ResiWeb Limited

ABN 14 146 845 123

Financial Statements

For the Year Ended 30 June 2016

ResiWeb Limited

ABN 14 146 845 123

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For the Year Ended 30 June 2016

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Directors' Report

30 June 2016

The directors present their report on ResiWeb Limited for the financial year ended 30 June 2016.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr L. Mizikovsky

Qualifications: FAICD

Experience: Mr. Lev Mizikovsky started Tamawood in July 1989. The Company was listed on the ASX in August 2000 and in December 2000 acquired Dixon Homes. Mr Mizikovsky is currently Non-executive Chairman of AstiVita Renewable Limited (AIR) and has been a director of AstiVita Limited since October 2009. AstiVita was spun off from Tamawood in December 2009 and listed on the ASX. The Company specialises in renewable energy products, hot water systems, bathroom and kitchen products. Since 1997, Mr Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland Companies including Collection House Limited (CLH) and Lindsay Australia Limited (LAU). Lev is a Non-executive Director of Antaria Limited (ANO) since 10 April 2015 and Collection House Limited (CLH) since 01 July 2016.

He is currently the Chairman of the Group's Remuneration and Nominations Committees and is a member of the Risk Management Committee.

Mr M. Fennell: Appointed 19 October 2012

Experience: Mr. Michael Fennell brings to ResiWeb his knowledge in his 22 years within the Tamawood Group. Michael has an in-depth knowledge and understanding of software architecture and design, system integration and virtualisation.

Mr R. Lynch: Appointed 19 October 2012

Qualifications: LREA, Justice of the Peace

Experience: As Chairman of Tamawood Limited, Robert has had more than 30 years experience in residential housing construction and land development. Robert was CEO of Mirvac Homes for 17 years and Clarendon Homes for two years.

Robert is a past President of the New South Wales Housing Industry Association.

Mr. Robert Lynch has been a Non-Executive Director of the Tamawood Group since 2008 and Chairman of the Group since November 2011. He is currently the Chairman of the Group's Risk Management Committee and is a member of the Nominations, Remuneration and Audit Committees. Robert has been a Non-executive Director of AstiVita Limited since February 2011.

1. General information (continued)

Information on directors (continued)

Mr A. Thomas	Appointed 17 February 2014
Experience	Mr. Andrew Thomas has been involved within the building industry for over 25 years and in that time has been involved with several large scale unit developments, land developments and built many spec homes. Andrew has been a member of HIA and QMBA in Queensland for almost 20 years and has a builders license in Victoria and Queensland. Andrew has a 24 year history with Tamawood, 18 years as a highly successful franchisor in Cairns and Townsville. Andrew has been a Non-executive Director of Tamawood Limited for the past 14 years. Andrew is an active board member and keenly provides practical ideas and innovative solutions to executive management and board members on marketing and product design matters, as well as franchisee issues. Andrew is a member of the Group's Audit Committee and Risk Management Committee. Andrew is not and has not been a director of any other publicly listed company in the past three years.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of ResiWeb Limited during the financial year was to develop a small enterprise management system for the housing industry which may be commercially saleable in the future.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to $ (451,131) (2015: $(151,540)).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show an operating loss after tax of $451,131 compared to $151,540 in 2015. The business continues to develop small enterprise management systems which may be commercially saleable. The revenue of $450,745 was earnt from continuing to support and maintain the systems of companies for Tamawood Limited and AstiVita Ltd. There are no contracts in place and this revenue is earnt on a month by month basis as required by the companies.

3. Other items

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

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Directors' Report

30 June 2016

3. Other items (continued)

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The company continues to work to develop software and related intellectual property with the intention of monetizing the resulting software through a licensing structure. The software is designed to be used by independent construction companies and provide those companies with project management software that is integrated with key supplier sites as a form of business-to-business ("B2B") integrated order processing, delivery and relationship management system. The software is not currently commercially ready and has not yet been released for sale.

Company secretary

Mr Geoff Acton (B.Com, ACA, GAICD) has been the company secretary since 14 October 2010.

Meetings of directors

During the financial year 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr L. Mizikovsky	10	10
Mr M. Fennell	10	1
Mr R. Lynch	10	10
Mr A. Thomas	10	6

Indemnification and insurance of officers and auditors

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

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Directors' Report

30 June 2016

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on page of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....
Mr I. Mizikovsky

Brisbane, 31 July 2016

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Auditor's Independence Declaration to the Directors of ResiWeb Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 31 July 2016

ResiWeb Limited

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Independent Audit Report to the members of ResiWeb Limited

Report on the Financial Report

We have audited the accompanying financial report of ResiWeb Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Financial Report

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

In Note 1, 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*.

