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SKYFII LIMITED

Formally known as RKS Consolidated Limited | ABN 20 009 264 699

2015 ANNUAL REPORT



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Chairman's Letter

Dear Shareholder,

The Board is pleased to present to shareholders SkyFii's inaugural Annual Report for the year ended 30 June 2015 (FY15).

The Company experienced a phenomenal year of positive momentum in FY15 and I'd like to take this opportunity to highlight some of the notable milestones the Company has achieved, and in doing so, acknowledge the valued support of our shareholders, staff, customers and technology partners in helping us along this exceptional journey to date.

SkyFii set out to be a technology leader within the Big Data and data services sectors, to provide a market leading solution, to set an industry benchmark and to continuously lead the market with innovation. The global retail sector has experienced an unprecedented transformation over recent years with the rapid consumer shift towards online retailing, online and mobile consumption of media and advertising and the proliferation of mobile payments, all technological advancements built to improve efficiencies.

In order to compete within the new retail sector paradigm, traditional bricks and mortar retailers have had to re-invent themselves, to increase their focus on customer experience to drive in-store engagement, loyalty and sales, and to connect their in-store experiences with the online habits of their customers. At SkyFii, we have been creating the tools to equip bricks and mortar retailers and property owners to adapt to this new retail paradigm, by helping them to better understand their customers' behaviours, preferences and desires and use these critical insights to provide a more personalised, engaging and relevant in-store shopping experience.

SkyFii's data analytics services convert bricks and mortar retailers' Big Data into actionable data, providing insights previously only available to e-commerce retailers - we are helping retailers to bridge the divide between online and physical retail environments. The insights derived from the SkyFii platform help retailers drive customer loyalty and retail sales, which in turn helps retail property owners to maximise their rental yields and property values. There is a massive global opportunity for SkyFii's Big Data services, to capture a share of the potential efficiencies to retailers which are estimated to be worth \$3.8 billion¹ in Australia alone.

It is with unwavering passion and relentless desire to provide a global solution that has provided the momentum to deliver what we consider to be the market leading real time wireless analytics, data services and content delivery platform for retailers. Having successfully won competitive tenders for 3 premium retail groups globally and having been adopted as the preferred wireless analytics platform provider to some of the most respected brands in retail, we believe we have earned this reputation.

Note:

1. PricewaterhouseCoopers estimate, Big Data - The next frontier for innovation (October 2012).

Our journey over the past 12 months has been nothing short of remarkable. The Company converted several large and significant beachhead contracts across multiple continents. The Company experienced an extremely strong conversion rate of prospects to pilots and ultimately to master services agreements with major retail property groups. By year end, the Company had delivered its data analytics services into 17 large mall venues with a number of retail property groups and a further roll-out pipeline of 41 large venues.

The Company continued to invest heavily in the product development of its cloud-based Big Data analytics platform with a number of key feature enhancements, which will provide the opportunity to unlock new significant revenue channels from content delivery and transactional based advertising.

The Company has continued to grow its team in order to service the increasing market demand for SkyFii's data analytics services, in particular from retail property groups, and to invest building out its Software as a Service (SaaS) product to unlock new data and advertising services revenues in the future. SkyFii's team grew from 15 to 25 staff in FY15, representing growth across all functions of the business including product management and development, project and account management, data science and corporate.

Thank you

The Board and myself would like to thank our shareholders for the tremendous support and confidence they have shown in the Company since listing on the ASX. We would also like to thank and acknowledge the support of all our employees, customers and technology partners, and we look forward to continuing this journey with you.

Yours Faithfully,



Gary Flowers
Chairman
SkyFii Limited

Review of Operations

SkyFii's business model

The Company derives its revenue through 3 key channels: **Analytics**; **Advertising**; and **Data Services**.

The Company's **analytics** revenues are derived from providing its cloud-based Big Data analytics platform as a Software as a Service (**SaaS**) to retail and other venue customers. The Company's SaaS contracts are structured with initial implementation fees and recurring monthly fees with typical contract terms of between 12 and 60 months. Analytics fees vary depending on the size of each venue, relative to the amount of data captured, processed and analysed by the Company's proprietary analytics platform. For example, recurring analytics fees for large public venues such as retail malls typically range between \$1,200 - \$5,500 per mall per month, varying depending on the size of each venue, the overall portfolio size secured by a master services agreement and the term of contract secured.

It is this revenue channel which is driving SkyFii's rapid footprint growth and is currently the Company's predominant source of revenue.

As the Company's footprint grows, the addressable audience of registered users and potential retailer partners and sponsors grows. As such, over time, the Company's **advertising** revenues will become more significant, from the monetisation of its content delivery and other marketing products enabled on and by the Company's analytics platform (E.g., email marketing tools, SMS tools and mobile push notifications).

The Company's **data services** refers to all of the additional products SkyFii is beginning to create and implement through its Big Data engine, which is expected to provide significant value to the Company in line with the Company's growing footprint and data sets.

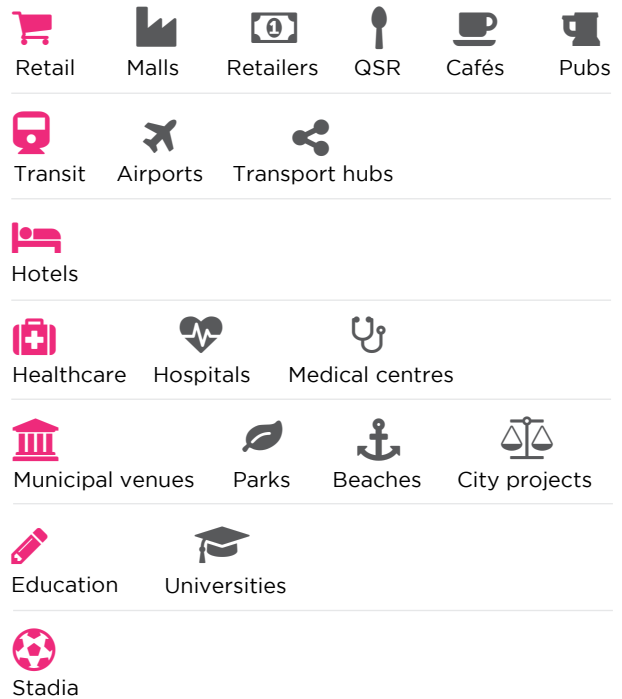
SkyFii's ability to deliver globally, scalably and via numerous distribution channels

As a cloud-based, wireless hardware vendor agnostic software platform provider, the opportunity for SkyFii is truly borderless. The Company is able to scalably deploy its data analytics services remotely via the cloud and meet the data processing requirements for any venue size and type in any market globally.

In addition to the scalability of SkyFii's product offering, the Company's international growth and sales strategy is to sell through key reseller and distribution partners with whom those partners already have existing customer relationships, sales teams and operational know-how to deploy wireless networks and value added services such as the SkyFii platform. This strategy is allowing SkyFii's sales process to be low touch whilst unlocking global distribution channels. In FY15 the Company has been successful in securing reseller and distribution relationships with:

- Telecommunications providers;
- Internet service providers;
- Wireless services providers;
- Systems integrators;
- Authorised hardware vendor resellers;
- Media agencies; and
- Advertising vendors

SkyFii's target markets



Size of the retail mall market globally



Based on SkyFii's current retail mall pricing model for recurring analytics services fees, the Company has the potential to break-even on its current fixed cost base by capturing less than 0.5% of the global retail mall market presented above. This represents just one target vertical out of many which are applicable to SkyFii's product, as outlined above.

Key performance highlights

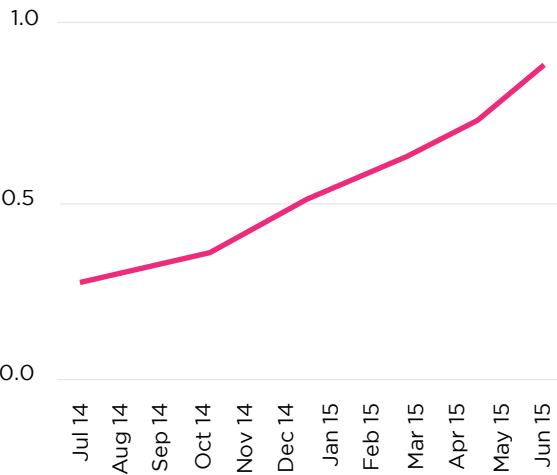
Having made a significant investment in FY14 on its initial platform development and the deployment of multiple proof of concept networks across various target verticals including pubs, quick service restaurants, cafes, supermarkets, retailers and retail malls, the Company commenced FY15 with the strategic aim of positioning its competitive advantage in the retail mall segment.

With this strategic focus in FY15 and the continued investment in product development and staff, the Company experienced an incredibly strong conversion rate of prospects to pilots and ultimately to master services agreements with major retail property groups, resulting in strong growth across all key operating metrics.

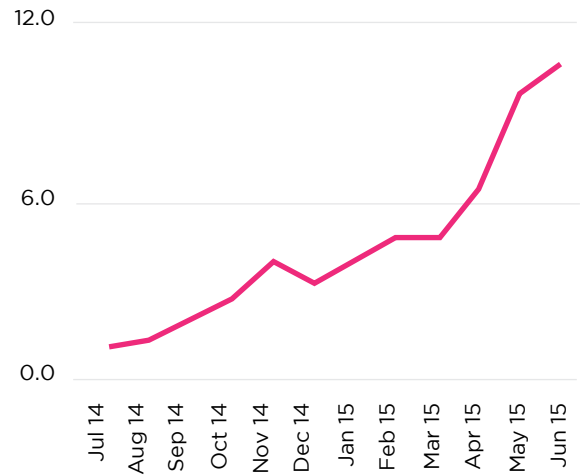
Significant growth in key operating metrics in FY15

In line with the Company's growth in pilots and contract deployments in FY15 all key operating metrics have experienced significant growth.

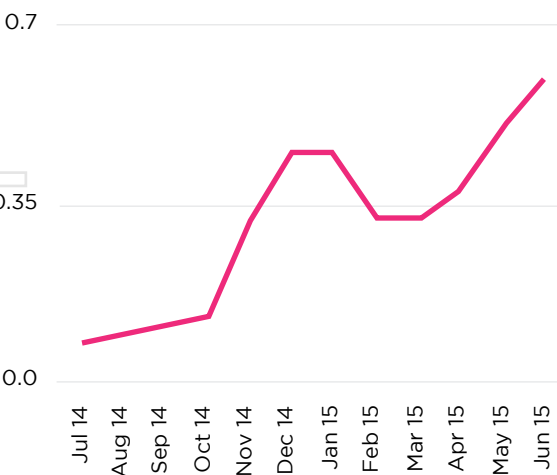
Total User Registrations (millions)



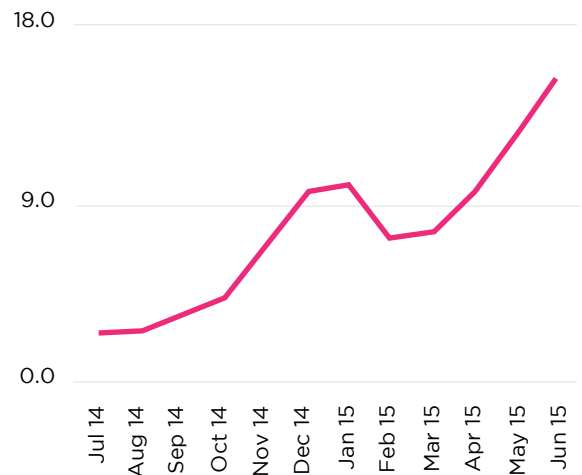
Monthly Customer Visits (millions)



Monthly Wi-Fi Sessions (millions)



Monthly Data Transfer (Terabytes)



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Key operating highlights

Australia & New Zealand

In FY15, following a competitive tender process, an Australian Telco-led consortium including SkyFii, was selected for a pilot with a Premium Australian Mall Operator, which commenced in December 2014 and ran into the early part of 2015.

Following the successful pilot, the consortium was appointed by the Premium Australian Mall as its partner to roll-out wireless services including the SkyFii's wireless data analytics services to a minimum of 21 malls across Australia, which is currently well underway.

In addition, the Company was selected as the wireless data analytics partner to Federation Centres (formerly Centro Group) for an initial trial, following a competitive tender process. The Company commenced a trial at the Karingal Hub Shopping Centre in Victoria in November 2014 and following the successful delivery of its services, the Company rolled-out its services to an additional two malls (Warnbro Centre, Western Australia and Cranbourne Park, Victoria).

In February 2015, the Company secured a master services agreement with the New Zealand Retail Property Group (NZRPG), the largest privately owned property management group in New Zealand, with a current portfolio of 4 retail malls in New Zealand and an additional mall, Westlakes, which is currently under development and slated to be the largest retail hub in the southern hemisphere. The Company is currently providing its wireless data analytics services at NZRPG's Milford Centre in Auckland's North Shore.

