavioural data comparison platform. The acquisition of Frugl strengthened the position of the Group in the behavioural data market. The Frugl data business is complementary to the Group's Family Insights cyber safety business and the Group integrated Frugl's business into its existing human resource and technology infrastructure.

On 27 May 2019, the Group successfully completed a share placement to raise $422,111 through the issue of 422,111,665 fully paid ordinary shares at an issue price of $0.001 per share.

As described above, on 25 July 2018, the Group successfully completed a shortfall placement of 725,650,970 fully paid ordinary shares at an issue price of $0.003 per share to raise $2,176,953 before costs. In addition to this 725,650,970 free attaching listed options on a one for one basis were issued. The options issued are exercisable at $0.01 per options on or before 30 June 2021.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group plans to release a fully operating version of the Frugl data comparison software for browser and phone-based users. This technology is expected to produce vast amounts of high-quality data that is valuable to large grocery retailers.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities to date have not been subject to any particular and significant environmental regulation under Laws of either the Commonwealth of Australia or a State or Territory of Australia.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The Group announced on 30 July 2019 it had entered into a loan facility agreement (**Loan** agreement) with Rocking Horse Pty Ltd (**Rocking Horse**) (**Lender**), an unrelated entity of the Group, for the amount of $500,000 (**Loan**). As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2019 financial year Research & Development Rebate.

On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis.

On 6 September 2019, the Group announced it had received a Research and Development Tax Incentive Scheme cash rebate (**R&D Refund**) from the Australian Tax Office of $846,972 for the financial year ending 30 June 2019. Following receipt of the R&D Refund, the Group repaid the Loan to Rocking Horse.

On 1 October 2019 and 4 October 2019 respectively, Mathew Walker and Jonathon Wild signed letters of deferral of director fees, to defer all accrued fees of service from 1 October 2019 (earlier amounts to 30 September 2019 having been paid in full) until the completion of a capital raising of not less than $1,000,000.

On 4 October 2019, Cicero Corporate Services Pty Ltd signed a letter of deferral for corporate administration fees dated 4 October 2019, to defer the corporate administration fees accruing from their services from 1 October 2019 for financial reporting, company secretarial services, rental expense and administrative services (earlier amounts to 30 September 2019 having been paid in full) until the completion of a capital raising of not less than $1,000,000.

On 16 October 2019, a binding loan facility agreement was entered into with Mathew Walker for up to $600,000, available on call, unsecured, interest fee and repayable on the earlier of 31 October 2020 and the completion of a capital raising of not less than $1,000,000. If the Director loan remain unpaid at 31 October 2020, the loan will continue to roll on a quarterly basis until the capital raising has been completed.

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INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the reporting period and up to the date of this report, the Group has paid premiums insuring all the directors of Family Insights Group Limited against costs incurred in defending conduct involving a breach of duty and/or a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The Group has agreed to indemnify all directors and executive officers of the Group against liabilities to another person (other than the Group or a related body corporate) that may arise from their position as directors of the Group, except where the liability has arisen as a result of a wilful breach of duty in relation to the Group. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses. The Group has paid a total of $16,000 in insurance premiums, relating to Director and Officer insurance, during the financial year (2018: $8,000).

INDEMNITIES OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

DIVIDENDS

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

OPTIONS

During the 2019 financial year, the Group issued 900,650,970 options, exercisable at $0.01 on or before 30 June 2021. The grant dates for the options issues were as follows:

Grant Date	Expiry Date	Number of Options	Exercise Price	Value per Option	Total Value
25 July 2018	30 June 2021	725,650,970	$0.01	Nil	Nil
10 December 2018	30 June 2021	175,000,000	$0.01	$0.00185	$323,811

There were no vesting conditions or exercise conditions attached to the options.

There were 1,152,444,168 unissued ordinary shares in respect of which options are outstanding at the end of the year. These options have an expiry date of 30 June 2021 and exercise price of $0.01.

During the 2019 financial year, no options were exercised, cancelled or forfeited. 24,000,000 options expired, unexercised on 31 August 2018.

50,000,000 performance shares lapsed during the 2019 financial year.

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NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Group and/or Group are important. No non-audit services were provided by the Group's current auditors, Pitcher Partners BA & A Pty Ltd during the year (2018: Nil).

COMPLIANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Group. The Board guides and monitors the business affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Corporate Governance policies and practices of the Group are reviewed annually in accordance with the standards required of the Group by the Directors, the ASX, ASIC and other relevant stakeholders, to ensure that the highest appropriate governance standards are maintained, commensurate with the size and operations of the Group.

The ASX Corporate Governance Council released the third edition of its Corporate Governance Principles and Recommendations on 27 March 2014 to take effect for the first full financial year commencing on or after 1 July 2014. The Group's Corporate Governance Statement, and associated policy documents complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as appropriate, having regard to the size of the Group and the nature of its enterprise. The Corporate Governance Statement can be found on the Group's web site:
www.familyinsightsgroup.com.au

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Group are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Group's expense obtain independent professional advice to properly discharge his responsibilities.

BOARD COMPOSITION

The Board consists of one Executive and two Non-Executive Directors. Details of their skills, experience and expertise and the year of office held by each director have been included in the Directors' Report. The number of Board meetings and the attendance of the directors are set out in the Directors' Report.

The Board will decide on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board considers that due to the size and complexity of the Group's affairs it does not merit the establishment of a separate nomination committee. Until the situation changes the Board of the Group will carry out any necessary nomination committee functions.

SHARE TRADING POLICY

Directors, officers and employees are prohibited from dealing in the Group shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the Group by any director or officer of the Group.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

For, and on behalf of, the Board of the Company,

Jonathon Wild
Chairman
Perth, Western Australia this 23rd day of October 2019.

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FAMILY INSIGHTS GROUP LIMITED

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

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

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Family Insights Group Limited and the entities it controlled during the year.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, 23 October 2019

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the year ended on that date;

(c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and

(d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the year ended 30 June 2019.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

For, and on behalf of, the Board of the Company,

Jonathon Wild
Chairman
Perth, Western Australia this 23rd day of October 2019.

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FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY INSIGHTS GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Family Insights Group Limited (the 'Company') and its controlled entities (the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.3 to the consolidated financial report which indicates that the Group incurred a net loss of $3,182,653 during the year ended 30 June 2019 (2018: $6,004,172), and as of that date, the Group had net current liabilities of $379,037 (2018: $405,388) and net liabilities of $929,370 (2018: $349,004). Management has prepared a detailed plan covering their administrative and other committed expenditure requirements and having considered their current and projected financial position, and they believe they have sufficient cash in order to meet these expenditures. These conditions, along with other matters as set forth in Note 2.1.3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – reissuance of audit report

This audit report replaces the previously issued *Disclaimer of opinion* dated 30 September 2019. The report has been reissued on the basis of additional information provided by management and the directors which provided sufficient audit evidence to form an audit opinion with a material uncertainty related to going concern on the amended financial report, refer above. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY INSIGHTS GROUP LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Frugl Group Limited Refer to Note 20 to the financial report	
During the year ended 30 June 2019, the Group acquired 95.71% of the issued share capital of Frugl Group Limited ("Frugl"). Accounting for the acquisition under *AASB 3 Business Combinations* ("AASB 3") as a business combination or under alternative Australian Accounting Standards as an asset acquisition requires judgment in determining key assumptions and estimates. These include: • whether or not the acquisition represents the definition of a business under AASB 3; and • determining the fair value of the consideration transferred, including any acquisition-date fair value of contingent consideration. Due to the significance to the Group's financial report and the level of judgment involved in the accounting for the acquisition, we consider this to be a key audit matter.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the processes and controls associated with the assessment of the accounting required relating to the acquisition of Frugl, including those associated with contingent consideration. Critically evaluating the nature of Frugl's inputs and processes applied to such inputs that have the ability to create outputs. Assessing the performance forecasts used in the contingent consideration payable calculation and agreeing these to the conditions specified as part of the acquisition agreement. Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the acquisition. Critically evaluating the Group's determination of the likelihood of achieving the revenue for each of the four milestones in the sale agreement and hence the calculation of the fair value of the contingent consideration. Checking the mathematical accuracy of calculations associated with the acquisition and performed in accordance with AASB 3 for consolidation purposes. Assessing the adequacy of the disclosures included within the financial report.
Recoverability of non-current assets Refer to Note 8 and 9 to the financial report	
The Group's accounting policy is that subject to certain criteria being met as outlined in AASB 136 Impairment of Assets ("AASB 136"), expenditure relating to the development of the Group's product offerings is capitalised. AASB 136 requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the processes and controls associated with the assessment of the Group's CGUs. Assessing management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment. Critically reviewing and challenging management's assessment of impairment indicators. Critically assessing and challenging the Group's judgements in respect of the key assumptions and estimates used to determine the recoverable value of the Group's CGUs in accordance with AASB 136. Testing the mathematical accuracy of the model.