Auditor's Responsibility

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

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

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Independent Audit Report to the members of ResiWeb Limited

Independence

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

Opinion

In our opinion:

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

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

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter - Going concern

Without modifying our conclusion, we draw attention to Note 1(a) of the financial report which indicates that the company incurred a net loss of $451,131 for the year ended 30 June 2016. During the financial year, the company has commenced the process of issuing 42,851,878 shares at 2 cents per share, raising a total of $857,037. These matters, along with other matters set forth in Note 1(a), indicates the existence of a material uncertainty, which 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.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

M. J Green
Director

Brisbane, 31 July 2016

ResiWeb Limited

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Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2016 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director ....
Mr L Mizikovsky

Brisbane, 31 July 2016

ResiWeb Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
Revenue	2	446,000	503,735
Other income		4,745	825
Employee benefits expense		(629,613)	(482,013)
Depreciation and amortisation expense		(12,272)	(7,007)
Professional fees		(127,530)	(106,104)
Information, communication and technology		(68,120)	(58,881)
Other expenses		(60,308)	(39,080)
Profit before income tax		(447,098)	(188,525)
Income tax benefit/(expense)	4	(4,033)	36,985
Profit from continuing operations		(451,131)	(151,540)
Profit for the year		(451,131)	(151,540)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(451,131)	(151,540)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		290,990	25,767
Trade and other receivables		2,750	1,766
Current tax receivable	5	10,896	8,975
TOTAL CURRENT ASSETS		304,636	36,508
NON-CURRENT ASSETS			
Property, plant and equipment	7	29,937	44,376
Deferred tax assets	5	39,405	43,438
TOTAL NON-CURRENT ASSETS		69,342	87,814
TOTAL ASSETS		373,978	124,322
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	24,581	51,740
Provisions	9	70,710	58,008
Other liabilities		-	128,000
TOTAL CURRENT LIABILITIES		95,291	237,748
NON-CURRENT LIABILITIES			
Provisions	9	2,480	15,674
TOTAL NON-CURRENT LIABILITIES		2,480	15,674
TOTAL LIABILITIES		97,771	253,422
NET ASSETS		276,207	(129,100)
EQUITY			
Issued capital	10	856,638	200
Retained earnings		(580,431)	(129,300)
TOTAL EQUITY		276,207	(129,100)

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Issued Capital	Retained Earnings	Total
	$	$	$
Balance at 1 July 2015	200	(129,300)	(129,100)
Profit for the year	-	(451,131)	(451,131)
Shares issued during the year	856,438	-	856,438
Balance at 30 June 2016	856,638	(580,431)	276,207

2015

	Issued Capital	Retained Earnings	Total
	$	$	$
Balance at 1 July 2014	200	22,240	22,440
Profit for the year	-	(151,540)	(151,540)
Balance at 30 June 2015	200	(129,300)	(129,100)

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		361,616	828,309
Payments to suppliers and employees		(951,394)	(730,991)
Finance costs		(3,169)	-
Interest received		4,745	-
Income taxes paid		(1,921)	(27,856)
Net cash provided by (used in) operating activities	11	(590,123)	69,462
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of property, plant and equipment		13,183	-
Purchase of property, plant and equipment		(14,275)	(47,776)
Net cash used by investing activities		(1,092)	(47,776)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		856,438	-
Net cash used by financing activities		856,438	-
Net increase (decrease) in cash and cash equivalents held		265,223	21,686
Cash and cash equivalents at beginning of year		25,767	4,081
Cash and cash equivalents at end of financial year		290,990	25,767

The accompanying notes form part of these financial statements.

The financial report covers ResiWeb Limited as an individual entity. ResiWeb is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of ResiWeb Limited is Australian dollars.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements, except for the cashflow information, have been prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Entities subject to control

Entities subject to control are consolidated for the purposes of AASB 127 *Consolidated and Separate Financial Statements* where the result or position of the entity is material relative to the Company. For the year ended 30 June 2016, no subsidiaries were considered material to the group and accordingly only these separate financial statements of the parent company have been prepared.

(a) Going concern

The directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding that the Company has incurred losses for the year of $451,131 (30 June 2015: $151,540). As at 30 June 2016, the Company has net assets of $276,207 (30 June 2015: net assets deficiency of $129,100).

The Company's ability to continue as a going concern is dependent on its ability to: (1) successfully complete development of the software product; and, (2) successfully generate revenue and profits from operations after completing its sotware.

There is inherent uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will continue its normal business activities realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

1 **Summary of Significant Accounting Policies (continued)**

(b) Economic dependence

ResiWeb Limited is dependent on the related parties for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the related parties will not continue to support ResiWeb Limited.

(c) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities of the group have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial statements where the accounting policies used by that entities were different from those adopted in the consolidated financial statements.

(d) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the assets, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(e) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

1 Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured using the cost model. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Motor Vehicles	28.57%
Computer Equipment	25% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(g) **Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- available-for-sale financial assets; and

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

1 **Summary of Significant Accounting Policies (continued)**

(g) **Financial instruments (continued)**

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company 's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The Company's available-for-sale financial assets include investments in unlisted controlled entities. Purchases and sales of available-for-sale investments are recognised on settlement date. The investment in subsidiary is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

1 Summary of Significant Accounting Policies (continued)

(g) **Financial instruments (continued)**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred , the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(h) **Impairment of non-financial assets**

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

1 Summary of Significant Accounting Policies (continued)

(i) Cash and cash equivalents (continued)

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(j) Employee benefits

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

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

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

- Taxable temporary differences arising on the initial recognition of goodwill.