After successfully delivering its wireless network and data analytics services at two pilot sites (Rouse Hill Town Centre and the MLC Centre in New South Wales) the Company secured contracts for the above assets and a master services agreement with The GPT Group (GPT) in June 2015 which will govern the roll-out of its services to up 19 retail and office property assets across Australia. The Company has already commenced the roll-out of its services at two additional GPT retail venues (Melbourne Central, in Melbourne's CBD and Casuarina Square, in Darwin).

With the significant momentum of pilot conversions and contracts with these major retail property groups, particularly during the second half of FY15, the Company has materially advanced its discussions with other major listed and unlisted retailers and property groups in Australia, providing a significant qualified pipeline of opportunities to pursue in the coming financial year.

For example, by the end of FY15, and subsequent, the Company has entered into trial services agreements with the Precision property group, the Hawaiian property group, Top Ryde Shopping Centre (currently owned by the Blackstone Group), Barangaroo's South precinct and the Merivale Hospitality Group. These groups alone provide a pipeline of up to 78 large retail venues.

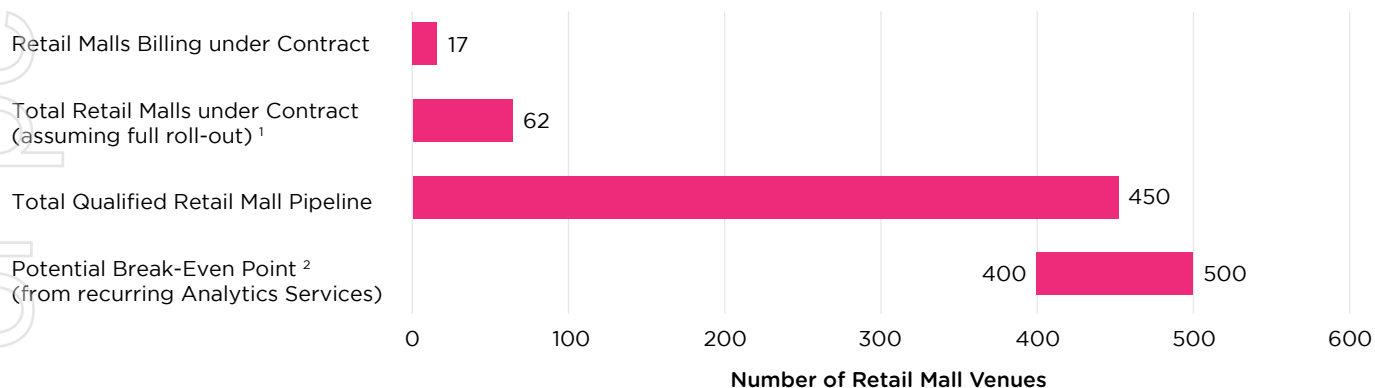
International

The Company operates internationally, with small teams now based in Brazil and South Africa, and reseller and distribution partnerships providing access to South East Asia, including Indonesia and Thailand. In addition, the Company is pursuing discussions with potential partners in the UK, Spain, USA and the Middle East.

In April 2015, following a competitive tender process and successful pilot at its flagship Market Place retail mall in São Paulo, the Company was selected as the preferred wireless data analytics partner and entered into a master services agreement with Iguatemi Empresa de Shopping Centers S.A (Iguatemi), one of Brazil's leading shopping centre groups. The master services agreement with Iguatemi is a 5 year contract governing the potential roll-out to up to 17 retail mall venues. The Company has now deployed its services into 3 of Iguatemi's shopping centres.

In line with the Company's scalable international growth strategy, the Company progressed its discussions with a number of strategic parties, including telecommunications providers and ISPs, wireless service providers, systems integrators, hardware vendor resellers, media agencies and advertising vendors, in order to establish strategic reseller and distribution partnerships which the Company expects will provide greater access to markets in South East Asia, Europe and North America.

FY15 Year End Retail Mall Pipeline for Analytics Services



Notes:

1. Assumes all retail malls currently under master services contracts are rolled out.
2. Subject to current expectations of aggregate market pricing, average venue size and gross operating margins.

Product development highlights

The last year has been an exciting and rewarding time for SkyFii’s product and development team releasing over one hundred (100) new platform enhancements during the financial year. With continual updates to its analytics, guest WiFi and campaign components and a range of improvements to the platform’s user experience, the SkyFii product suite has progressed to become one of the most complete and advanced solutions currently available on the market. Alongside the continual work on the core analytics platform, SkyFii’s product development team has also worked towards supporting even more WiFi hardware vendors, including the release of SkyOS, a proprietary firmware for consumer grade WiFi routers.

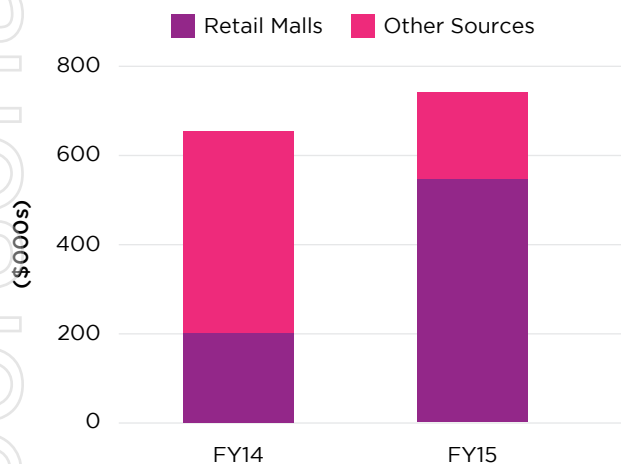
Overview of financial performance

The Company achieved revenues of \$0.7 million in FY15, representing 13% growth on the previous corresponding period (FY14: \$0.6 million). The growth in revenues from FY14 to FY15 reflected a considerable change in composition:

- from non-recurring fees earned in FY14 from the deployment of advertising sponsored and other proof of concepts and trials in small venue networks including quick service restaurants, cafés and pubs;
- to network implementation, recurring data analytics service fees and associated advertising revenues associated with the Company’s retail mall network in FY15.

Underlying this result was a 175% growth in revenues from the retail mall segment.

Source of SkyFii’s revenues



In line with the Company’s continued investment to support the future growth and roll-out of its services internationally, the Company reported an operating net loss after tax of \$2.0 million (FY14: \$1.6 million loss) and operating loss before interest, tax, depreciation and amortisation of \$2.8 million (FY13 Operating EBITDA: \$2.1 million loss).

Reported net loss after tax of \$4.8 million in FY15 (FY14 NPAT: \$1.6 million loss) included a tax benefit of \$0.8 million and one-off expenses totalling \$2.8 million, including corporate advisory services, acquisition costs and the impairment of intangible assets including goodwill arising from the reverse acquisition of RKS Consolidated Limited (now SkyFii Limited).

Net operating cash outflows in FY15 were \$2.0 million (FY14: \$1.8 million outflow), including the receipt of an R&D tax incentive rebate of \$0.5 million (FY14: nil).

During the year, the Company also spent and capitalised \$1.4 million on development activities relating to its Big Data analytics platform.

As at 30 June 2015, the Company held cash and equivalents of \$2.7 million. In addition, the Company expects to receive an R&D tax incentive rebate of \$0.8 million in FY16 relating to research and development expenditures undertaken in FY15.

Successful listing and capital raisings in FY15

In July 2014, SkyFii Group Pty Ltd entered into an Acquisition Agreement with RKS Consolidated Limited (now SkyFii Limited), a shell company listed on the Australian Securities Exchange. Concurrent with the reverse acquisition, the Company closed an oversubscribed capital raising of \$3.5 million (before costs) through a public offering at \$0.20 per share.

In May 2015, the Company conducted a private placement to raise an additional \$2.8 million (before costs) from existing new sophisticated shareholders in order to:

- enable the Company to fund the delivery of existing and future contract wins in Australia and internationally;
- allow the Company to expand its sales, development and operations teams to support identified and new growth opportunities; and
- provide additional working capital and balance sheet strength.

The placement was conducted at a price of \$0.22 per share, representing a 10% premium to the Company’s listing price, and an 18.9% premium to the then trading price of SkyFii’s shares, representing the significant support and confidence in the Company’s strategy and execution.

Outlook for FY16

SkyFii expects to continue to show strong growth across all operational metrics as it continues to build out its footprint globally.

SkyFii is committed to continuing to lead the market in the delivery of wireless data analytics and content delivery services to the retail sector globally.

As a category agnostic data platform the opportunity is far greater than just retail and as such, the Company also intends to work towards penetrating additional verticals such as Healthcare, Education, Transit, Municipal and Hospitality.

Key areas of focus in FY16 and beyond will include:

- Continued roll-out of new and existing contracts
- Continued focus on converting mall pipeline prospects into trials and full service contracts
- Continued focus on new verticals outside of retail malls
- Securing further distribution and reseller agreements globally
- Continued product development focus on marketing automation and associated media/advertising partnerships
- Development of new data source integrations and data services products

Case study: Platypus Shoes

SkyFii helps to drive customers into the Market City Platypus Shoes Store resulting in an increase of sales in 60% over the budget during the campaign period!



Campaign	20% OFF Voucher to Spend in Store on Shoes
Media Package	Solus EDM + Free Public WiFi Sponsorship
Location	Platypus Shoes – Market City
Timing	27 April 2015 – 3 May 2015

Background

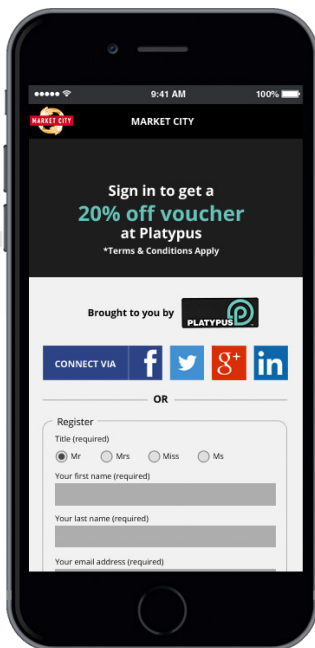
SkyFii awarded Platypus Shoes with a free hyper-local marketing campaign valued at \$10,500 at the Market City Retailer Awards Night 2014.

Execution

- ✔ Platypus Shoes sponsored Market City's public WiFi network for a week, offering a 20% off voucher through SkyFii's dedicated media channels.
- ✔ A highly localised promotion drove customers to Platypus Shoes in Market City to redeem the offer, increasing sales and generating traffic.

Media Package

Visitors in the Centre: Guest WiFi Campaign



Welcome Page

Users register with the free WiFi network via email or social media



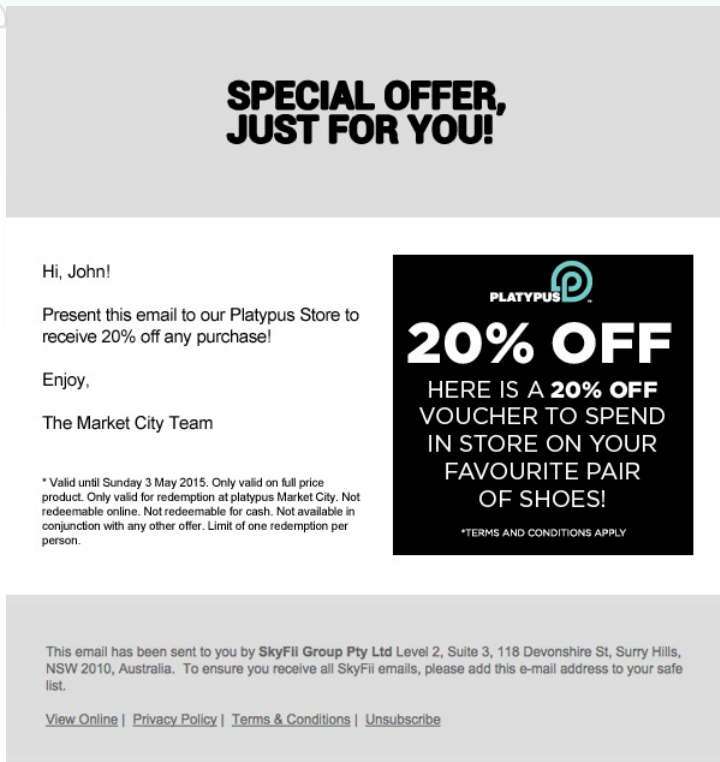
Landing Page

Once signed in, users are redirected to the Platypus offer

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Visitors out of the Centre:
Email Marketing

Users previously registered with SkyFii who met Platypus Shoes' target audience received a 20% voucher offer via email to be redeemed in the store.