The evaluation of the recoverable amount of the Group's cash generating units ('CGUs') requires significant judgement in determining the key assumptions and estimates, including but not limited to: • discount factors; and • forecast future cash flows supporting the expected future cash flows of the business and the utilisation of the relevant assets. Due to the significance to the Group's financial report and the level of judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter.	Assessing the adequacy of the disclosures included within the financial report.
Share based payments Refer to Note 2.1.4 to the financial report	
During the year ended 30 June 2019, the Group issued the following options: • 175,000,000 to Directors; and • 725,650,970 to shareholders. Under Australian Accounting Standards, equity settled awards are measured at fair value on grant date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions. Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the processes and controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation. Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation models, agreeing inputs to internal and external sources of information. Assessing the appropriateness of share-based payments expensed during the year pursuant to the requirements of Australian Accounting Standards. Assessing the adequacy of the disclosures in the financial report including the Group's accounting policy for compliance with the requirements of AASB 2 *Share-based Payments.*

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY INSIGHTS GROUP LIMITED

Responsibilities of the Directors 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 preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY INSIGHTS GROUP LIMITED

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 the of the Directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Family Insights Group Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group 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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, 23 October 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2019

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	Notes	2019 $	2018 $
Continuing operations			
Revenue from contracts with customers	3	10,887	12,220
Interest income		7,305	3,644
R+D Tax Rebate		673,234	658,003
Other income		794	25,650
Reversal of prior period impairment	9	542,081	540,896
Total Revenue from contracts with customers and other income		**1,234,301**	**1,240,413**
Research and development costs, materials and consultants		(525,108)	(1,654,874)
Directors' fees, salaries, superannuation and consulting expenses		(562,183)	(484,603)
Depreciation expenses		(78,563)	(27,238)
Public company costs, fees, share registry, shareholder expenses		(91,098)	(77,030)
Occupancy expenses		(66,360)	(109,309)
Employee expenses		(1,277,425)	(1,116,045)
Legal fees		(104,750)	(136,703)
Audit fees		(52,540)	(38,576)
Insurances		(36,712)	(8,490)
Interest expenses		(19,035)	(58,260)
Foreign exchange gain/(loss)		5,751	(12,142)
Other expenses from ordinary activities		(251,136)	(316,811)
Corporate fees		(120,000)	(170,078)
Share-based payments	13.5	(323,811)	(33,100)
Impairment expense – goodwill	8	(622,699)	-
Impairment expense – development costs	9	(287,100)	(2,981,012)
Impairment expense – trade receivable		(4,185)	-
Loss on disposal of subsidiaries		-	(25,650)
Loss before income tax expense		**(3,182,653)**	**(6,009,508)**
Income tax (benefit)/expense		-	-
Loss after income tax expense from continuing operations		(3,182,653)	(6,009,508)
(Loss)/profit after income tax expense from discontinued operations	19.1	-	5,336
Loss after income tax expense for the year attributable to the owners of the Company		**(3,182,653)**	**(6,004,172)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(4,772)	9,840
Total comprehensive loss for the year		**(3,187,425)**	**(5,994,332)**
Loss for the year attributable to Owners of the Company:			
- from continuing operations		(3,157,934)	(6,009,508)
- from discontinued operations		-	5,336
Loss attributable to non-controlling interests		(24,719)	-
		(3,182,653)	**(6,004,172)**
Total comprehensive loss for the year is attributable to:			
Owners of the Company			
- from continuing operations		(3,162,706)	(5,999,668)
- from discontinued operations	19.1	-	5,336
Loss attributable to non-controlling interests		(24,719)	-
		(3,187,425)	**(5,994,332)**
Loss per share from continuing operations			
Basic and diluted loss per share (cents per share)	4	(0.002)	(0.006)
Loss per share from discontinued operations			
Basic and diluted loss per share (cents per share)	4	-	-

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

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	Notes	2019 $	2018 $
Current assets			
Cash and cash equivalents	17.5	192,653	288,197
Trade and other receivables	6	82,582	151,213
Total current assets		275,235	439,410
Non-current assets			
Plant and equipment	7	-	56,384
Development costs	9	-	-
Intangible Assets	8	-	-
Total non-current assets		-	56,384
Total assets		**275,235**	**495,794**
Liabilities			
Current liabilities			
Trade and other payables	10	576,751	832,771
Employee entitlements		77,521	12,027
Total current liabilities		654,272	844,798
Non-current liabilities			
Deferred consideration	20	550,333	-
Total non-current liabilities		550,333	-
Total liabilities		**1,204,605**	**844,798**
Net liabilities		**(929,370)**	**(349,004)**
Equity			
Issued capital	11	30,659,019	28,375,771
Reserves	12	1,522,844	532,565
Accumulated losses		(33,086,514)	(29,257,340)
Non-controlling interest		(24,719)	-
Total equity		**(929,370)**	**(349,004)**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

	Share Capital $	Option Reserve $	Performance Share Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling Interests $	Total $
Balance at 1 July 2017	25,765,103	728,330	434,485	12,732	(23,924,408)	-	3,016,242
Consolidated loss for the year	-		-	-	(6,004,172)	-	(6,004,172)
Foreign currency translation effect	-	-	-	9,840	-	-	9,840
Total comprehensive income for the year	**-**	**-**	**-**	**9,840**	**(6,004,172)**	**-**	**(5,994,332)**
Shares/Options issued during the year	2,745,380	18,418	-	-	-	-	2,763,798
Share/Option issue costs	(134,712)	-	-	-	-	-	(134,712)
Options lapsed during current period	-	(8,143)	-	-	8,143	-	-
Options lapsed during previous periods	-	(663,097)	-	-	663,097	-	-
Balance at 30 June 2018	**28,375,771**	**75,508**	**434,485**	**22,572**	**(29,257,340)**	**-**	**(349,004)**
Balance at 1 July 2018	28,375,771	75,508	434,485	22,572	(29,257,340)	-	(349,004)
Consolidated loss for the year	-	-	-	-	(3,157,934)	(24,719)	(3,182,653)
Foreign currency translation effect	-	-	-	(4,772)	-	-	(4,772)
Total comprehensive loss for the year	-	-	-	**(4,772)**	**(3,157,934)**	-	**(3,187,425)**
Shares/Options issued during the year	2,599,065	323,811	-	-	-	-	2,922,876
Share/Option issue costs	(315,817)	-	-	-	-	-	(315,817)
Reversal of Options lapsed during previous periods	-	671,240	-	-	(671,240)	-	-
Balance at 30 June 2019	**30,659,019**	**1,070,559**	**434,485**	**17,800**	**(33,086,514)**	**(24,719)**	**(929,370)**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2019

	Notes	2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,174,262)	(3,628,581)
Receipts from customers		11,871	29,675
Interest received		7,305	3,644
Interest paid		(19,035)	(58,260)
R&D Tax Rebate		1,215,315	1,198,899
Net cash used in operating activities	17.3	(1,958,806)	(2,454,623)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(22,179)	(13,087)
Acquisition of Frugl, net of cash acquired	20	(105,935)	-
Payments for intangible assets; R&D costs	9	(287,100)	(787,346)
Net cash used in investing activities		(415,214)	(800,433)
Cash flows from financing activities			
Proceeds from issues of shares	11	2,599,065	2,745,380
Payments of share issue costs	11	(315,817)	(134,712)
Net cash generated by financing activities		2,283,248	2,610,668
Net decrease in cash and cash equivalents		**(90,772)**	**(644,388)**
Cash and cash equivalents at the beginning of the year		288,197	922,745
Foreign exchange effects		(4,772)	9,840
Cash and cash equivalents at the end of the year	17.5	**192,653**	**288,197**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

1. GENERAL INFORMATION

Family Insights Group Limited (the Group and controlled entities) is a limited company incorporated in Australia. The principal activity in the course of the financial year was the development, compliance and commercialisation of the Family Insights Application.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group and its controlled entities (collectively the Group).

The financial statements were authorised for issue by the directors on 23 October 2019.

2.1. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

2.1.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

2.1.2. Historical cost convention

The financial report has been prepared on the accruals basis and under the historical cost convention.

2.1.3. Going concern

The Group incurred a net loss of $3,182,653 (2018: $6,004,172) and a net cash outflow from operating activities of $1,958,806 (2018: $2,454,623) for the year ended 30 June 2019, and as of that date, the Group had net current liabilities of $379,037 (2018: $405,388) and net liabilities of $929,370 (2018: $349,004), of the $929,370 net liability position, $550,333 represents the fair value of the contingent non-cash consideration resulting from the Company's acquisition of Frugl (Note 20).

The Directors have reviewed the business outlook, cash flow forecasts and immediate capital requirements and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

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In forming this view the Directors have taken into consideration the following:

- The Group needs to raise additional capital or entering into debt arrangements via any means available to it in the next 1-2 months (together the '**Funding**') inclusive of, but not limited to, placements, convertible notes, shareholder loans, research and development **(R&D)** loans (for previously incurred eligible expenditure) or rights issues, in order to fund the ongoing operational and R&D expenditure to further commercialise the Group's FI App and Frugl grocery comparison product;
- A binding loan facility agreement that was entered on 16 October 2019 with Mathew Walker, a Company director, for up to $600,000, available on call, unsecured, interest free and repayable upon the earlier of, the completion of a capital raising of not less than $1,000,000 (**Raise**), or 31 October 2020 (**Director loan**). If the Director Loan remains outstanding at 31 October 2020, the loan will roll on a quarterly basis until the Raise has been completed;
- The receipt of a signed letter from Cicero Corporate Services Pty Ltd (**CCS**), dated 4 October 2019, to defer the corporate administration fees accruing from their services from 1 October 2019 for financial reporting, company secretarial services, rental expense and administrative services (earlier amounts to 30 September 2019 having been paid in full) until the Group completes the Raise;
- The receipt of signed letters from non-executive directors Mathew Walker and Jonathon Wild, dated 1 October 2019 and 4 October 2019 respectively, to defer all accrued fees of service from 1 October 2019 (earlier amounts to 30 September 2019 having been paid in full) until the Group completes the Raise;
- The ongoing ability for the Group to apply for and receive an R&D tax incentive rebate **(R&D Rebate)** at 43.5% on the basis that the Group's expenditure from 1 July 2019 is fully eligible for the government R&D tax offset, having received the R&D Rebate for previously incurred eligible expenditure to 30 June 2019 on 6 September 2019 (Note 23); and
- The Group's ability to reduce operational expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds.

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- Obtaining addition Funding as outlined above; and,
- The ongoing support of its shareholders and creditors; and,
- Success with commercialising its Frugl grocery comparison technology and generating future sales to enable the Group to generate profit and positive cashflow. Or
- To reduced operation expenditure as outlined above.

Should the Group not be successful in obtaining adequate Funding and the other plans outlined above, here is material uncertainty as to the ability of the Group to continue as a going concern and it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

2.1.4. Share Based Payments

The Group measures the cost of equity-settled transactions with suppliers and employees by reference to the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted. The fair value of the equity instruments granted is determined using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

2.2. PRINCIPLES OF CONSOLIDATION

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

2.2.1. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquisition; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
  less
- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.2.2. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.2.3. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or put through profit and loss or through other comprehensive income depending on the election adopted.

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2.2.4. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2.5. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

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

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

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

Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

2.3. TAXATION

2.3.1. Tax Consolidation

The Group it is wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2016 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Family Insights Group Limited. As Frugl is not a wholly owned subsidiary it cannot form part of the tax-consolidated group. The Group owns 95.71% of Frugl Group Limited.

Current tax liabilities and assets and deferred tax assets arising from the unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Group (as head entity in the tax-consolidated group).

2.3.2. Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

2.3.3. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the consolidated statement of financial position.

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Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2.3.4. Fair Value

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as

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publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

2.4. PLANT AND EQUIPMENT

2.4.1. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting Note 2.7 Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

2.4.2. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

2.4.3. Depreciation

Depreciation is charged to profit or loss on a diminishing value or straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates using the straight-line method for the current and comparative period are:

Class of fixed asset	Depreciation rate (%)
Plant and Equipment	20
Motor Vehicles	20
Office Equipment	20-40
Furniture and Fittings	20
Computer Equipment	40-100

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

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2.5. RESEARCH & DEVELOPMENT EXPENDITURE

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following has been demonstrated:

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

Subsequent to initial recognition, capitalised development costs are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit, which will normally be the useful life of the asset. During the period of development, the asset is tested for impairment annually.

2.6. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the

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acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

2.7. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting Note 2.3.2) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its 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, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

2.8. FINANCIAL INSTRUMENTS

2.8.1. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

The Group's accounting policy for financial instruments is detailed as follows:

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Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. With the exception of the Group's trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the Group's accounting policy for revenue recognition.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. In determining the provision required, the Group utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment.

2.8.2. Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

a) the Group's business model for managing the financial assets; and
b) the contractual cash flow characteristics of the financial asset.

2.8.3. Classification of financial liabilities

Contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

2.8.4. Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

2.8.5. Impairment of financial assets

Trade and other receivables arising from contracts with customers and contract asset are tested for impairment by applying the 'expected credit loss' impairment model.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9

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simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 90 days past due.

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

a) significant financial difficulty of the issuer or the borrower;
b) breach of contract;
c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

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2.9. EMPLOYEE BENEFITS

2.9.1. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled wholly within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

2.9.2. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

2.9.3. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

2.9.4. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2.10. SHARE-BASED PAYMENTS TRANSACTIONS

Under AASB 2 Share-Based Payments, the Group must recognise the fair value of options granted to directors, employees and consultants as compensation as an expense on a pro-rata basis over the vesting period in profit or loss with a corresponding adjustment to equity.

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2.11. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results, and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

2.12. CONTINGENT LIABILITY

Contingent liabilities are not recognised but are disclosed in the consolidated financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable and the amount can be reliably estimated, a provision is recognised.

The amount disclosed as a contingent liability is the best estimate of the settlement.

2.13. EARNINGS PER SHARE

2.13.1. Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

2.13.2. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. When the Group makes a loss, the number of shares is not adjusted by the potential ordinary shares as the impact would be to reduce the loss per share.

2.14. LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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2.15. REVENUE AND OTHER INCOME

The Group is in the business of sale and distribution and marketing of its suite of cyber safety and grocery comparison products and services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the Customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue accounting policy is detailed below:

Subscription revenues

Subscription/service revenue is recognised over time over the life of the service contract as the Groups service obligations under the contract are satisfied.