Activity

Guest WiFi campaign summary

- 1,158** new people registered in the network during the campaign period
- 3,858** unique people saw the offer on the Free public Guest WiFi
- 11,577** impressions were recorded

Sales results

- ↓ 1%** under budget the week prior to the SkyFii campaign
- ↑ 60%** over budget the week of the SkyFii campaign
- ↑ 39%** over budget the month of the SkyFii campaign

Email Marketing campaign summary

- 19,662** emails delivered
- 3,155** unique opens (**16.0%**)
- 278** unique clicks (**8.8%**)



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Directors' Report

Your Directors submit the financial report of SkyFii Limited (formerly known as **RKS Consolidated Limited**) (**SkyFii** or the **Company**) for the Company and its controlled entities (the Group) for the year ended 30 June 2015. For the purposes of the financial statements, the Group is reflected as the continuation of SkyFii Group Pty Ltd, which was considered the accounting acquirer in the acquisition of RKS Consolidated Limited.

Current Directors

The names and particulars of the Directors of the Company who held office at the date of this report are:

Name, independence status & qualifications	Experience, interests in shares, special responsibilities and other directorships
<p>Gary Flowers Independent Non-Executive Chairman BComm., LLB, FAICD</p>	<ul style="list-style-type: none"> Mr Flowers is Chairman of Mainbrace Constructions Pty Limited and a Director of Sparke Helmore Lawyers. Since 2007, he has been an Independent Non-Executive Director, Chairman of the Audit Committee and a Member of the Remuneration Committee of DataDot Technology Limited. He is also Chairman of DataDot subsidiary companies, DataTraceDNA Pty Limited and DataDot Technology (Australia) Pty Limited. A former senior executive with the Mirvac Group, Mr Flowers was COO from 2008 to 2013 and also held the positions of Chairman of the Mirvac Hotels Group and Mirvac Funds Management Ltd. Other former roles include Managing Director and CEO of Australian Rugby Union, CEO of SANZAR and a Council Member of the International Rugby Board, and national Managing Partner of Sparke Helmore Lawyers. Appointed as a Director of the Company on 27 November 2014. No Committee Memberships. Holds a relevant interest in 544,000 shares. Director of Datadot Technology Limited.
<p>Wayne Arthur Chief Executive Officer/Executive Director BComm.</p>	<ul style="list-style-type: none"> Mr Arthur, a co-founder of SkyFii, built a long standing career in the outdoor media sector in senior managerial roles for companies such as Titan Media Group and EYE Corp. His experience in these roles has spanned three international markets. He has been responsible for the delivery of key contracts and partnerships to the SkyFii business to date, including the set-up of SkyFii's key international partnerships in Indonesia, South Africa and Brazil. Appointed as a Director of the Company on 20 November 2014, and a director of SkyFii Group Pty Ltd (appointed 5 August 2013). No Committee Memberships. Holds a relevant interest in 8,819,836 shares. No other listed company directorships.
<p>Anthony Dunlop Independent Non-Executive Director BEc., GAICD</p>	<ul style="list-style-type: none"> Mr Dunlop has over 20 years of banking, corporate advisory and investment in Australia, the USA, Hong Kong and mainland China. Beginning his career with ABN AMRO he has extensive executive and board experience in with private and ASX listed companies across a diverse range of industry sectors including investment and finance, mobile technology, resources and technical services. He continues to advise private and public companies on debt and equity capital funding, technology commercialisation and product development. Appointed as a Director of the Company on 11 February 2014. Member of the Nomination and Remuneration Committee. Holds a relevant interest in 250,000 shares. Director of ASX listed technology investment company Chapmans Limited (ASX:CHP).
<p>Andrew Johnson Independent Non-Executive Director BComm., M Sc.</p>	<ul style="list-style-type: none"> Mr Johnson, a highly experienced and successful telecommunications industry executive, is currently Chairman of bmobile-Vodafone, a mobile service provider for Papua New Guinea and the Solomon Islands and a Director of Dataco, the PNG national transmission company. He is also Managing Partner of Delta Systems International, a designer and builder/operator of telecommunications and defence systems. His prior roles include Divisional Manager for Computer Science Corporation's Australian and NZ Communications and Defence Division, CEO of Tenix (formerly Transfield) Defence Systems, which grew to become Australia's largest Defence company during his tenure, and Managing Director of Telstra's Data and Online Division. Appointed as a Director of the Company on 27 November 2014. Chairman of the Audit and Risk Committee. Holds a relevant interest in 250,000 shares. No other listed company directorships.

Name, independence status & qualifications	Experience, interests in shares, special responsibilities and other directorships
<p>James Scott Independent Non-Executive Director BEng. (Hons)</p>	<ul style="list-style-type: none"> Mr Scott has 20 years' experience in digital technology, network and IT business, including network computing, server virtualisation, digital enablement and mobility solutions. He is Chief Operating Officer at Seven Group Holdings and has responsibility for the strategies and execution of technology, processes and systems across its operating companies including WesTrac. Prior to Seven Group Holdings, Mr Scott was a Partner in KPMG's Business Performance and Technology division and has also held the position of Partner & Managing Director APAC in Accenture where he worked for 14 years Appointed as a Director of the Company on 20 November 2014. Member of the Audit and Risk Committee. Holds a relevant interest in 613,150 shares. No other listed company directorships.
<p>Chris Taylor Independent Non-Executive Director</p>	<ul style="list-style-type: none"> Mr Taylor has a longstanding career spanning both digital and traditional media within Australasia, and is currently the Vice President of International Television for NBC Universal. He served as Director of Media for Telstra Corporation, where he headed up its online and mobile digital publishing business and spearheaded the launch of Telstra's IPTV services, the first of their kind in Australia. Prior to this, Mr Taylor held numerous executive roles in the Television industry, and immediately prior to his role with NBC Universal, he served as the Chief Executive Officer of Quickflix Limited. Appointed as a Director of the Company on 27 November 2014, previously a director of SkyFii Group Pty Ltd (appointed 5 August 2013; resigned 5 June 2015). Chairman of the Nomination and Remuneration Committee. Holds a relevant interest in nil shares. No other listed company directorships.
<p>Heath Roberts Company Secretary DipLaw (SAB), Grad. Dip Legal Practice</p>	<ul style="list-style-type: none"> Mr Roberts is a commercial solicitor with 18 years' ASX listed company experience. He has particular strength in corporate operations and compliance, asset due diligence and acquisitions and equity/debt funding, focussed on the IT, resources and healthcare sectors. As Company Secretary and subsequently Executive Director of WPG Resources Ltd (2005 - 2013), Mr Roberts played a pivotal role in the acquisition of WPG's iron ore assets in South Australia, project permitting/funding then sale to Arrium Ltd for \$320 million in 2011. He has acted as a Company Secretary and director for numerous ASX listed and private companies and was previously Secretary of the Sydney Kings Basketball team. Appointed as Company Secretary on 20 November 2014. Holds a relevant interest in nil shares. No other listed company directorships.

Former Directors - SkyFii Limited

The names of Directors who held office from 1 July 2014 and resigned prior to the date of this report are:

- Peter Dykes (resigned 20 November 2014)
- Robert Spano (resigned 20 November 2014)
- Suyin Chi (resigned 20 November 2014)

Company Secretary

Mr Heath Roberts held the position of Company Secretary at the end of the financial year (appointed 20 November 2014). Peter Dykes held the position of Company Secretary from 1 July 2014 to 27 November 2014.

Meetings of Directors

During the financial year 13 meetings of Directors were held. Other matters arising during the year were resolved by circulating resolutions.

The following persons were Directors of the Company during the financial year, with attendances to meetings of Directors as follows:

	Directors' meetings		Audit and Risk Committee meetings		Nomination and Remuneration Committee meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
SkyFii Limited (from 20 November 2014 to 30 June 2015)						
Gary Flowers	8	8	-	-	-	-
Wayne Arthur	8	8	-	-	-	-
Anthony Dunlop	8	7	-	-	2	2
Andrew Johnson	8	7	1	1	-	-
James Scott	8	5	1	1	-	-
Chris Taylor	8	7	-	-	2	2
RKS Consolidated Limited (from 1 July 2014 to 19 November 2014)						
Anthony Dunlop	5	5	-	-	-	-
Peter Dykes	5	5	-	-	-	-
Robert Spano	5	5	-	-	-	-
Suyin Chi	5	5	-	-	-	-

Principal activities

The principal activity of the Group during the financial year was the provision of data analytics services. The Group ceased seeking out business opportunities in the exploration and development of coal tenements and other investments which were previously the principal activities of RKS Consolidated Limited.

Review of operations

The consolidated entity's loss attributable to equity holders of the Company, after providing for income tax, amounted to \$4,789,482 (2014 loss: \$1,624,776). Refer to the commentary in the Review of Operations.

Dividends paid or recommended

In respect of the financial year ended 30 June 2015, there have been no dividends paid or provided for (2014: nil).

Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- Prior to the commencement of the financial year, the Company, having undertaken a process of reviewing new business acquisition opportunities, announced on 19 June 2014 a binding letter of intent to acquire SkyFii Group Pty Ltd.
- On 31 July 2014, the Company announced that it had signed an agreement (the **Acquisition Agreement**) to acquire SkyFii Group Pty Ltd on the following terms:
 - the Company would implement a 10 to 1 consolidation of existing capital;
 - the Company would issue \$14,000,000 in ordinary shares at \$0.20 (**Initial Consideration**);
 - the Company would issue ordinary shares up to a maximum value of \$16,500,000 by way of earn out (**Earn Out Consideration**). The total amount of the Earn Out Consideration will be based on the revenue of the Company during the 2016 Calendar year;
 - the Company would undertake a capital raising of at least \$2,500,000 by way of a public offer at an issue price of \$0.20 per ordinary share under a prospectus;
 - the Company would issue ordinary shares to its advisors valued at \$500,000 in consideration for advisory services;

- the Company would be required to re-comply with the ASX admission requirements; and
- the name of the Company would be changed to SkyFii Limited.
- On 9 July 2014, 15,000,000 ordinary shares in the Company were issued at \$0.02 each to raise working capital.
- On 19 September 2014, the Company's shareholders approved the acquisition of SkyFii Group Pty Ltd, the consolidation of capital and the change of name to SkyFii Limited.
- On 1 October 2014, the Company completed the consolidation of its share capital on a 10 to 1 basis.
- On 17 November 2014, the Company changed its name to SkyFii Limited and issued 17,500,000 ordinary shares on 14 November 2014 and issued 72,500,000 shares on 17 November 2014, in each case pursuant to the Acquisition Agreement.
- In late November 2014, the Board of Directors of the Company was changed significantly to reflect the new direction of the Company.
- On 20 November 2014, the Company acquired 100% of the issued capital of SkyFii Group Pty Ltd.
- On 21 November 2014, the Company's securities were reinstated to official quotation of the Australian Securities Exchange (**ASX**). Subsequently, the Company has carried out the activities set out in the replacement prospectus dated and released to ASX on 15 October 2014.
- On 19 May 2015, the Company issued an additional 12,727,276 ordinary shares at \$0.22 each.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

- the Group's operations in the future financial years,
- the results of those operations in future financial years, or
- the Group's state of affairs in the future financial years.

Subsequent events

On 10 July 2015, the Company held a general meeting at which shareholders ratified and approved the allotment and issue of 12,727,276 ordinary shares at \$0.22 per share to existing and new sophisticated investors which occurred on 19 May 2015 for the purposes of Listing Rule 7.4 and the issue of 200,000 ordinary shares at \$0.22 per share to a non-executive director, Gary Flowers.

On 29 July 2015, the Company incorporated a wholly-owned subsidiary in the Republic of South Africa, SkyFii South Africa (Pty) Ltd, for the purposes of conducting operations in that country.

On 31 July 2015, the Group entered into various commercial agreements for the leasing of new commercial office premises expected to commence in October 2015. In addition to an agreement to lease commercial office property with a minimum lease period of 2 years, the Group entered into an occupational license agreement with another party in order to sub-let a quarter of the premises on back to back terms.

Other than the above matters, there are no other matters or circumstances that have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

- the Group's operations in the future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in the future financial affairs.

Future developments

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

Environmental regulations

The Group's operations are not involved in any activities that have a marked influence on the environment. As such, the Directors are not aware of any material issues affecting the Group or its compliance with the relevant environment agencies or regulatory authorities.

Indemnification of officers and auditors

During the financial year, the Company paid premiums based on normal commercial terms and conditions to insure all Directors, officers and employees of the Group against claims brought against the individual while performing services for the Group. The premium paid has not been disclosed as it is subject to the confidentiality provisions of the insurance policy. Except as noted below, the Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

During the financial year the Company entered into a Deed of Indemnity, Insurance and Access with each of its current Directors. The purpose of the Deed is to:

- confirm the indemnity provided by the Company in favour of Directors under the Company's Constitution;
- include an obligation upon the Company to maintain adequate Directors and Officers liability insurance; and
- confirm the right of access to certain documents under the Corporations Act.

Non-audit services

Amounts paid or payable to the auditor for non-audit services provided during the year by the auditor amounted to \$36,000.

The Directors are satisfied that the provision of non-audit services in the form of tax compliance services, during the year, by the auditor (or another person or firm on the auditors' behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in Note 20 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditors own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former audit partners of Hall Chadwick

There are no officers of the Company who are former audit partners of Hall Chadwick.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 18 of this report and forms part of the Directors' Report for the year ended 30 June 2015.