Sales of Books

Revenue from the sale of books is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the book. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

2.15.1. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Group's income from the Australian Government's Research & Development (**R&D**) Tax Incentive is accounted for as a government grant.

2.15.2. Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

2.16. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operations of the business are regularly reviewed by the Group's Managing Director to determine if segment reporting is required.

The Group operates in one industry and develops a single technology, which the Group's Managing Director has determined that the Group is not required to have segment reporting.

2.17. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.17.1. Key Estimate - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 5 Income Tax.

2.17.2. Key Estimate - Intangible assets and amortisation

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

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

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

The purchase consideration of Frugl Group Limited was using the estimate of likelihood of achieve revenue milestone set out in the acquisition announcement.

2.17.3. Deferred Consideration

In determining the purchase consideration of Frugl Group Limited, judgement was applied to the likelihood of the achievement of the targets comprising the purchase price. This included assessing the budgets and forecast prepared by Frugl.

The Group has elected to measure the non-controlling interest at the proportionate share of the value of net identifiable assets acquired. The amount recognised for goodwill is only the acquirer's shares. The choice of method used by the Group is decided on a transaction-by-transaction basis, rather than being a policy choice.

2.17.4. Key Estimate – Provision for R&D

Where the Group receives the Australian Government's R&D Tax Incentive, the Group accounts for the amount refundable on accrual basis. In determining the amount of the R&D provision at year end, there is an estimation process utilising a conservative approach. Any changes to the estimation are recorded in the subsequent Financial Year.

2.17.5. Share-Based Payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based

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payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

2.17.6. Impairment of Assets

In determining the recoverable amount of assets, in the absences of quoted market prices, estimations are made regarding the present value of future cash flows using asset specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment of receivables from contracts with customers and other receivables

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

2.17.7. Identifying performance obligations

The Group provides users access to its cyber security software application Family Insights (**App**), which users can download from the Apple App Store or Google Play Store (**Application Stores**). Users can download the App via Application Stores and subscribe to the platform on a month-by-month basis. The subscription is a promise from the Group to the user that they will be allowed access to the App for the month. Granting and supporting the access to the App is the sole performance obligation for the Group.

The timing of revenue recognition for the Group focuses on the successful subscription to the App by the user. Once the use has accepted the terms and conditions of the App and successfully subscribes, revenue is recognised.

2.18. NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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

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2.19. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

AASBs that have recently been issued or amended and adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

New Accounting Standards adopted

2.19.1. AASB 9 Financial Instruments

AASB 9 supersedes pronouncement AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Group from 1 July 2018. This, and the related amendments to other accounting standards, introduced three significant areas of change from AASB 139 Financial Instruments: Classification and Measurement:

- A new model for classification and measurement of financial assets and liabilities;
- A new expected loss impairment model for determining impairment allowances; and
- A redesigned approach to hedge accounting.

With the exception of hedge accounting which is not applicable to the Group as the Group has not entered into any such arrangements, the Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018. The redesigned approach to hedge accounting will apply prospectively if the Group enters in to any such arrangements.

At the date of initial application, the Group has determined that it will:

- Apply the simplified approach for trade receivables in the calculation of the expected credit loss (ECL) rather than the general approach.

As a result of the adoption of the above, as at the date of initial application, there is no material impact on the transactions and balances recognised in the financial statements.

2.19.2. AASB 15 Revenue from Contracts with Customers

AASB 15 was adopted by the Group from 1 July 2018. AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, a company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

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The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted AASB 15 in accordance with the transition requirements in AASB 15, which permits companies to transition to AASB 15 by applying the Standard:

- retrospectively to each prior reporting period presented; or
- retrospectively with the cumulative effect of initially applying the Standard recognised as at the date of initial application (i.e., at the beginning of the annual reporting period in which the entity first applies the Standard).

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. However, the impact on the current period is immaterial. The Group did not apply any of the other available optional practical expedients.

At the initial date of application, the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements, including comparatives.

2.20. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

AASBs that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

2.20.1. AASB 16 Leases

AASB 16 will replace AASB 117: *Leases* and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
   i. investment property, the lessee applies the fair value model in AASB 140*: Investment Property* to the right-of-use asset; or
   ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

AASB 16 mandatorily applies to annual reporting periods commencing on or after 1 January 2019 and will be first applied by the Group in the financial year commencing 1 July 2019.

As disclosed in Note 18 to the financial statements, the Group's aggregate operating lease expenditure commitment at 30 June 2019 (measured on an undiscounted basis) is $93,100.

When AASB 16 is applied by the Group at 1 July 2019, the present value the Group's operating lease commitment (adjusted for the impact, if any, of the revised definitions of 'lease term' and 'lease payments'), for all leases with a term of more than 12 months, but excluding leases of low value assets, will be recognised as a lease liability, using an appropriate discount rate as prescribed by the accounting standard. The Group will also recognise a corresponding right-of-use asset, which the Group can choose to initially measure at either its carrying amount as if the accounting standard had applied from the commencement date of the lease or at an amount equal to the initial lease liability. The preliminary assessment of the Group is that it will most likely elect to initially measure the right-of-use asset at an amount equal to the initial lease liability. As such the Group anticipates that the initial application of AASB 16 will not impact the net assets of the Group.

Based on the Group's preliminary assessment, which includes the likely election to initially measure the right-of-use asset at an amount equal to the initial lease liability, and using a provisionally determined discount rate, it is anticipated that:
i) the application of AASB 16 will result in the recognition of a lease liability and a corresponding right-of-use asset of approximately $88,216 and
ii) the application of AASB 16 will not result in a material impact on the profit or loss of the Group, as the aggregate of the estimated interest expense on the lease liability and the estimated depreciation expense of the right-of-use asset in the first year of application is not expected to differ materially from the aggregate operating lease expense recognised by the Group for the financial year ended 30 June 2019 under the predecessor accounting standard.

3. REVENUE

3.1. REVENUE FROM CONTRACTS WITH CUSTOMERS: CONTINUING OPERATIONS

	2019 $	2018 $
Revenue from sale, distribution and marketing of cyber safety and grocery comparison products	6,502	12,220
Revenue from book sales	4,385	-
	10,887	12,220

Revenue from contracts with customers is generated wholly within the geographical location of Australia and is recognised at the point in time the product is delivered to the customer.

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4. LOSS PER SHARE

4.1. BASIC LOSS PER SHARE

	2019 Cents Per Share	2018 Cents Per Share
From continuing operations	(0.002)	(0.006)
Total basic loss per share	(0.002)	(0.006)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2019 $	2018 $
Loss for the year from continuing operations	(3,157,934)	(6,004,172)
Loss for the year	(3,157,934)	(6,004,172)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	2,067,506,206	1,007,004,019

4.2. DILUTED LOSS PER SHARE

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	2019 No.	2018 No.
Unlisted options exercisable at $0.025 on or before 31 Aug 2018(i)	-	138,034,867
Unlisted options exercisable at $0.075 on or before 31 Aug 2018(i)	-	5,000,000
Unlisted options exercisable at $0.10 on or before 31 Aug 2018(i)	-	26,000,000
Unlisted options exercisable at $0.15 on or before 31 Aug 2018(ii)	-	-
Unlisted options exercisable at $0.01 on or before 30 June 2021	1,152,444,168	251,793,198

(i) These unlisted options expired, unexercised on 31 August 2018.
(ii) The vesting conditions of the unlisted 24,000,000 options were not satisfied and expired accordingly on 31 August 2018.