Proceedings on behalf of Company

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

Remuneration Report

The Remuneration Report, which has been audited, details the nature and amount of remuneration for each Director and the Executives.

Key management personnel (KMP) include:

- the following persons who were directors of SkyFii Limited during the financial year, including directors of SkyFii Group Pty Ltd prior to the reverse acquisition of SkyFii Limited (previously known as RKS Consolidated Limited):
 - Gary Flowers – Chairman
 - Wayne Arthur – Chief Executive Officer
 - Anthony Dunlop – Non-Executive Director
 - Andrew Johnson – Non-Executive Director
 - James Scott – Non-Executive Director
 - Chris Taylor – Non-Executive Director
 - Ben White – Non-Executive Director (resigned 12 September 2014)
- the following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:
 - Jason Martin – Chief Technology Officer (commenced 7 October 2014)
 - Brone Roze – Chief Financial Officer (commenced 16 March 2015)
 - Michael Walker – Chief Operating Officer
 - Ian Robinson – Sales Director
 - George Yeoh – former Chief Financial Officer (ceased 10 February 2014)

Remuneration policy

The performance of the Group depends upon the quality of its directors and executives. The Group recognises the need to attract, motivate and retain highly skilled directors and executives.

The Board of Directors, through its Nomination and Remuneration Committee, accepts responsibility for determining and reviewing remuneration arrangements for the Directors and Executives. The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and Executives on a periodic basis by reference to relevant employment market conditions, giving due consideration to the overall profitability and financial resources of the Group, with the objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Non-Executive Director remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made of the Directors in fulfilling their responsibilities. Non-Executive Director fees are reviewed annually by the Board. The constitution of the Company provides that the Non-Executive Directors of the Company are entitled to such remuneration, as determined by the Board, which must not exceed in aggregate the maximum amount determined by the Company in a general meeting. The most recent determination was at a general meeting held on 3 December 2012 where the shareholders approved a maximum aggregate remuneration of \$500,000. Annual Non-Executive Directors' fees currently agreed to be paid by the Company are \$290,450 inclusive of superannuation.

Executive and Executive Director remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits), as well as employer contributions to superannuation funds.

Executive and Executive Director remuneration levels are reviewed annually by the Nomination and Remuneration Committee through a process that considers the overall performance of the Group. Executive Directors are not paid any director fees in addition to their fixed remuneration as Executives.

Performance based remuneration

Performance based remuneration, which may take the form of cash or equity bonuses, is at the discretion of the Remuneration and Nomination Committee.

Remuneration of Directors and Executives

Remuneration shown below relates to the period in which the Director or Executive was a member of key management personnel. Amounts below have either been paid out or accrued in the period.

	Short-term benefits			Post employment benefits	Share based payments	Total
	Directors' fees	Salary & fees	Other	Superannuation	Shares	
	\$	\$	\$	\$	\$	\$
FY15						
Directors						
G. Flowers	35,000	-	-	3,325	12,167	50,492
W. Arthur	-	170,684	-	16,215	-	186,899
A. Dunlop	-	-	-	-	30,417	30,417
A. Johnson	-	-	-	-	30,417	30,417
C. Taylor	70,309	-	-	6,679	-	76,988
J. Scott	-	-	-	-	30,417	30,417
B. White	-	-	-	-	-	-
Director total	105,309	170,684	-	26,219	103,418	405,630
Other KMP						
J. Martin	-	133,249	-	12,658	-	145,907
I. Robinson	-	155,342	-	14,757	-	170,099
B. Roze	-	45,974	-	4,367	-	50,341
M. Walker	-	170,684	-	16,215	-	186,899
G. Yeoh	-	37,418	-	-	-	37,418
Other KMP total	-	542,667	-	47,997	-	590,664
FY15 total	105,309	713,351	-	74,216	103,418	996,294
FY14						
Directors						
W. Arthur	-	124,658	-	11,531	-	136,189
C. Taylor	-	-	-	-	-	-
B. White	-	-	-	-	-	-
Director total	-	124,658	-	11,531	-	136,189
Other KMP						
I. Robinson	-	124,658	-	11,531	-	136,189
M. Walker	-	124,658	-	11,531	-	136,189
G. Yeoh	-	23,100	-	-	-	23,100
Other KMP total	-	272,416	-	23,062	-	295,478
FY14 total	-	397,074	-	34,593	-	431,667

The remuneration of key management personnel in the years ended 30 June 2014 and 2015 were 100% fixed, and there is no link between remuneration and the market price of the Company's shares.

REMUNERATION REPORT

Ordinary shares

Details of ordinary shares in the Company held directly, indirectly or beneficially, by key management personnel (KMP), including their related parties, is as follows:

	Balance at start of year	Issued to SGPL Vendors ¹	Received as part of remuneration ²	Purchase of shares	Sale of shares	Balance at end of year
FY15						
Directors						
G. Flowers	-	-	100,000	444,000	-	544,000
W. Arthur	-	8,699,836	-	120,000	-	8,819,836
A. Dunlop	-	-	250,000	-	-	250,000
A. Johnson	-	-	250,000	-	-	250,000
C. Taylor	-	-	-	-	-	-
J. Scott	-	363,150	250,000	-	-	613,150
B. White	-	11,623,743	-	1,746,364	-	13,370,107
Director total	-	20,686,729	850,000	2,310,364	-	23,847,093
Other KMP						
J. Martin	-	-	-	-	-	-
I. Robinson	-	7,956,690	-	-	-	7,956,690
B. Roze	-	877,232	-	-	-	877,232
M. Walker	-	2,941,546	-	-	-	2,941,546
G. Yeoh	-	-	-	125,000	-	125,000
Other KMP total	-	11,775,468	-	125,000	-	11,900,468
FY15 total	-	32,462,197	850,000	2,435,364	-	35,747,561

Notes:

- On 20 November 2014, the Company (formerly RKS Consolidated Limited) acquired 100% of the issued capital of SkyFii Group Pty Ltd (SGPL) by issuing 70,000,000 ordinary shares in the Company to existing shareholders of SGPL (SGPL Vendors).
- On 10 December 2014, the Company issued 850,000 to Directors in lieu of cash payment of their annual Director fees. Those shares were subject to voluntary trading restrictions as between the Company and each relevant Director. One quarter of the total number of those shares issued to Directors as part of their remuneration became or will become free trading on the following dates: 11 March 2015, 11 June 2015, 11 September 2015 and 11 December 2015. As at 30 June 2015, 425,000 of those shares remain under trading restrictions.

Earn-out Shares

On 20 November 2014, the Company (formerly RKS Consolidated Limited) acquired 100% of the issued capital of SkyFii Group Pty Ltd (SGPL). As part of the Acquisition Agreement, the Company agreed to issue to those shareholders who were shareholders of SGPL as at the acquisition date (SGPL Vendors) additional ordinary shares subject to the gross revenue performance of the Company in the 2016 calendar year (Earn-out Shares).

Details of the maximum number of Earn-out Shares in the Company which may be issued directly, indirectly or beneficially, to key management personnel (KMP), including their related parties, is as follows:

- W. Arthur – 10,253,379 ordinary shares
- J. Scott – 427,999 ordinary shares
- B. White – 13,699,411 ordinary shares
- M. Walker – 3,466,821 ordinary shares
- I. Robinson – 9,377,528 ordinary shares
- B. Roze – 1,033,881 ordinary shares

Further information in relation to the Earn-out Shares can be found in Note 18 to the financial statements.

Other transactions with KMP and/or their related parties

During the full year ended 30 June 2015, the Company incurred \$499,101 of expenses relating to outsourced software development services provided by Simple Machines Pty Ltd, a company associated with Jason Martin (CTO). These services were provided under normal commercial terms and conditions.

On 17 November 2014, the Company issued 1,250,000 ordinary shares at an issue price of \$0.20 per share to Chapmans Corporate Advisory Pty Ltd, a company associated with Anthony Dunlop (Non-Executive Director), as part of consideration for the provision of corporate services in relation to the capital raising under the replacement Prospectus dated 15 October 2014 and associated promotional activities.

Further information in relation to related parties can be found in Note 24 to the financial statements.

Executive service agreements

The employment terms and conditions of KMP and Group executives are formalised in service agreements.

Position	Key terms of service agreements
Chief Executive Officer	<ul style="list-style-type: none"> • Base salary: \$200,000 excluding superannuation. • Term: unspecified. • Base remuneration: Reviewed annually by the Nomination and Remuneration Committee. • Bonus entitlements: Determined annually by the Nomination and Remuneration Committee. • Termination notice period: 12 weeks' notice (or 13 weeks' notice after two years' service and is over the age of 45 at the time the notice is given), or without notice in the event of serious misconduct. • Restraint of trade period: up to 6 months.
Other Executives	<p>Other Executives are employed under individual executive services agreements. These establish amongst other things:</p> <ul style="list-style-type: none"> • total compensation; • bonus entitlements; • variable notice and termination provisions of up to 12 weeks, or by the Group without notice in the event of serious misconduct; and • restraint and confidentiality provisions.

This concludes the Remuneration Report, which has been audited.

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors



Gary Flowers
Chairman
21 August 2015

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Auditor's Independence Declaration

HALL CHADWICK  (NSW)

Chartered Accountants and Business Advisers

SKYFII LIMITED
ACN 009 264 699
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SKYFII LIMITED
AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

SYDNEY

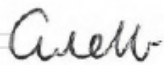
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HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000



GRAHAM WEBB
Partner
Dated: 21 August 2015

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Corporate Governance Statement

The Company's Board of Directors is responsible for the Corporate Governance of the Company and its controlled entities. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable. The governance practices adopted by the Company are structured with reference to the 3rd Edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX CGPR).

The Board is committed to improving its corporate governance practices and embracing the principles published by the ASX Corporate Governance Council, however the Board is of a view that the adoption of the practices and principles should be considered in line with the size, stage and nature of the business and the industry in which it operates.

The Board aims to achieve all of the Principles and Recommendations in stages as the Company grows and its circumstances change over time. As reported in the Company's 2014 Annual Report, the Company had been concentrating its efforts in the previous year on restoring the financial position of the Company and had not had sufficient resources to improve its corporate governance practices significantly. However, as a result of the acquisition of SkyFii Group Pty Ltd in late 2014 and the concomitant recapitalisation and re-quotations of the Company on ASX, significant progress in the improvement of the Company's Corporate Governance practices has been achieved.

The information provided below summarises how the Company presently complies with the ASX CGPR, and how it intends to comply with each of the current Principles and Recommendations going forward. This statement is current as at 30 June 2015 and has been approved by the Board of Directors of the Company.

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted a Board Charter clearly setting out the respective roles and responsibilities of the Board and management. The Board Charter is available on the Company's website, www.skyfii.com.

The key responsibilities of the Board include:

- (a) setting the long-term strategy and annual business plan including objectives and milestones to be achieved;
- (b) monitoring the performance of the Company against the financial objectives and operational goals set by the Board and reviewing the implementation of Board approved strategies;
- (c) assessing the appropriateness of the skill sets and the levels of experience of the members of the Board, individually and as a whole and selecting new members to join the Board when a vacancy exists;
- (d) appointing, removing and determining the terms of engagement of the Directors, Chief Executive Officer and Company Secretary;
- (e) overseeing the delegation of authority for the day to day management of the Company;
- (f) ensuring that the risk management systems, financial reporting and information systems, personnel, policies and procedures are all operating efficiently and effectively by establishing a framework of internal controls and compliance;
- (g) approving the capital structure and major funding requirements of the Company;

- (h) approving the Company's half year and full year reports to the shareholders, ASX and ASIC; and
- (i) ensuring that recruitment, retention, termination, remuneration, performance review and succession planning policies and procedures are in place and complied with.

The Company has established a Nomination and Remuneration Committee to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise. The Nomination and Remuneration Committee Charter is available on the Company's website, www.skyfii.com.

The Board requires this Committee to undertake appropriate checks on potential Board candidates.

The Nomination and Remuneration Committee met twice during the financial year and engaged the services of an external, independent consultant to assist it and provide advice on a range of remuneration related issues.

All Directors and senior executives have entered into written appointment agreements with the Company. Specifically the Non-Executive Directors have each executed a letter of appointment setting out the terms and conditions of their appointment.

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board. The Board Charter sets out the Company Secretary's responsibilities, which include:

- (a) coordinating the timely completion and dispatch of Board and committee papers;
- (b) ensuring the business at Board and committee meetings is accurately captured in the minutes;
- (c) monitoring and ensuring the Board and committee policy and procedures are followed; and
- (d) advising the Board and its committees on governance matters.

The Board has established a Diversity Policy, which recognises diversity to encompass ethnicity, gender, sexual orientation, age, physical abilities, family status, religious beliefs or other ideologies, and is committed to creating and maintaining an inclusive and collaborative workforce. The Company understands that encouraging diversity is not just a socially responsible necessity, but that it is essential to the Company's continued growth and vital to a successful future.

Given the size and nature of the Company, the Board determined not to establish measurable objectives for achieving diversity for the 2015 financial year. Establishing measurable objectives for achieving diversity will be reconsidered on an annual basis.

As at 30 June 2015, the proportion of women employed by the Group was as follows:

- Board of Directors: 0%
- Senior Executive positions: 0%
- Total Company workforce: 12%

The Diversity Policy is available on the Company's website, www.skyfii.com.

Under the Board Charter, each Director's performance is assessed when standing for re-election. Before each Annual General Meeting, the Chairperson of the Board assesses the performance of any Director standing for re-election and the Board will determine their recommendation to shareholders

on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chairperson), will conduct the review of the Chairperson.

Under the Board Charter, senior executives' performance will be considered by the Nomination and Remuneration Committee on at least an annual basis. The Chairperson is responsible for ensuring these meetings take place.

A formal performance evaluation was not undertaken during the 2015 financial year. The Board of the Company was re-constituted in late November 2014 as a result of the acquisition of SkyFii Group Pty Ltd, and as a result the incumbent Board was, as at 30 June 2015, in place for approximately seven months. As a result of the short period of tenure of the incumbent Board, a formal performance evaluation has been deferred to the following 2016 financial year.

During the financial year, the Nomination and Remuneration Committee commissioned an external and independent review of remuneration of the Company's Board and executives. The recommendations of this review are expected to be implemented in the next financial year. Given the short tenure of the Company's Board, no formal performance evaluation of senior executives was undertaken in relation to the previous financial year.

Principle 2 – Structure the board to add value

The Nomination and Remuneration Committee has the authority and power to exercise the roles and responsibilities granted to it under the Nomination and Remuneration Committee Charter.

The Committee is comprised of two independent Directors, one of whom acts as chairperson. The Company's Nomination and Remuneration Committee does not meet the recommended minimum of three members. The Board is of the view that given the Company's size and stage of operations, two independent Directors as members of the Nomination and Remuneration Committee is sufficient to perform the relevant responsibilities of the committee.

The Board has not, at this time, adopted a board skills matrix given the Company's size and stage of operations. The Board aims to attract and maintain a Board which has an appropriate mix of skills, experience, expertise and diversity. For the names and particulars of the Directors of the Company during or since the end of the financial year, refer to the Directors' Report.

The Board regularly assesses the independence of each Director in light of the interests disclosed by them. That assessment is made at least annually at, or around the time that the Board considers candidates for election to the Board, and each independent Director is required to provide the Board with all relevant information for this purpose. If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

The Chairperson of the Board, Gary Flowers, is an independent director, and the remainder of the Board consists of a majority of independent directors, including Anthony Dunlop, Andrew Johnson, James Scott and Chris Taylor who are each considered to be independent Directors.

Under the Board Charter, the Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them. The Company Secretary assists in organising and facilitating the induction and professional development of Directors.

Principle 3 – Act ethically and responsibly

The Board has adopted a Code of Conduct which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the Company's business and people, taking into account the Company's legal and other obligations to its stakeholders.

The Code of Conduct applies to all Directors, as well as all officers, employees, contractors, consultants, other persons that act on behalf of the Company.

The Code of Conduct is available on the Company's website, www.skyfii.com.

Principle 4 – Safeguard integrity in corporate reporting

The Board has established an Audit and Risk Committee. This Committee is responsible for, amongst other things, appointing the Company's external auditors and overseeing the integrity of the Company's financial reporting systems and financial statements.

The Company has adopted an Audit and Risk Committee Charter which is available on the Company's website, www.skyfii.com.

The Company will disclose the number of times the Audit and Risk Committee met, and the attendance at those meetings, at the end of each relevant reporting period.

The Committee is comprised of two independent Directors, one of whom acts as chairperson. The Audit and Risk Committee does not meet the recommended minimum of three members. The Board is of the view that given the Company's size and stage of operations, two independent Directors as members of the Audit and Risk Committee is sufficient to perform the relevant responsibilities of the Committee.

The Board has implemented a process to receive written assurances from its Chief Executive Officer and Chief Financial Officer that the declarations that will be provided under section 295A of the Corporations Act 2001 (Cth) are founded on a system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks. The Board seeks these assurances prior to approving the annual financial statements for all half year and full year results that follow.

Representatives from the Company's external auditor, Hall Chadwick, are present at the Annual General Meeting to answer questions that shareholders might have about the scope and conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

The Company has adopted a formal Disclosure and Communication Policy, where there is an express requirement that the external auditor will attend the Annual General Meeting and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5 – Make timely and balanced disclosure

The Company ensures that it complies with the requirements of ASX listing rules and the Corporations Act in providing information to shareholders. Consistent with the Board's commitment to improving its disclosure policy, the Board has adopted a Disclosure and Communication Policy, which sets out the Company's commitment to the objective of promoting investor confidence and the rights of shareholders by:

- (a) complying with the continuous disclosure obligations imposed by law;
- (b) ensuring that company announcements are presented in a factual, clear and balanced way;
- (c) ensuring that all shareholders have equal and timely access to material information concerning the Company; and
- (d) communicating effectively with shareholders and making it easy for shareholders to participate in general meetings.

The Disclosure and Communication Policy is available on the Company's website, www.skyfii.com.

Principle 6 – Respect the rights of security holders

The Company recognises the rights of its shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Company. Information concerning the Company and its governance practices are made available on its website and addressed in detail in each year's Annual Report.

The Board has adopted a Disclosure and Communication Policy which supports its commitment to effective communication with its shareholders. In addition, the Company intends to communicate with its shareholders:

- (a) by making timely market announcements;
- (b) by posting relevant information on to its website;
- (c) by inviting shareholders to make direct inquiries to the Company; and
- (d) through the use of general meetings.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company's strategy and goals.

The Company's shareholders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically.

Principle 7 – Recognise and manage risk

The Board has established an Audit and Risk Committee to ensure the Company has an effective risk management system in place and to manage key risk areas.

The Company's Audit and Risk Committee, which has two members, does not meet the recommended minimum of three members. The Board is of the view that given the Company's size and stage of operations, two independent Directors as members of the Audit and Risk Committee is sufficient to perform the relevant responsibilities of the Committee.

The Company has adopted an Audit and Risk Committee Charter which is available on the Company's website, www.skyfii.com.

Under the Board Charter, the Board ensures that the Company has in place an appropriate risk management framework. A risk management framework was developed during the financial year by the Audit and Risk Committee, and approved by the Board. The Board will review, at least annually, the Company's risk management framework in order to satisfy itself that it continues to be sound. A risk review was undertaken at the end of the financial year. For the purposes of ASX CGPR 7.4, the Company has not identified any material exposures to specific economic, environmental and social sustainability risks.

The Audit and Risk Committee is responsible for ensuring that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls.

Principle 8 – Remunerate fairly and responsibly

The Company's Nomination and Remuneration Committee is responsible for developing, reviewing and making recommendations on:

- (a) the remuneration framework for Directors, including the process by which any pool of Directors fees approved by security holders is allocated to Directors;
- (b) the remuneration packages to be awarded to senior executives;
- (c) equity based remuneration plans for senior executives and other employees; and
- (d) superannuation arrangements for Directors, senior executives and other employees.

The Company's remuneration policy is disclosed in the Directors' Report which forms part of the Annual Report. The policy has been set out to ensure that the performance of Directors, key executives and staff reflect each person's accountabilities, duties and their level of performance, and to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest quality. A program of regular performance appraisals and objective setting for key executives and staff is in place. These annual reviews take into account individual and company performance, market movements and expert advice, if required.

The Constitution permits Directors, senior executives and other officers of the Company to trade in Company shares as long as they comply with the Company's Share Trading Policy. The Share Trading Policy is a code that is designed to minimise the potential for intentional and unintentional insider trading violations. The Company's Share Trading Policy is available on the Company's website, www.skyfii.com.

Directors must notify the Chairman of the Board, before they buy or sell shares in the Company. The details of the share trading must be given to the Company Secretary who must lodge such details of such changes with the ASX.

Senior executives must give prior notice to the Chief Executive Officer, while other officers must notify the Company Secretary, before trading in the Company shares and details of all such transactions must be given, in writing, to the Company Secretary within 5 business days.

Any changes in substantial shareholding of the Directors, senior executives or other officers must be reported to the ASX within 2 business days of such trading. The policy also recommends that trading in the Company shares only occur in certain trading regulated windows.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Revenue and other income			
Revenue	5	658,237	640,336
Other income	5	86,234	-
Total revenue		744,471	640,336
Expenses			
Direct costs and implementation expenses		(547,605)	(330,468)
Employee benefits expense	6	(1,561,427)	(1,348,440)
Contractor and consultant expenses		(48,296)	(502,331)
Marketing and promotion expenses		(140,652)	(52,988)
Data hosting expenses		(162,238)	(41,890)
Travel and accommodation expenses		(212,289)	(142,907)
Office and other expenses		(681,381)	(324,494)
Directors' fees		(208,726)	-
Acquisition costs		(443,931)	-
Corporate advisory services		(150,000)	-
Impairment of goodwill and domain names	13	(2,157,841)	-
Depreciation and amortisation expenses	6	(10,903)	(831)
Finance costs	6	(393)	(1,757)
Loss before tax		(5,581,211)	(2,105,770)
Income tax benefit	7	791,729	480,994
Loss for the period		(4,789,482)	(1,624,776)
Other comprehensive income		-	-
Total comprehensive loss for the period		(4,789,482)	(1,624,776)
Earnings per share			
		Cents	Cents
Basic earnings per share	30	(7.1)	(26.4)
Diluted earnings per share	30	(7.1)	(26.4)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	8	2,684,548	33,175
Trade and other receivables	9	169,292	200,485
Income tax receivable	7	791,729	480,994
Inventories	10	43,500	-
Other assets	11	114,265	22,000
Total current assets		3,803,334	736,654
Non-current assets			
Plant and equipment	12	24,740	9,807
Intangible assets	13	1,419,984	65,000
Total non-current assets		1,444,724	74,807
Total assets		5,248,058	811,461
Liabilities			
Current liabilities			
Trade and other payables	15	414,920	442,555
Provisions	16	67,465	39,749
Borrowings	17	-	453,333
Deferred revenue		88,770	-
Total current liabilities		571,155	935,637
Total liabilities		571,155	935,637
Net assets		4,676,903	(124,176)
Equity			
Contributed equity	18	11,091,161	1,500,600
Accumulated losses		(6,414,258)	(1,624,776)
Total equity		4,676,903	(124,176)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2015

Consolidated	Note	Contributed equity \$	Accumulated losses \$	Total equity \$
Balance on incorporation		-	-	-
Loss for the year		-	(1,624,776)	(1,624,776)
Total comprehensive loss for the year		-	(1,624,776)	(1,624,776)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares	18	1,500,600	-	1,500,600
Balance at 30 June 2014		1,500,600	(1,624,776)	(124,176)
Consolidated	Note	Contributed equity \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014		1,500,600	(1,624,776)	(124,176)
Loss for the year		-	(4,789,482)	(4,789,482)
Total comprehensive loss for the year		-	(4,789,482)	(4,789,482)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares	18	10,710,158	-	10,710,158
Capitalised equity raising costs (net of tax)	18	(1,119,597)	-	(1,119,597)
Balance at 30 June 2015		11,091,161	(6,414,258)	4,676,903

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		834,775	442,229
Payments to suppliers and employees		(3,393,872)	(2,271,659)
Receipts from other income		64,125	-
Receipts from government R&D tax incentive		480,994	-
Interest received		22,109	-
Interest paid		(393)	(1,757)
Net cash (outflow) from operating activities	29	(1,992,262)	(1,831,187)
Cash flows from investing activities			
Payments for plant and equipment		(25,836)	(10,638)
Payments for intangible assets		(1,419,984)	(65,000)
Payments for other assets		(3,884)	(13,933)
Payments for acquisition costs		(443,931)	-
Net cash (outflow) from investing activities		(1,893,635)	(89,571)
Cash flows from financing activities			
Proceeds from issue of shares		4,450,090	1,500,600
Repayment of loans from shareholders		71,667	-
Payments for loans to shareholders		(71,667)	-
Capitalised capital raising costs		(260,274)	-
(Repayment) / drawdown of borrowings		(453,333)	453,333
Net cash inflow from financing activities		3,736,483	1,953,933
Net (decrease) / increase in cash held		(149,414)	33,175
Cash at the beginning of the financial year		33,175	-
Cash at acquisition of RKS Consolidated Limited		2,800,787	-
Cash at the end of the financial year	8	2,684,548	33,175

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the financial year ended 30 June 2015

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1. Reporting entity

SkyFii Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is Suite 3, Level 2, 118 Devonshire Street, Surry Hills, NSW, 2010. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is a for-profit entity and primarily is involved in providing data analytics services. The separate financial statements of the parent entity, SkyFii Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. The financial statements were authorised for issue on 21 August 2015 by the Directors of the Company.