5. INCOME TAX

5.1. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2019 $	2018 $
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

Loss before tax	(3,182,653)	(6,009,508)
Income tax (benefit) calculated at 27.5% (2018: 27.5%)	(875,230)	(1,652,615)
Tax effect of lower foreign tax rates	(202)	(2,885)
Effect of expenses not deductible and income in determining taxable profit or loss	-	(306,497)
Current year deferred taxes not booked	122,114	-
Other deductible/other non-deductible and non-assessable items	379,356	831,064
Effect of current year tax losses not recognised as deferred tax assets	373,962	1,130,933
Income tax expense in consolidated statement of comprehensive income	-	-

The tax rate used for the 2019 year of 27.5% (2018: 27.5%) is the corporate tax rate of payable by small business entities on taxable profits under Australian law.

5.2. TAX LOSSES

Deferred tax assets on the unused revenue tax losses of $10,296,916 (2018: $9,510,667) have not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities, including the application of the available fraction rules. The benefit of deferred tax assets not brought to account will only be brought to account if:

(a) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

(b) The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

5.3. DEFERRED TAX ASSETS

Deferred tax assets recognised directly in equity	139,286	95,113
Revenue income tax losses not brought to account at 27.5% (2018: 27.5%)	2,831,652	2,615,433
Other temporary differences	37,268	232,558
Unrecognised deferred tax assets relating to the above temporary differences	3,008,206	2,943,104

5.4. TAX CONSOLIDATION

The Group and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2016. The accounting policy in relation to this legislation is set out in Note 2.3.1.

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6. CURRENT TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Trade debtors	1,900	1,900
Provision for impairment	(1,900)	(1,900)
Sundry debtors	82,582	151,213
	82,582	151,213

Trade receivable are non-interest bearing and generally on terms of 14-60 days.

Other than those receivables fully provided for, all receivables are considered fully recoverable.

A provision for expected credit loss is recognised in accordance with Note 2.8.5.

6.1. TRADE RECEIVABLES PAST DUE BUT NOT IMPAIRED

There were no other trade receivables past due but not impaired (2018: $NIL).

6.2. FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

7. PLANT AND EQUIPMENT

	2019 $	2018 $
Plant and equipment at cost	385,383	379,838
Accumulated depreciation and impairment	(385,383)	(377,184)
	-	2,654
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(85,972)	(78,387)
	-	7,585
Office equipment at cost	64,596	64,596
Accumulated depreciation	(64,596)	(64,596)
	-	-
Office furniture at cost	35,678	22,223
Accumulated depreciation	(35,678)	(18,707)
	-	3,516
Computer equipment at cost	99,515	96,336
Accumulated depreciation	(99,515)	(53,707)
	-	42,629
Carrying amount	-	56,384

7.1. MOVEMENT IN CARRYING AMOUNTS:

	Plant & Equipment $	Motor Vehicles $	Office Furniture $	Computer Equipment $	Total $
Carrying amount at 30 June 2017	3,276	9,364	3,593	54,302	70,535
Acquisitions/(Disposals)	-	-	207	12,880	13,087
Depreciation expense	(622)	(1,779)	(284)	(24,553)	(27,238)
Carrying amount at 30 June 2018	2,654	7,585	3,516	42,629	56,384
Acquisitions	5,545	-	13,455	3,179	22,179
Depreciation expense	(8,199)	(7,585)	(16,971)	(45,808)	(78,563)
Carrying amount at 30 June 2019	-	-	-	-	-

As at 30 June 2019, the Board reviewed the carrying value of its depreciative assets and determined the recoverable value of all the depreciative assets was nil. The Board subsequently depreciated all assets to a nil carrying value.

8. INTANGIBLE ASSETS

8.1. INTANGIBLE ASSETS CARRYING BALANCE:

	2019 $	2018 $
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Impairment – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Impairment – licence	(260,100)	(260,100)
	-	-
Goodwill at cost	672,697	49,998
Impairment – goodwill	(672,697)	(49,998)
	-	-
Assets acquired on acquisition of NexGen Networks Limited	6,086,956	6,086,956
Assets acquired as part of B Class shareholders interest	3,116,929	3,116,929
Impairment – asset acquisition	(9,203,885)	(9,203,885)
	-	-

8.2. MOVEMENT IN GOODWILL NET BOOK VALUE:

	2019 $	2018 $
Goodwill opening netbook value	-	-
Goodwill recognised on acquisition of Frugl Group Limited	622,669	-
Impairment - goodwill	(622,669)	-
Goodwill closing balance	-	-

On the date of the acquisition of Frugl Group Limited, 22 January 2019, the group recognised $622,669 of goodwill.

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At 30 June 2019 a $622,699 provision for impairment on goodwill. This was based on a conservative review of the fair value of the goodwill using a value-in-use model. Based on a 5-year present value net cash flow, the goodwill was deemed to have a carrying value of approximately nil as at 30 June 2019. Therefore, a full impairment has been recognised. The key assumptions for the value-in-use models were; Forecasted revenue generated from developed forecasted development costs and ongoing support costs of technologies, forecasted staff costs associated with developing and marketing of technologies and providing technical support to users, forecasted marketing costs of technologies and a discount rate of 13.8%.

9. CAPITALISED DEVELOPMENT COSTS

9.1. MOVEMENT IN CAPITALISED DEVELOPMENT COSTS:

	2019 $	2018 $
Software development costs capitalised, opening net book value	-	2,193,666
Capitalised expenditure during the period	287,100	787,346
Reversal of software development costs[(i)]	(542,081)	-
Reversal of software development impairment[(i)]	542,081	-
Impairment of software development costs	(287,100)	(2,981,012)
Software development costs capitalised, closing balance	-	-

[(i)]As per the Group account policy, cash inflows from the Research and Development Tax Incentive Scheme are credited against where the original expenditure was allocated. As a result of the cash inflow of $1.215 million received in the year ended 30 June 2019, $542,081 was credited against the original capitalised expenditure. As the original capitalised expenditure had been fully impaired in prior years, a reversal of impairment to the amount $542,081 was recognised in the current year.

9.2. CAPITALISED DEVELOPMENT COSTS CARRYING BALANCE:

	2019 $	2018 $
Software development costs	2,992,245	3,247,226
Accumulated impairment of software development costs	(2,992,245)	(3,247,226)
Capitalised expenditure as at year end	51,456	51,456
Impairment of software development costs	(51,456)	(51,456)
	-	-

During the period, $287,100 was recognised as a provision for impairment on capitalised development costs. This was based on a conservative review of the recoverable value of the relevant assets using a value-in-use model. Based on a 5-year present value net cash flow, the asset was deemed to have a carrying value of approximately nil as at 30 June 2019. Therefore, a full impairment has been recognised. The key assumptions for the value-in-use models were; Forecasted revenue generated from developed forecasted development costs and ongoing support costs of technologies, forecasted staff costs associated with developing and marketing of technologies and providing technical support to users, forecasted marketing costs of technologies and a discount rate of 13.8%.

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10. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current		
Unsecured trade creditors	213,934	397,384
Sundry creditors and accruals	362,817	435,387
	576,751	832,771

Trade and other payables are non-interest bearing. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

11. ISSUED CAPITAL

All references to securities in the Group have been reported on a pre-consolidation basis.

	2019 $	2018 $
2,500,000,001 fully paid ordinary shares (2018: 1,352,237,366)	30,659,019	28,375,771

11.1. FULLY PAID ORDINARY SHARES

All references to securities in the Group have been reported on a pre-consolidation basis.

	2019		2018	
	No.	$	No.	$
Balance at beginning of year	1,352,237,366	28,375,771	925,444,168	25,765,103
Shares issued	1,147,762,635	2,599,065	426,793,198	2,745,380
Share issue costs	-	(315,817)	-	(134,712)
Balance at end of year	2,500,000,001	30,659,019	1,352,237,366	28,375,771

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Group in proportion to the number of shares held. Ordinary shares have no par value.

All references to securities in the Group have been reported on a pre-consolidation basis.

12. RESERVES

	2019 $	2018 $
Option reserve balance at beginning of year	75,508	728,330
Options issued during the year (Note 13.5.2)	323,811	18,418
Options lapsed during previous periods	-	(671,240)
Reversal of lapsed options during previous periods	671,240	-
Option reserve balance at end of the financial year	1,070,559	75,508

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

	2019 $	2018 $
Performance share reserve balance at beginning of year	434,485	437,047
Performance share converted during the year	-	(2,562)
Performance share reserve balance at end of the financial year	434,485	434,485

The reserve arises on the on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 30 June 2019 none of the Group's performance shares had been issued. Amounts will be transferred out of reserve and into accumulated losses when performance shares expire or lapse.

	2019 $	2018 $
Foreign currency translation reserve	17,800	22,572

	2019 $	2018 $
Option reserve	1,070,559	75,508
Performance share reserve	434,485	434,485
Foreign currency translation reserve	17,800	22,572
Total reserves balance at end of the financial year	1,522,844	532,565

EMPLOYEE INCENTIVE OPTION PLAN

On 30 November 2019, the Group received shareholder approval to adopt an employee incentive scheme titled Incentive Option Plan (Option Plan) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Option Plan allows the Group to issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. This issue of options to employees under the Option Plan is at the absolute discretion of the Board of Directors.

As at 30 June 2019, and subsequently, no options have been issued under the Option Plan.

13. SHARE OPTIONS

All references to securities in the Group have been reported on a pre-consolidation basis.

Each option issued converts into one ordinary share of Family Insights Group Limited on exercise. Options carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

All share options issued during the year and on issue at 30 June 2019 are fully vested.

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13.1. MOVEMENTS IN SHARE OPTIONS DURING THE YEAR

The following reconciles the share options outstanding at the beginning and end of the year:

	2019		2018	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	420,828,065	0.021	60,034,867	0.047
Granted during the year	900,650,970	0.010	367,793,198	0.019
Exercised during the year	-	-	-	-
Expired during the year	(169,034,867)	0.038	(7,000,000)	0.093
Balance at end of the year	1,152,444,168	0.010	420,828,065	0.021
Exercisable at end of the year	1,152,444,168	0.010	420,828,065	0.021

No options were cancelled during the year.

13.2. SHARE OPTIONS EXERCISED DURING THE YEAR

During the year no options were converted into shares (2018: Nil).

13.3. SHARE OPTIONS OUTSTANDING AT THE END OF THE YEAR

The share options of 1,152,444,168 outstanding at the end of the year had a weighted average exercise price of $0.010 (2018: $0.021) and a weighted average remaining contractual life of 730 (2018: 320 days).

13.4. SHARE OPTIONS ON ISSUE

Share options issued by the Group carry no rights to dividends and no voting rights.

As at 30 June 2019, the Group had 1,152,444,168 unlisted share options on issue on a pre-consolidation basis (2018: 420,828,065) exercisable on a 1:1 basis for 1,152,444,168 shares (2018: 420,828,065) at an exercise price of $0.01 cents on a post-consolidation basis. The options expire on 30 June 2021.

13.5. SHARE BASED PAYMENTS

Share-based payments made during the year ended 30 June 2019 are summarised below.

13.5.1. RECOGNISED SHARE-BASED PAYMENT EXPENSE

	2019 $	2018 $
Unlisted options issued to directors as per service agreements	-	3,100
Shares issued as incentive shares[i]	-	30,000
Options issued to directors[ii]	323,811	-
	323,811	33,100

(i) In the prior year, the Group issued 5,000,000 fully paid ordinary shares to Dr Neale Fong as per the terms of his consultancy agreement.

(ii) On 10 December 2018, the Group issued 175,000,000 Options to Directors, following shareholder approval on 30 November 2018. These had no vesting conditions and vested immediately on issue.

13.5.2. OPTIONS GRANTED DURING THE YEAR

The Group granted the following options during the year ended 30 June 2019:

Number of Options Issued	Issue Date	Expiry Date	Exercise Price	Total Value(i)	Recipient
725,650,970	25 Jul 2019	30 Jun 2021	$0.01	Nil	Shareholders
175,000,000	10 Dec 2018	30 Jun 2021	$0.01	323,811	Directors

Number of Options	Underlying share price (VWAP)	Exercise price	Expected volatility	Expiry date (years)	Expected dividends	Risk free rate	Probability of share issue	Value per option
725,650,970	$0.003	$0.01	262%	2.56	Nil	1.93%	Negligible	Negligible
175,000,000	$0.002	$0.01	262%	2.56	Nil	1.93%	Negligible	Negligible

(i) As the options issued are unlisted, the Company determined the most appropriate value using the Black Scholes Model applying the following inputs: share price at grant date of $0.002 for the 175,000,000 options; expected volatility of 262%, expected dividends of nil; and a risk-free rate of 1.93%.

14. FINANCIAL INSTRUMENTS

14.1. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2018.

The Group is not subject to any externally imposed capital requirements.

14.2. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of directors provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include interest rate risk, liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks by making use of credit risk policies and future cash requirements. These are approved by the Board of directors and are reviewed on a regular basis.

The totals for each category of financial instruments, measured in accordance with *AASB 9 Financial Instruments*, as detailed in the accounting policies to these financial statements below.

14.3. INTEREST RATE RISK

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits. The Group's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

14.3.1. Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by $963 (2018: $1,441). Where interest rates decreased, there would be an equal and opposite impact on the loss.

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14.3.2. Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 2.

At risk amounts are as follows:

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	192,653	288,197
Trade and other receivables	82,582	151,213
	275,235	439,410
Financial liabilities		
Trade and other payables	576,751	832,771
Deferred considerations	550,333	-
	1,127,084	832,771

14.4. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established 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, banking facilities by continuously monitoring forecast and actual cash flows, identifying when further capital raising initiatives are required as disclosed in Note 2.1.3. The Group presently has no significant source of operating income; it is reliant on equity contributions and cooperation of creditors and lenders to continue as a going concern.

		Contractual cash flows				
	Interest Rate	Carrying amount $	<6 months $	>6-12 months $	>12 months $	Total contractual cash flows $
2019						
Financial assets						
Cash and cash equivalents	Nil%	192,653	192,653	-	-	192,653
Trade and other receivables	Nil%	82,582	-	82,582	-	82,582
		275,235	192,653	82,582	-	275,235
Financial liabilities						
Trade and other payables	Nil%	576,751	576,751	-	-	576,751
Deferred consideration	Nil%	550,333	-	-	550,333	550,333
		1,127,084	576,751	-	550,333	1,127,084
Net Exposure		(851,849)	(384,098)	82,582	(550,333)	(851,849)
2018						
Financial assets						
Cash and cash equivalents	Nil%	288,197	288,197	-	-	288,197
Trade and other receivables	Nil%	151,213	-	151,213	-	151,213
		439,410	288,197	151,213	-	439,410
Financial liabilities						
Trade and other payables	Nil%	832,771	832,771	-	-	832,771
Other financial liabilities	Nil%	-	-	-	-	-
		832,771	832,771	-	-	832,771
Net Exposure		(393,361)	(544,574)	151,213	-	(393,361)

14.5. CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. In respect of financing activities, the Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's bank has an "AA-" long term issuer rating by Standards & Poors (S&P).

The total Group exposure to credit risk is as follows:

	2019 $	2018 $
Cash and cash equivalents	192,653	288,197
Trade and other receivables	82,582	151,213
	275,235	439,410

14.6. FOREIGN CURRENCY EXCHANGE RISK MANAGEMENT

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising if necessary forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated	
30 June 2019	Short term exposure $'000	Long term exposure $'000
NZ Dollars		
• Financial assets	8,889	8,889
• Financial liabilities	118	118
	9,007	9,007
30 June 2018		
NZ Dollars		
Financial assets	9,667	9,667
Financial liabilities	2,111	2,111
	11,778	11,778

The Group does not consider its exposure to foreign currency exchange risk to be material.