2. Basis of preparation

(a) Compliance with International Financial Reporting Standards

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(b) Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis unless otherwise stated in the notes. Except for the cash flow information, the financial statements have been prepared on an accrual basis, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(w).

(e) Going concern

The financial statements of the Group have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

The Group is in the research, development and commercialisation stage of its data analytics technology and services. During the year ended 30 June 2015 the Group incurred a loss after tax of \$4,789,482, which included a one-off impairment of goodwill and domain names amounting to \$2,157,841 and incurred cash outflows from operating activities of \$1,992,262 for the year. At 30 June 2015, the Group had a surplus in net current assets of \$3,232,179 and a surplus in net assets of \$4,676,903.

The Group has to date been successful in raising equity capital since the Company's re-listing in November 2014, having undertaken a private placement to new and existing sophisticated investors of \$2,800,000 in May 2015.

Management have prepared cash flow projections that support the Group's ability to continue as a going concern, after expected future capital raisings. This forecast acknowledges that the Group is in the early stages of development and assumes that the Directors will be able to raise at least \$5,000,000 in the next financial year and that the Group will continue to grow sales of its products and services and successfully exploit the Group's technology.

The Directors of the Company consider that the cash flow projections and assumptions will be achieved, and in the longer term, significant revenues will be generated from the commercialisation of intellectual property, and accordingly, the Group will be able to continue as a going concern.

In the event that the Group cannot continue as a going concern, it may not be able to realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

3. Significant accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of SkyFii Limited and all subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of the subsidiaries is provided in Note 27.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The consolidated financial statements have been prepared using reverse acquisition accounting. In reverse acquisition accounting, the cost of the business combination is deemed to have been incurred by the legal subsidiary SkyFii Group Pty Ltd. (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent, SkyFii Limited (the acquiree for accounting purposes).

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, 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 is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax liabilities and assets will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. SkyFii Limited became the head entity within the tax consolidated group on 20 November 2014 (previously SkyFii Group Pty Ltd).

Where the Group receives the Australian Government's R&D tax incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 7.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(e) Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Depreciation of all fixed assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Office and computer equipment: 3 years.

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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the profit and loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Intangibles

Software development

Costs relating to research and development of new software products are expensed as incurred until technological feasibility has been established. Costs incurred in developing new software are recognised as intangible assets only when technological feasibility studies identify that it is probable that the project will deliver future economic benefits and these benefits can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licenses and direct labour.

Capitalised development costs have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a systematic basis based on the future economic benefits over the useful life of the project as follows: Year 1: 0%; Year 2: 40%; Year 3: 40%; Year 4: 20%.

Domain names

Domain names are valued at cost of acquisition. Domain names are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(g) Employee benefits

Short-term obligations

Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liabilities are settled, plus related on-costs.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Short term incentive plans

The Group recognises a liability and an expense for bonuses payable under short term incentive plans. Short term incentive plans are based on the achievement of targeted performance levels that may be set at the beginning of each financial year. The Group recognises a liability to pay out short term incentives when contractually obliged based on the achievement of the stated performance levels, or where there is a past practice that has created a constructive obligation.

(h) Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(i) 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 result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(j) Cash and cash equivalents

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

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors and amounts that are expected to be credited to debtors. Trade receivables are generally due for settlement no more than 30 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, the trade receivables balances are considered for credit notes that are expected to be raised against individual and collective balances.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group at the end of financial year which are unpaid. The amounts are unsecured and are payable as and when they are due. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue for installation projects are recognised on the basis of that portion of total estimated costs that have been incurred to date in the completion of a particular project.

Interest revenue is recognised using the effective interest method.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Government R&D tax incentives are recognised as credit to income tax.

All revenue is stated net of the amount of goods and services tax (GST).

(n) 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 Australian Tax Office (ATO). 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 are stated inclusive of the amount of GST recoverable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(o) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group 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.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-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 the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

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

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency is 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 year.

Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, 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.

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.

(q) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is

objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(r) Impairment of assets

At the end of each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is recognised immediately in the profit and loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(s) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Leases are made up of operating leases of property. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease. Benefits that are provided to the Group as an incentive to enter into a lease arrangement are recognised as a liability and amortised on a straight-line basis over the life of the lease.

(t) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

The comparative information presented in the financial report represents the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows of SkyFii Group Pty Ltd from its date of incorporation being 5 August 2013 to 30 June 2014.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, are shown in equity as a deduction, net of tax, from the proceeds.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. These include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses, and income tax assets and liabilities. The chief operating decision maker has been identified as the Board of Directors.

(w) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

Business combinations

Following the guidance in AASB 3: Business Combinations, the Group has made assumptions and estimates to determine the purchase price of businesses acquired as well as its allocation to acquired assets and liabilities. To do so, the Group is required to determine at the acquisition date the fair value of the identifiable net assets acquired, including intangible assets such as brand, customer relationships and liabilities assumed. Goodwill is measured as the excess of the fair value of the consideration transferred including the recognised amount of any non-controlling interest over the net recognised amount of the identifiable assets and liabilities.

The assumptions and estimates made by the Group have an impact on the asset and liability amounts recorded in the financial statements. In addition, the estimated useful lives of the acquired amortisable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Group’s future profit or loss.

Impairment of intangible assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the year ended 30 June 2015, the Group recognised a loss of \$2,157,841 in respect of an impairment of the entire goodwill arising from the acquisition of RKS Consolidated Limited by SkyFii Group Pty Ltd (in accordance with reverse acquisition accounting) and the impairment of intangible domain name assets recognised by SkyFii Group Pty Ltd in the financial year ended 30 June 2014.

Should the software development expenditure not meet the requirements set out in Note 3(f), an impairment loss would be recognised up to the maximum carrying value of intangible assets at 30 June 2015 of \$1,419,984.

R&D tax incentive

The Group has established a precedent for entitlement to grant income from the R&D tax incentive in prior periods. This experience supports the assumption that eligibility for the grant will continue on the same basis, and accordingly, it is appropriate to recognise entitlement to the receivable in the current period. The value of the R&D tax incentive entitlement is determined by notional deductions based on eligible R&D expenditures.

(x) New Accounting Standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2017).
 - The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.
 - The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.
 - The directors anticipate that the adoption of AASB 9 does not have a significant impact on the Group's financial statements.
- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).
 - When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited

number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

- The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
 - identify the contract(s) with a customer;
 - identify the performance obligations in the contract(s);
 - determine the transaction price;
 - allocate the transaction price to the performance obligations in the contract(s); and
 - recognise revenue when (or as) the performance obligations are satisfied.
- This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.
- Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

4. Operating segments

The Group operates predominantly in one industry and one geographical segment, being the development and commercialisation of data analytics, marketing and advertising services to its customers in Australia. At this stage the Group's overseas operations are in start-up phase and not significant to the Group. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief operating decision makers) in assessing performance and determining the allocation of resources.

5. Revenue

	Consolidated	
	2015 \$	2014 \$
Revenue from operations	658,237	640,336
Other income		
Government grants	64,125	-
Interest income	22,109	-
Total other income	86,234	-
Total revenue	744,471	640,336

6. Expenses

	Consolidated	
	2015 \$	2014 \$
Employee benefits expense		
Salaries and related expenses (including superannuation)	1,452,927	1,287,925
Other employment costs	108,500	60,515
Total employee benefits expense	1,561,427	1,348,440
Depreciation and amortisation expenses		
Plant and equipment	10,903	831
Total depreciation and amortisation expenses	10,903	831
Net foreign exchange losses	16,736	826
Rental expense on operating leases	81,218	56,273
Finance costs		
Interest expense	393	1,757

7. Income tax

	Consolidated	
	2015 \$	2014 \$
(a) Income tax		
Current tax	(791,729)	(480,994)
Income tax benefit	(791,729)	(480,994)
(b) Numerical reconciliation of income tax benefit to prima facie income tax payable		
Loss from ordinary activities before income tax expense	(5,581,210)	(2,105,770)
Tax at the Australian rate of 30%	(1,674,363)	(631,731)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
R&D tax incentive	(791,729)	(480,994)
Goodwill impairment	647,352	-
Accounting for R&D expenditure	546,020	320,663
Accounting for reverse acquisition	(122,262)	-
Deferred tax assets not recognised	577,325	310,230
Other non-allowable items	25,928	838
Income tax benefit	(791,729)	(480,994)
(c) Income tax receivable		
R&D tax incentive receivable	791,729	480,994
Income tax receivable	791,729	480,994
Franking credits		
Franking credits available at the reporting date based on a tax rate of 30%	-	-

NOTES TO THE FINANCIAL STATEMENTS

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account in the period are as follows:

- temporary differences: \$52,994 (2014: \$63,036)
- tax losses: operating losses \$4,649,757 (2014: \$976,505)
- tax losses: capital losses \$16,911 (2014: \$5,000)

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 3(c) occur. These amounts have no expiry date.

SkyFii Limited and its wholly-owned Australian entities elected to form an income tax consolidated group as of 20 November 2014. The accounting policy on implementation of the income tax consolidation legislation is set out in Note 3(c).

8. Cash and cash equivalents

	Consolidated	
	2015 \$	2014 \$
Current		
Cash at bank and on hand	2,679,548	33,175
Term deposits	5,000	-
Total cash and cash equivalents	2,684,548	33,175

9. Trade and other receivables

	Consolidated	
	2015 \$	2014 \$
Current		
Trade receivables	110,339	198,107
Other debtors	58,953	2,378
Total current trade and other receivables	169,292	200,485

(a) Ageing of trade receivables

1-30 days	45,101	188,637
31-60 days	42,908	3,970
61-90 days	22,330	-
90+ days	-	5,500
Provision for impairment	-	-
Total trade receivables net of provision for impairment	110,339	198,107

10. Inventories

	Consolidated	
	2015 \$	2014 \$
Current		
Equipment - at cost	43,500	-
Total inventories	43,500	-

Inventories include servers and other networking equipment which the Group sells to its customers in order to deliver data analytics services.

11. Other assets

	Consolidated	
	2015 \$	2014 \$
Current		
Prepayments	104,598	10,445
Security deposits	9,667	11,555
Total current other assets	114,265	22,000

12. Plant and equipment

	Consolidated	
	2015 \$	2014 \$
Non-current		
Office and computer equipment - at cost	36,474	10,638
Accumulated depreciation	(11,734)	(831)
Carrying value of office and computer equipment	24,740	9,807
Total carrying value of plant and equipment	24,740	9,807

Reconciliations

Reconciliations of the carrying amount of plant and equipment at the beginning and end of the current financial year are set out below:

	Office and computer equipment \$	Total \$
Balance on incorporation		
Additions	10,638	10,638
Depreciation	(831)	(831)
Balance at 30 June 2014	9,807	9,807
Balance at 1 July 2014	9,807	9,807
Additions	25,836	25,836
Depreciation	(10,903)	(10,903)
Balance at 30 June 2014	24,740	24,740

13. Intangible assets

	Consolidated	
	2015 \$	2014 \$
Non-current		
Software development - at cost	1,419,984	-
Accumulated amortisation	-	-
Carrying value of software development	1,419,984	-
Domain names - at cost	65,000	65,000
Accumulated impairment	(65,000)	-
Carrying value of domain names	-	65,000
Goodwill - at cost	2,092,841	-
Accumulated amortisation and impairment	(2,092,841)	-
Carrying value of goodwill	-	-
Total carrying value of intangible assets	1,419,984	65,000

Reconciliations

Reconciliations of the carrying amount of intangible assets at the beginning and end of the current financial year are set out below:

	Software development \$	Domain names \$	Goodwill \$	Total \$
Balance on incorporation	-	-	-	-
Additions	-	65,000	-	65,000
Amortisation	-	-	-	-
Balance at 30 June 2014	-	65,000	-	65,000
Balance at 1 July 2014	-	65,000	-	65,000
Additions	1,419,984	-	2,092,841	3,512,825
Impairment	-	(65,000)	(2,092,841)	(2,157,841)
Amortisation	-	-	-	-
Balance at 30 June 2015	1,419,984	-	-	1,419,984

During the year ended 30 June 2015, the Group recognised a loss of \$2,157,841 in respect of an impairment of the entire goodwill arising from the acquisition of RKS Consolidated Limited by SkyFii Group Pty Ltd (in accordance with reverse acquisition accounting) and the impairment of domain name assets recognised by SkyFii Group Pty Ltd in the financial year ended 30 June 2014.