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15. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2.2.2. Details of subsidiary companies are as follows:

Entity	Incorporation	2019 Ownership	2018 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%
NexGen Networks Limited	New Zealand	100%	100%
VTX Holdings (Singapore) Pte. Ltd	Singapore	-	Deregistered
Wangle Operations Pty Ltd	Australia	100%	100%
Frugl Group Limited	Australia	95.71%	-
Family Insights IP Pty Ltd	Australia	100%	-

Family Insights IP Pty Ltd has been incorporated on 8 May 2019 as a pure corporate holding Company.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

16.1. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2019 $	2018 $
Short-term employee benefits	486,100	465,900
Post-employment benefits	-	-
Other benefits	60,000	3,253
Share-based payments	323,811	3,100
	869,911	472,253

The compensation of each member of the key management personnel of the Group is set out in the Directors' Remuneration Report on pages 5 to 10.

17. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Family Insights Group Limited. Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

17.1. LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There have been no loans to key management personnel during the year and no balances were outstanding as at the reporting date.

17.2. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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Key management personnel related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with key management personnel related parties are set out below.

The Group entered into a mandate with Cicero Corporate Services Pty Ltd (**CCS**), a company related to Messrs Robinson and Walker for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. CCS provided services to the amount of $120,000 (2018: $122,882). As at 30 June 2019, $Nil amount payable (2018: $22,182) remains outstanding. The Group entered into a mandate with Cicero Advisory Services Pty Ltd (**CAS**), a company related to Messrs Robinson and Walker for corporate advisory services. CAS provided services to the amount of $162,654 (2018: $44,600). As at 30 June 2019, $Nil amount payable (2018: $20,000) remains outstanding.

17.3. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2019 $	2018 $
(Loss) for the year	(3,182,653)	(6,004,172)
Non-cash items		
Depreciation	78,563	27,238
Impairment of intangible assets and development costs	913,984	2,981,012
Share-based payments	323,811	18,418
Non operational expenditure	115,704	-
	(1,750,591)	(2,977,504)
Movements in working capital		
(Increase)/decrease in trade and other receivables	64,447	(33,153)
Increase/(decrease) in trade and other payables in provisions	(272,662)	556,034
Net cash used in operating activities	(1,958,806)	(2,454,623)
Reconciliation to cash at the end of the year		
Balance as per Note 17.5	192,653	288,197
Balance as per statement of cash flows	192,653	288,197

There are no available financing facilities.

17.4. NON-CASH TRANSACTIONS

The only non-cash investing or financing activity relates to the contingent consideration payable of $550,333 (2018: Nil) by the entity as a result of the acquisition of Frugl Group Limited.

17.5. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2019 $	2018 $
Cash and cash equivalents	192,653	288,197

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18. COMMITMENTS & CONTINGENT LIABILITIES

18.1. COMMITMENTS

	Executive Fees	Corporate Fees	Office Lease
Agreement Start date	25/01/2017	1/01/2019	10/08/2018
Expiry date	25/01/2020	1/01/2020	10/08/2020
Monthly amount	20,000	10,000	6,650
Terms of agreement	90 days'	90 days'	152 days'
Within 12 months to June 2020	140,000	60,000	93,100
Within 2 <5 years	-	-	-
Total	140,000	60,000	93,100

18.2. CONTINGENT LIABILITIES

The Group is currently in a legal dispute with a previous employee of Frugl Group Limited (**Dispute**). The Dispute is still ongoing with a number of interlocutory steps that have not yet been completed by the parties, including the finalisation of discovery and issuance of subpoenas. The parties are in the process of working through those interlocutory matters. If the matter does proceed to trial in November it would be likely that a decision is most likely to be handed down between two – six months after the trial is concluded. The estimated maximum liability payable is $150,000 as at 30 June 2019 (30 June 2017: Nil).

19. DISCONTINUED OPERATIONS

On 9 January 2018 the Group confirmed that it had deregistered is wholly owned subsidiary in Singapore, VTX Holdings Pte. Ltd due to inactivity.

19.1. RESULTS OF DISCONTINUED OPERATIONS

	2018 $
Revenue	-
Income	5,336
Expenses	-
Profit/(loss) before income tax	5,336
Income tax (benefit)/expense	-
Profit/(loss) after tax from discontinued operations	5,336
Assets and liabilities of discontinued operations	
Liabilities	
Inter-Company Loans	-
Total Non-Current Liabilities	-
Total Liabilities	-
Net Assets	-
Cash flows of discontinued operations	
Net cash from/(used in) operating activities	5,336
Net cash from investing activities	-
Net cash from/(used in) financing activities	-
Net cash flows for the year	5,336

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20. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

On 22 January 2019, the Group acquired 95.71% of the voting shares of Frugl Group Limited (**Frugl**), a non-listed company based in Perth, Australia. Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. Frugl provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets.

The Group has elected to measure the non-controlling interest at the proportionate share of the value of net identifiable assets acquired. The amount recognised for goodwill is only the acquirer's shares. The choice of method used by the Group is decided on a transaction-by-transaction basis, rather than being a policy choice.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Frugl as at the date of Acquisition were:

	FAIR VALUE AT RECOGNISED ON ACQUISITION
Assets	
Cash and cash equivalents	10,207
Trade and other receivables	43,559
Intellectual Property	-
	53,766
Liabilities	
Trade and other payables	(129,375)
	(129,375)
Total identifiable net assets at fair value (100%)	(75,609)
Non-controlling interest	3,243
Goodwill on acquisition	622,699
Fair value of contingent consideration	**550,333**

On the basis of their short-term nature, the fair value of the trade and other receivables amount of $41,689, and trade and other payables amount of $123,825 was considered to be their carrying value in the books of Frugl as at the acquisition date.

The intellectual property and underlying technologies were in state of care and maintenance when Frugl was acquired by the Group. Based on the state of the technologies, management assessed the fair value as $nil as at the acquisition date.

The goodwill of $622,699 comprises the value of expected synergies arising from the acquisition and its intellectual property, which is not separately recognised. Goodwill is allocated entirely to the grocery comparison engine.

From the date of acquisition, Frugl contributed ($653,481) of expenses and loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, expenses from continuing operations would have been ($1,245,885).

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Purchase consideration

	$
Shares issued, at fair value	-
Contingent consideration liability	550,333
	550,333

Analysis of cashflows on acquisition:

	$
Transaction costs of the acquisition	(115,704)
Net cash acquired with the subsidiary	9,769
	(105,935)

Transaction costs of $115,704 were expensed and are included in other expenses from ordinary activities.

Contingent consideration

As part of the purchase agreement with the previous shareholders of Frugl Group Limited, a contingent consideration has been agreed. There will be the issue of fully paid ordinary shares in Family Insights Group Limited to the previous shareholders of Frugl Group Limited. The total contingent consideration is 1,914,200,000 fully paid ordinary shares which are to be issued to previous shareholders of Frugl Group Limited in four equal tranches of 478,550,000 upon realisation of the following milestones:

- $1,000,000 revenue before costs on or before 30 June 2021;
- $2,000,000 revenue before costs on or before 30 June 2021;
- $6,000,000 revenue before costs on or before 30 June 2022; and
- $10,000,000 revenue before costs on or before 30 June 2022.

As at the acquisition date, the fair value of the contingent consideration was estimated to be $550,332 based on the assigned probability of the milestones being achieved.

The fair value of the contingent consideration determined at 30 June 2019 remains the same as acquisition date.

21. REMUNERATION OF AUDITORS

The auditor of Family Insights Group Limited and its subsidiary is Pitcher Partners BA & A Pty Ltd.

	2019 $	2018 $
Audit and review of the financial statements	52,540	38,512
	52,540	38,512

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22. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the Family Insights. The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

23. EVENTS AFTER THE REPORTING PERIOD

The Group announced on 30 July 2019 it had entered into a loan facility agreement (**Loan agreement**) with Rocking Horse Pty Ltd (**Rocking Horse**) (**Lender**) for the amount of $500,000 (**Loan**). As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2019 financial year Research & Development Rebate.

On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis.

On 6 September 2019, the Group announced it had received a Research and Development Tax Incentive Scheme cash rebate (**R&D Refund**) from the Australian Tax Office of $846,972 for the financial year ending 30 June 2019. Following receipt of the R&D Refund, the Group repaid the Loan to Rocking Horse.

On 1 October 2019 and 4 October 2019 respectively, Mathew Walker and Jonathon Wild signed letters of deferral of director fees, to defer all accrued fees of service from 1 October 2019 (earlier amounts to 30 September 2019 having been paid in full) until the completion of a capital raising of not less than $1,000,000.

On 4 October 2019, Cicero Corporate Services Pty Ltd signed a letter of deferral for corporate administration fees dated 4 October 2019, to defer the corporate administration fees accruing from their services from 1 October 2019 for financial reporting, company secretarial services, rental expense and administrative services (earlier amounts to 30 September 2019 having been paid in full) until the completion of a capital raising of not less than $1,000,000.

On 16 October 2019, a binding loan facility agreement was entered into with Mathew Walker for up to $600,000, available on call, unsecured, interest fee and repayable on the earlier of 31 October 2020 and the completion of a capital raising of not less than $1,000,000. If the Director loan remain unpaid at 31 October 2020, the loan will continue to roll on a quarterly basis until the capital raising has been completed.

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24. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2019 $	2018 $
Assets		
Current assets		
Cash and cash equivalents	92,566	121,613
Trade and other receivables	15,896	48,890
Other current assets	-	19,919
Total current assets	108,462	190,422
Non-current assets	-	-
Development costs	-	-
Intellectual property	-	-
Total non-current assets	-	-
Total assets	**108,462**	**190,422**
Liabilities		
Current liabilities		
Trade and other payables	128,277	248,983
Employee entitlements	41,157	6,826
Total current liabilities	169,434	255,809
Non-current liabilities		
Deferred consideration	550,333	-
Total non-current liabilities	550,333	-
Total liabilities	**719,767**	**255,809**
Net liabilities	**(611,305)**	**(65,387)**
Equity		
Issued capital	30,659,019	28,375,771
Reserves	1,618,647	623,596
Accumulated losses	(32,888,971)	(29,064,754)
Total equity	**(611,305)**	**(65,387)**
Statement of comprehensive income		
Total loss and comprehensive expense	**(3,002,451)**	**(7,701,927)**

24.1. THE GROUP HAS THE FOLLOWING COMMITMENTS:

	Executive Fees	Corporate Fees	Office Lease
Agreement Start date	25/01/2017	1/01/2019	10/08/2018
Expiry date	25/01/2020	1/01/2020	10/08/2020
Monthly amount	20,000	10,000	6,650
Terms of agreement	90 days'	90 days'	152 days'
Within 12 months to June 2020	140,000	60,000	93,100
Within 2 <5 years	-	-	-
Total	140,000	60,000	93,100

25. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of directors and authorised for issue on 23 October 2019.

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ADDITIONAL SHAREHOLDERS' INFORMATION

Family Insights Group Limited's issued capital on a post-consolidated basis is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are 50,000,000 Ordinary fully paid shares in the Group.

	Number of shares
Balance at the beginning of the year	27,044,747
Movements of share options during the year and to the date of this report	22,955,253
Total number of shares at the date of this report	50,000,000

SHARES UNDER OPTION

At the date of this report there are 23,048,883 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	8,416,561
Movements of share options during the year and to the date of this report	14,632,322
Total number of options outstanding at the date of this report	23,048,883

The balance is comprised of the following:

Number of options	Expiry date	Exercise price (cents)	Listed/Unlisted
23,048,883	30 June 2021	$0.50	Listed

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

RANGE OF SHARES AS AT 27 SEPTEMBER 2019

Range	Total Holders	Units	% Issued Capital
1 - 1,000	933	270,054	0.54%
1,001 - 5,000	554	1,452,801	2.91%
5,001 - 10,000	193	1,471,687	2.94%
10,001 - 100,000	294	8,377,704	16.76%
100,001 - > 100,001	57	38,427,754	76.86%
Total	**2,031**	**50,000,000**	**100.00%**

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UNMARKETABLE PARCELS AS AT 27 SEPTEMBER 2019

	Minimum parcel size	Holders	Units
$500.00 parcel at $0.072 per unit	6,945	1,569	2,207,147

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 27 SEPTEMBER 2019

#	HOLDER NAME	Units	%
1	GOLDEN STATE CAPITAL	9,999,999	20.00%
2	GREAT SOUTHERN FLOUR MILLS PTY LTD	6,000,000	12.00%
3	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	2,500,000	5.00%
4	CARDUP SYNDICATE HOLDINGS PTY LTD <THE CARDUP SYNDICATE A/C>	1,699,000	3.40%
5	MR JASON PAUL GITMANS	1,692,000	3.38%
6	TERRITORY TRADING GROUP PTY LTD	1,195,627	2.39%
7	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	1,190,000	2.38%
8	MR JONATHAN MARK WILD	1,000,000	2.00%
9	SCINTILLA STRATEGIC INVESTMENTS LIMITED	800,000	1.60%
10	STARTRADE PTY LTD <STAR INVESTMENT A/C>	745,180	1.49%
11	FIRST GROWTH FUNDS LIMITED	600,000	1.20%
12	PETERLYN PTY LTD <RPC SALMON SUPER FUND A/C>	500,000	1.00%
13	MR IAN ALASTAIR LEETE & MRS HELEN LEETE <THE LEETE FAMILY S/F A/C>	500,000	1.00%
14	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	470,000	0.94%
15	MR GREGORY PETER WILSON	460,000	0.92%
16	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY <SUPER FUND A/C>	400,000	0.80%
17	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	400,000	0.80%
18	TYCHE INVESTMENTS PTY LTD	400,000	0.80%
19	MR LUKE SOFI	390,000	0.78%
20	MR BRIAN ROBERT RICHARDS	360,002	0.72%
Total of Top 20 Holders of ORDINARY SHARES		**32,334,025**	**64.67%**

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TOP 20 HOLDERS OF QUOTED OPTIONS AS AT 27 SEPTEMBER 2019

#	HOLDER NAME	Units	%
1	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	2,560,666	11.11%
2	SEAN PAUL SMITH	2,000,000	8.68%
3	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	1,666,666	7.23%
4	JONATHAN MARK WILD	1,500,000	6.51%
5	FIRST GROWTH FUND LIMITED	1,333,333	5.78%
6	MR JOHN WALTERS & MS BERNADETTE PARKER	1,040,000	4.51%
7	MRS ELIZABETH JANE QUADE	586,666	2.55%
8	MR STEPHEN GEORGE LEARY & MRS PENELOPE JOAN LEARY	553,333	2.40%
9	SCINTILLA STRATEGIC INVESTMENTS LIMITED	500,000	2.17%
10	SABRELINE PTY LTD <JPR INVESTMENT A/C>	486,666	2.11%
11	MR ROBERT ANTHONY MARTIN <MARTIN FAMILY A/C>	440,000	1.91%
12	TYCHE INVESTMENTS PTY LTD	400,000	1.74%
13	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	400,000	1.74%
14	KHAZA NOMINEES PTY LTD	400,000	1.74%
15	STARTRADE PTY LTD <STAR INVESTMENT A/C>	372,590	1.62%
16	P&E QUADE PTY LTD <QUADE SUPER FUND A/C>	333,333	1.45%
17	G & J SUPER FUND PTY LTD <G & J SUPER FUND A/C>	333,333	1.45%
18	RUBYCHLO PTY LTD	266,666	1.16%
19	1215 CAPITAL PTY LTD	265,000	1.15%
20	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	240,038	1.04%
Total of Top 20 Holders of quoted option holders		**16,363,051**	**70.99%**