14. Net tangible asset backing

	Consolidated	
	2015 Cents per share	2014 Cents per share
Net tangible asset backing per share	2.86	(2.52)
Net assets per share	4.11	(1.66)

15. Trade and other payables

	Consolidated	
	2015 \$	2014 \$
Current		
Trade payables	395,937	442,555
Sundry payables	18,983	-
Total trade and other payables	414,920	442,555

16. Provisions

	Consolidated	
	2015 \$	2014 \$
Current		
Employee benefits	67,465	39,749
Total provisions	67,465	39,749

17. Borrowings

	Consolidated	
	2015 \$	2014 \$
Current		
Convertible notes	-	453,333
Total borrowings	-	453,333

Pursuant to a convertible note facility agreement entered into by SkyFii Group Pty Ltd on 24 April 2014, the convertible notes outstanding converted to 530,463 ordinary shares in SkyFii Group Pty Ltd on 22 July 2014 upon the completion of a capital raising that was conducted by way of a private placement of ordinary shares.

18. Contributed equity

(a) Share capital

	2015 Number	2014 Number	2015 \$	2014 \$
Ordinary shares	113,768,522	7,500,000	11,091,161	1,500,600
Total share capital			11,091,161	1,500,600

(b) Movements in ordinary share capital

	Date	Number	Unit price	\$
Reconciliation to 30 June 2014:				
Balance on incorporation		-		-
Movements in ordinary shares:				
Issued for cash	5 Aug 2013	6,000,000	\$0.0001	600
Issued for cash	19 Dec 2013	1,000,000	\$1.0000	1,000,000
Issued for cash	15 Jan 2014	500,000	\$1.0000	500,000
Balance at 30 June 2014		7,500,000	-	1,500,600

Reconciliation to 30 June 2015:

Balance at 1 July 2014		7,500,000		1,500,600
Capitalised equity raising costs (net of tax)		-		(1,119,597)

Movements in ordinary shares:

Issued for cash	22 Jul 2014	900,000	\$0.0001	90
Issued for cash	22 Jul 2014	1,224,746	\$0.8546	1,046,668
Conversion of convertible notes to ordinary shares	22 Jul 2014	530,463	\$0.8546	453,333
Issued in settlement of a liability	22 Jul 2014	58,507	\$0.8546	50,000
Issued in settlement of a liability	22 Jul 2014	112,500	\$1.3333	150,000
Public share offer	14 Nov 2014	17,500,000	\$0.2000	3,500,000
Issued in settlement of a liability	17 Nov 2014	2,500,000	\$0.2000	500,000
Issue of shares to former shareholders of SkyFii Group Pty Ltd	17 Nov 2014	70,000,000	-	2,000,067
Elimination of SkyFii Group Pty Ltd shares on issue on acquisition	20 Nov 2014	(10,326,216)	-	-
Shares of SkyFii Limited (formerly RKS Consolidated Limited) on acquisition	20 Nov 2014	10,000,337	-	-
Issued in settlement of a liability	10 Dec 2014	850,000	\$0.2000	170,000
Issued in settlement of a liability	16 Feb 2015	100,000	\$0.2000	20,000
Share placement	19 May 2015	12,727,276	\$0.2200	2,800,000
Issued in settlement of a liability	4 Jun 2015	90,909	\$0.2200	20,000
Balance at 30 June 2015		113,768,522		11,091,161

(c) Ordinary shares

Ordinary shares have the right to receive dividends as declared, and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Earn-out Shares

On 20 November 2014, the Company (formerly RKS Consolidated Limited and referred to in this note as **RKS**) acquired 100% of the issued capital of SkyFii Group Pty Ltd (**SGPL**). As part of the Acquisition Agreement entered into between RKS and the shareholders of SGPL, the Company agreed that on or after the fifth business day following 16 March 2017, it will issue to those shareholders who were shareholders of SGPL as at the acquisition date (**SGPL Vendors**), additional ordinary shares to the value of the lesser of a) \$30,000,000 or b) three times the Company's gross revenue for the year ending 31 December 2016 minus \$13,500,000, at an issue price of \$0.20 per share (**Earn-out Shares**).

The minimum number of Earn-out Shares which may be issued is nil, and the maximum number is 82,500,000.

19. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management is carried out by senior executives under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

The Group holds the following financial instruments:

	Note	Consolidated	
		2015	2014
		\$	\$
Financial assets			
Cash and cash equivalents	8	2,684,548	33,175
Trade and other receivables	9	169,292	200,485
Other financial assets	11	114,265	22,000
Total financial assets		2,968,105	255,660
Financial liabilities			
Trade and other payables	15	414,920	442,555
Borrowings	17	-	453,333
Total financial liabilities		414,920	895,888

The carrying value of the assets and liabilities disclosed in the table above closely approximates or equals their fair value. The carrying amounts of trade receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

(a) Market risk

Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has an insignificant exposure to foreign currency risk as the overseas operations are in start-up phase.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, security deposits, other receivables and GST receivable from the ATO.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Credit risk is managed by a risk assessment process for all customers and counterparties, which takes into account past experience.

There have been no impairment losses recognised during the year (2014: nil).

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, where possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity management rests with the Directors. The Group ensures that, where possible, it has sufficient cash on demand to meet expected net cash outflows, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

Financing arrangements

The Group does not have any borrowing facilities in place at the reporting date.

Maturities of financial liabilities

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

	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$
2015				
Non-derivatives				
Trade and other payables	414,920	-	-	-
2014				
Non-derivatives				
Trade and other payables	442,555	-	-	-
Borrowings	453,333	-	-	-

Trade and other payables are payable as and when they are due. The cash flows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

(d) Capital management

The Board's aim is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of the business and increase shareholder value. The Board ensures the Group has sufficient capital as required for working capital purposes. There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

20. Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2015 \$	2014 \$
Hall Chadwick		
Audit and review of financial reports	40,342	-
Taxation services	36,000	-
Total	76,342	-

21. Contingent liabilities**(a) Earn-out Shares**

On 20 November 2014, the Company (formerly RKS Consolidated Limited and referred to in this note as **RKS**) acquired 100% of the issued capital of SkyFii Group Pty Ltd (**SGPL**). As part of the Acquisition Agreement entered into between RKS and the shareholders of SGPL, the Company agreed that on or after the fifth business day following 16 March 2017, it will issue to those shareholders who were shareholders of SGPL as at the acquisition date (**SGPL Vendors**), additional ordinary shares to the value of the lesser of a) \$30,000,000 or b) three times the Company's gross revenue for the year ending 31 December 2016 minus \$13,500,000, at an issue price of \$0.20 per share (**Earn-out Shares**).

No value has been attributed to the Earn-out Shares at this stage as their value cannot accurately be measured and the probability of this revenue hurdle being achieved at this early stage of the Company's development is insufficiently certain.

(b) Other contingent liabilities

There are no other contingent liabilities as at 30 June 2015.

22. Commitments for expenditure

The Group has entered into a commercial lease for office property. Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

	Consolidated	
	2015	2014
	\$	\$
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than one year	12,227	118,382
Later than one year, not later than two years	-	12,227
Later than two years	-	-
Total operating lease commitments	12,227	130,609
Other contractual capital expenditure commitments		
Estimated capital expenditure under firm contracts:		
Less than one year	3,878	33,710
Later than one year	-	-
Total capital expenditure commitments	3,878	33,710
Total commitments for expenditure	16,105	164,319

23. Share based payments

Issue date	Creditor	Purpose	Valuation	No. of shares ¹	Value per share ¹	Total \$
Directors:						
22 Jul 2014	Karibu Pty Ltd (a company associated with W. Arthur)	Services	Value of services	14,627	\$0.8546	12,500
10 Dec 2014	G. Flowers	Director's fees	Value of services	100,000	\$0.2000	20,000
10 Dec 2014	A. Dunlop	Director's fees	Value of services	250,000	\$0.2000	50,000
10 Dec 2014	A. Johnson	Director's fees	Value of services	250,000	\$0.2000	50,000
10 Dec 2014	J. Scott	Director's fees	Value of services	250,000	\$0.2000	50,000
Ordinary creditors:						
22 Jul 2014	Avenue C Pty Ltd	Services	Value of services	21,940	\$0.8546	18,750
22 Jul 2014	Jagafii Pty Ltd	Services	Value of services	21,940	\$0.8546	18,750
22 Jul 2014	R. McLaren	Advisory services	Value of services	37,500	\$1.3333	50,000
22 Jul 2014	Ma Duck & Me Pty Ltd	Advisory services	Value of services	37,500	\$1.3333	50,000
22 Jul 2014	K. McCabe	Advisory services	Value of services	37,500	\$1.3333	50,000
17 Nov 2014	Chapmans Corporate Advisory Pty Ltd	Capital raising services	Value of services	1,250,000	\$0.2000	250,000
17 Nov 2014	1001 Investments Pty Ltd	Capital raising services	Value of services	1,250,000	\$0.2000	250,000
16 Feb 2015	S3 Consortium Pty Ltd	Services	Value of services	100,000	\$0.2000	20,000
4 Jun 2015	M. Teperson	Consulting services	Value of services	90,909	\$0.2200	20,000
Total						910,000

Note:

- Prior to those shares issued on 17 November 2014, the number of shares refer to ordinary shares in SkyFii Group Pty Ltd, being the parent entity at the time.

24. Related parties

(a) Parent and ultimate controlling party

SkyFii Limited became the parent and ultimate controlling party of the Group on 20 November 2014. Prior to that date the parent and ultimate controlling party of the Group was SkyFii Group Pty Ltd.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 27.

(c) Key management personnel compensation

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits, including contractor fees	892,876	431,667
Share based employee benefits	103,418	-
Total benefits	996,294	431,667

Short-term employee benefits

These amounts include fees and benefits paid to Directors as well as all salary, paid leave benefits and fringe benefits awarded to other KMP.

Share based employee benefits

These amounts represent the expense related to ordinary shares issued in lieu of payments for liabilities in cash as measured by the fair value of the shares issued or liabilities extinguished.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

(d) Payable transactions with directors and key management personnel

The aggregate value of payable transactions and outstanding balances relating to director and key management personnel and entities over which they have control or significant influence were as follows:

KMP	Related party entity	Transaction	Transaction value		Balance outstanding	
			2015 \$	2014 \$	2015 \$	2014 \$
Jason Martin	Simple Machines Pty Ltd	Outsourced software development services	499,101	480,349	-	115,000
Anthony Dunlop & Peter Dykes	Chapmans Corporate Advisory Pty Ltd	Promoter shares issued in consideration for corporate services and promotional activities	250,000	-	-	-
Wayne Arthur & Ian Robinson	SkyFii Pty Ltd	Asset purchase of equipment and intangible assets	-	74,662	-	-

The terms and conditions of the transactions with these entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

(e) Receivable transactions with directors and key management personnel

At 30 June 2015 the receivables balance outstanding with directors and key management personnel was \$8,150 (2014: \$2,378) relating to employee debit and credit card advances utilised for the sole purpose of supplier payments and business expenses.

25. Parent entity information

Set out below is information about the legal parent entity, SkyFii Limited (previously known as RKS Consolidated Limited).

	Parent	
	2015 \$	2014 \$
Statement of comprehensive income		
Loss after tax	(577,545)	(849,273)
Total comprehensive income	(577,545)	(849,273)
Statement of financial position		
Current assets	6,171,271	43,145
Total assets	6,171,271	43,145
Current liabilities	63,026	320,831
Total liabilities	63,026	320,831
Net assets	6,108,245	(277,686)
Contributed equity	40,877,749	33,909,273
Reserves	234,000	234,000
Accumulated losses	(35,003,504)	(34,420,959)
Total equity	6,108,245	(277,686)

Contingent liabilities

Other than the contingent earn-out obligation, as discussed in Note 21, the parent entity had no contingent liabilities at 30 June 2015 and 30 June 2014.

Capital commitments - plant and equipment

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

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 3.

26. Business combinations

On 20 November 2014, the Company (formerly RKS Consolidated Limited and referred to in this note as **RKS**) acquired 100% of the issued capital of SkyFii Group Pty Ltd (**SGPL**), a retail focussed technology company that captures and utilises big data to drive customer loyalty and sales for retailers. The acquisition was seen as an opportunity to use the existing listed company structure of the Company and provide existing shareholders of RKS the opportunity to participate in the significant future opportunities of SGPL.

The acquisition was achieved following the RKS 10 to 1 share consolidation by issuing 70,000,000 ordinary shares in RKS to existing shareholders of SGPL. Following completion, the previous shareholders of RKS held 12.5% and shareholders of SGPL held 87.5% of the Group respectively. As a consequence of this and other factors, for accounting purposes the acquisition is accounted for as a reverse acquisition.

	\$
Consideration paid	2,000,067
Less:	
Fair value of net assets at acquisition date	(92,774)
Goodwill	2,092,841
Fair value of net assets:	
	Carrying amount
	\$
Current assets	2,862,846
Non-current assets	500
Total assets	2,863,346
Current liabilities	2,956,120
Total liabilities	2,956,120
Net assets	(92,774)

The acquisition resulted in goodwill of \$2,092,841 which has been written off in the year ended 30 June 2015. Goodwill represents the value to SGPL of having an immediate ASX listed company status with all of the capital raising avenues available to this type of company.

Receivables and payables have been included at their fair value. Directors were of the opinion that these were fully recoverable and that no impairment of these was required.

Since the date of acquisition, RKS has contributed losses of \$577,545 to the comprehensive loss of the Group. Had RKS been part of the Group for the whole of the year, it would have contributed losses of \$687,633 to the comprehensive loss of the Group.

Acquisition costs of \$443,931 have been expensed in the year. Capital raising costs of \$973,072 associated with the acquisition and associated public offering have been deducted from the amount of capital raised.

As part of the Acquisition Agreement entered into between RKS and the shareholders of SGPL, the Company agreed that on or after the fifth business day following 16 March 2017, it will issue to those shareholders who were shareholders of SGPL as at the acquisition date (**SGPL Vendors**), additional ordinary shares to the value of the lesser of a) \$16,500,000 or b) three times the Company's gross revenue for the year ending 31 December 2016 minus \$13,500,000, at an issue price of \$0.20 per share (**Earn-out Shares**).

No value has been attributed to the Earn-out Shares at this stage as their value cannot accurately be measured and the probability of this revenue hurdle being achieved at this early stage of the Company's development is insufficiently certain.

27. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3:

Parent entity	Country of Incorporation	Ownership interest	
		2015	2014
SkyFii Limited	Australia		
Subsidiaries			
SkyFii Group Pty Ltd	Australia	100%	-
SkyFii International Pty Ltd (incorporated 3 November 2014)	Australia	100%	-
SkyFii Brasil Inteligência, Mídia e Tecnologia Mobile Ltda. (incorporated 24 February 2015)	Brazil	100%	-
SkyFii South Africa (Pty) Ltd (incorporated 29 July 2015)	Republic of South Africa	100%	-

SkyFii Group Pty Ltd became a wholly-owned subsidiary of SkyFii Limited on 20 November 2014.

28. Events occurring after the reporting date

On 10 July 2015, the Company held a general meeting at which shareholders ratified and approved the allotment and issue of 12,727,276 ordinary shares at \$0.22 per share to existing and new sophisticated investors which occurred on 19 May 2015 for the purposes of Listing Rule 7.4 and the issue of 200,000 ordinary shares at \$0.22 per share to a non-executive director, Gary Flowers.

On 29 July 2015, the Company incorporated a wholly-owned subsidiary in the Republic of South Africa, SkyFii South Africa (Pty) Ltd, for the purposes of conducting operations in that country.

On 31 July 2015, the Group entered into various commercial agreements for the leasing of new commercial office premises expected to commence in October 2015. In addition to an agreement to lease commercial office property with a minimum lease period of 2 years, the Group entered into an occupational license agreement with another party in order to sub-let a quarter of the premises on back to back terms.

Other than the above matters, there are no other matters or circumstances that have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

- the consolidated entity's operations in the future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in the future financial affairs.

29. Reconciliation of loss after tax to net cash from operating activities

	Consolidated	
	2015	2014
	\$	\$
Loss for the year	(4,789,482)	(1,624,776)
Investment cash flows included in comprehensive loss:		
Payments for acquisition costs	443,931	-
Non-cash items in operating loss:		
Depreciation and amortisation	10,903	831
Impairment of goodwill and domain names	2,157,841	-
Acquisition costs paid by RKS Consolidated Limited prior to acquisition	344,882	-
R&D tax incentive receivable	(791,729)	(480,994)
Share based payments	235,000	-
Changes in operating assets and liabilities:		
Decrease / (increase) in trade and other receivables	517,958	(198,107)
Decrease / (increase) in prepayments	(94,153)	(10,445)
Decrease / (increase) in trade and other payables	(58,871)	442,555
Decrease / (increase) in provisions and employee benefits	(11,812)	39,749
Decrease / (increase) in deferred revenue	88,770	-
Decrease / (increase) in inventories	(43,500)	-
Decrease / (increase) in other assets	(2,000)	-
Net cash used in operating activities	(1,992,262)	(1,831,187)

30. Earnings per share (EPS)

	Consolidated	
	2015 Cents per share	2014 Cents per share
(a) Basic earnings per share		
Basic EPS attributable to ordinary equity holders of the Company	(7.1)	(26.4)
(b) Diluted earnings per share		
Diluted EPS attributable to ordinary equity holders of the Company	(7.1)	(26.4)
(c) Weighted average number of shares used as the denominator		
	Number	Number
Weighted average number of ordinary shares used in calculating basic EPS	67,579,606	6,164,384
Weighted average number of ordinary shares used in calculating diluted EPS	67,579,606	6,164,384
(d) Reconciliation of earnings used in calculating earnings per share		
	\$	\$
Loss attributable to the ordinary equity holders of the Company used in calculating basic EPS	(4,789,482)	(1,624,776)

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Directors' Declaration

In the Directors' opinion

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 259A of the Corporations Act 2001.

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

On behalf of the Directors



Gary Flowers
Chairman

21 August 2015

SKYFII LIMITED
ACN 009 264 699
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SKYFII LIMITED AND CONTROLLED ENTITIES

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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Report on the Financial Report

We have audited the accompanying financial report of SkyFii Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

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

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

Independence

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

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HALL CHADWICK (NSW)

Chartered Accountants and Business Advisers

Auditor's Opinion

In our opinion:

- (a) the financial report of SkyFii Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(e) in the financial report which indicates that the Group has incurred a net loss after tax of \$4,789,482 and net cash outflows from operating activities of \$1,992,262. These conditions, along with other matters as set forth in Note 2(e) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the Directors' Report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of SkyFii Limited for the year ended 30 June 2015 complies with s 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Dated: 21 August 2015

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Additional ASX Information

Use of cash & cash equivalents

In accordance with ASX Listing Rule 4.10.19, the Board has determined that the Company has used the cash and equivalents that it had at the time of its re-admission to the ASX in a way consistent with its business objectives, from the period of its re-admission to the ASX on 21 November 2014 to 30 June 2015.

Shareholder information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. This additional information was applicable as at 14 August 2015.

Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are:

Substantial shareholder	Date of notice	Number of shares
Birketu Pty Ltd	25-May-15	10,784,284
Avenue C Pty Ltd	17-Apr-15	12,123,743
Jagafii Pty Ltd	17-Apr-15	11,439,243
Karibu Pty Ltd	21-Nov-14	8,699,836
Bonduffmex Pty Ltd	17-Apr-15	7,956,690
Montella Investments Pty Ltd	17-Apr-15	5,737,514
Shanderlay Investments Pty Ltd	17-Apr-15	5,737,514

Top 20 shareholders as at 14 August 2015

#	Name	Number of ordinary shares held	% of ordinary shares held
1	Jagafii Pty Ltd <SkyFii Unit A/C>	13,711,971	12.05%
2	Avenue C Pty Ltd <Orchard Street Family A/C>	13,370,107	11.75%
3	Birketu Pty Ltd	10,784,284	9.48%
4	Karibu Pty Ltd <Wayne Arthur Family A/C>	8,819,836	7.75%
5	Bonduffmex Pty Ltd <Ian Robinson Family A/C>	7,956,690	6.99%
6	Montellay Investments Pty Ltd <R White Disc A/C>	5,964,787	5.24%
7	Shanderlay Investments Pty Ltd <Shanderlay Disc A/C>	5,737,514	5.04%
8	Alterac Pty Ltd <Alterac A/C>	3,783,055	3.33%
9	Yellow Monkey Holdings Pty Ltd <Bernberg Family A/C>	3,158,950	2.78%
10	Devero Holdings Pty Ltd	2,941,546	2.59%
11	JP Morgan Nominees Australia Limited	2,732,459	2.40%
12	Mr Marco Betelli	1,983,055	1.74%
13	Adgemis Holdings Pty Ltd	1,503,036	1.32%
14	Mr Martin Eric Robinson	1,452,500	1.28%
15	Bantry Holdings Pty Ltd	1,378,410	1.21%
16	Capella Trust Investments Limited	1,335,000	1.17%
17	Chapmans Corporated Advisory Pty Ltd	1,250,000	1.10%
18	1001 Investments Pty Ltd	1,250,000	1.10%
19	The Chimes Private Foundation	1,222,100	1.07%
20	The Elsie Cameron Foundation	1,136,364	1.00%
	Total top 20 holders	91,471,664	80.40%
	Total remaining holders	22,296,858	19.60%

Distribution of ordinary shareholders as at 14 August 2015

	Number of shareholders	Number of shares
1 - 1,000	641	7,044
1,001 - 5,000	75	263,180
5,001 - 10,000	60	503,546
10,001 - 100,000	186	7,114,676
100,001 and over	85	105,880,076
Total	1,047	113,768,522

At the closing market price of \$0.18 per share on 14 August 2015, there were 664 shareholders with less than a marketable parcel of shares (\$500).

Restricted securities as at 14 August 2015

There are ordinary shares on issue that are subject to escrow in accordance with the ASX Listing Rules. The table below sets out the number of shares subject to escrow together with the escrow end dates:

	End date(s)	Number of shares
SGPL Vendor shares subject to escrow¹	21 Nov 2015	61,300,164
	21 Nov 2016	8,699,836
Promotor shares subject to escrow²	21 Nov 2015	2,500,000
Total shares subject to voluntary escrow		72,500,000

Notes:

1. Shares issued as consideration to the SGPL Vendors.
2. Shares issued as part of consideration for the provision of corporate services in relation to the capital raising under the Replacement Prospectus dated 15 October 2014 and associated promotional activities.
3. In addition to the above ordinary shares that are subject to escrow in accordance with the ASX Listing Rules, 425,000 shares issued to Directors on 10 December 2014 in lieu of cash payment of their annual Director fees remain under voluntary trading restrictions as between the Company and each relevant Director. Of those shares which remain under voluntary trading restrictions, 212,500 shares will become free trading each on 11 September 2015 and 11 December 2015.

Top 21 shareholders subject to escrow as at 14 August 2015

#	Name	Number of ordinary shares held	%
1	Avenue C Pty Ltd <Orchard Street Family A/C>	11,623,743	16.03%
2	Jagafii Pty Ltd <SkyFii Unit A/C>	11,439,243	15.78%
3	Karibu Pty Ltd <Wayne Arthur Family A/C>	8,699,836	12.00%
4	Bonduffmex Pty Ltd <Ian Robinson Family A/C>	7,956,690	10.98%
5	Montellay Investments Pty Ltd <R White Disc A/C>	5,737,514	7.91%
6	Shanderlay Investments Pty Ltd <Shanderlay Disc A/C>	5,737,514	7.91%
7	Birketu Pty Ltd	3,966,102	5.47%
8	Yellow Monkey Holdings Pty Ltd <Bernberg Family A/C>	3,158,950	4.36%
9	Devero Holdings Pty Ltd	2,941,546	4.06%
10	Mr Marco Betelli	1,983,055	2.74%
11	Alterac Pty Ltd <Alterac A/C>	1,983,055	2.74%
12	Chapmans Corporated Advisory Pty Ltd	1,250,000	1.72%
13	1001 Investments Pty Ltd	1,250,000	1.72%
14	Bmr Securities Pty Ltd <The Bmr Securities A/C>	877,232	1.21%
15	Glenmaress Pty Ltd <Glenmaress Family A/C>	846,144	1.17%
16	Ms Alice Klara Senn	794,618	1.10%
17	The Chimes Private Foundation	472,100	0.65%
18	Ms Rachel Scott	363,150	0.50%
19	Mr Richard McClaren	254,207	0.35%
20	Ma Duck & Me Pty Ltd <Ma Duck & Me A/C>	254,207	0.35%
21	Ms Kerry McCabe	254,207	0.35%
	Top 21 shareholders subject to escrow	71,843,113	99.09%
	Total shares subject to escrow	72,500,000	

Voting rights

The voting rights attaching to ordinary shares, set out in the Company's Constitution are:

- at meetings of members, each member is entitled to vote in person or by proxy, attorney or representative; and
- on a show of hands, every person present who is a member has one vote, and on a poll every member present has a vote for each fully paid share owned.

There are no voting rights attached to unlisted ordinary shares or unlisted options, voting rights will be attached to unlisted ordinary shares once issued and to options upon exercise.

On-market Buy Back

There is no current on-market buy back.

Corporate Directory

Company Directors

Mr Gary Flowers	Chairman
Mr Wayne Arthur	Managing Director
Mr Anthony Dunlop	Non-Executive Director
Mr Andrew Johnson	Non-Executive Director
Mr James Scott	Non-Executive Director
Mr Chris Taylor	Non-Executive Director

Company Secretary

Mr Heath Roberts

Registered Office

Suite 3 Level 2
118 Devonshire Street
Surry Hills NSW 2010
Telephone: +61 2 8188 1188

Share Registry

Boardroom Limited
Level 7
207 Kent Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Securities exchange listing

SkyFii Limited shares are listed on the Australian Securities Exchange (Listing code: SKF)

Former Name

RKS Consolidated Limited changed its name to SkyFii Limited on 17 November 2014.

Website

www.skyfii.com

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