1 Summary of Significant Accounting Policies (continued)

(k) Income Tax (continued)

- Temporary differences related to investment 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(l) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

1 Summary of Significant Accounting Policies (continued)

(m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

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

(n) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board ("AASB"), that are relevant to its operations and effective for the current period. The adoption of these standards did not have any impact on the current period, or any prior period, and is not likely to affect future periods.

1 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9: Financial Instruments and associated Amending Standards	01/01/2018	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 instrumentsm revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embeded deritiives, 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 on the Standard, the application of such accounting would be largely prospective.	The available for sale investments held will be classified as fair value through OCI and will no longer be subject to impairment testing. Other impacts on the reported financial position and performance have not yet been determined.

ResiWeb Limited

ABN 14 146 845 123

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15: Revenue from Contracts with Customers	01/01/2017	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 acheive 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 transactions price to the performance obligations in the contract(s); and - Recognise revenue when (or as) the performance obligations are satisfied.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 16: Leases	01/01/2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

	2016	2015
	$	$

2 Revenue and Other Income

Revenue from continuing operations

The following amounts have been included in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2016 $	2015 $
Sales revenue		
- provision of services (related parties)	446,000	503,735
Finance income		
- other interest received	4,745	825
	450,745	504,560

3 Result for the Year

The following amounts have been included in the finance costs line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

The result for the year includes the following specific expenses:

	2016 $	2015 $
Other expenses:		
- Superannuation contributions	52,601	41,466
- Other employee benefits	577,013	440,547
Total employee benefits	629,614	482,013
Net loss on disposal of property, plant and equipment	3,260	-

4 Income Tax Expense

	2016 $	2015 $
(a) The major components of tax expense (income) comprise:		
Current tax	(139,260)	(52,380)
Origination and reversal of temporary differences	143,293	49,364
Under/(over) provision in respect of prior years	-	(33,969)
Income tax expense for continuing operations	4,033	(36,985)

	2016 $	2015 $
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	4,033	(36,985)
Income tax expense	4,033	(36,985)

	2016	2015
	$	$

5 Tax

	2016 $	2015 $
Income tax receivable	10,896	8,975
Current tax assets	10,896	8,975

(a) **Deferred Tax Assets**

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Changes in Tax Rate $	Exchange Differences $	Closing Balance $
Net deferred tax						
Provisions - employee benefits	24,741	(2,636)	-	-	-	22,105
Accruals	767	364	-	-	-	1,131
Other	14,914	5,288	-	-	-	20,202
Balance at 30 June 2015	40,422	3,016	-	-	-	43,438
Provisions - employee benefits	**22,105**	**(147)**	-	-	-	**21,958**
Accruals	**1,131**	**795**	-	-	-	**1,926**
Other	**20,202**	**(4,681)**	-	-	-	**15,521**
Balance at 30 June 2016	43,438	(4,033)	-	-	-	39,405

(b) **Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following:

	2016 $	2015 $
Tax losses	(139,260)	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which ResiWeb Limited can utilise the benefits therein.

6 **Trade and other receivables**

	2016 $	2015 $
CURRENT		
Trade receivables	2,750	1,766

Credit risk

The Company has concentration of credit risk with respect to related parties. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

	2016	2015
	$	$
7 Property, plant and equipment		
Motor vehicles		
At cost	22,746	41,952
Accumulated depreciation	(7,264)	(3,251)
Total motor vehicles	15,482	38,701
Office equipment		
At cost	12,675	-
Accumulated depreciation	(2,155)	-
Total office equipment	10,520	-
Computer equipment		
At cost	18,870	17,270
Accumulated depreciation	(14,935)	(11,595)
	29,937	44,376

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June 2016				
Balance at the beginning of year	38,701	-	5,675	44,376
Additions	-	12,675	1,600	14,275
Disposals - written down value	(19,207)	-	-	(19,207)
Depreciation expense	(4,013)	(2,155)	(3,339)	(9,507)
Balance at the end of the year	15,481	10,520	3,936	29,937

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June 2015				
Balance at the beginning of year	-	-	3,606	3,606
Additions	41,952	-	5,825	47,777
Depreciation expense	(3,251)	-	(3,756)	(7,007)
Balance at the end of the year	38,701	-	5,675	44,376

	2016 $	2015 $
8 Trade and other payables		
CURRENT		
Unsecured liabilities		
Trade payables	371	25,300
GST payable	(3,281)	9,339
Accruals and sundry payables	27,477	17,087
Related party payables	14	14
	24,581	51,740
9 Provisions		
CURRENT		
Annual leave	40,545	30,290
Long service leave	30,165	27,718
	70,710	58,008
NON-CURRENT		
Long service leave	2,480	15,674
10 Issued Capital		
110,056,507 (2015: 65,704,629) Ordinary shares	856,638	200

(a) Ordinary shares

	2016 No	2015 No	2016 $	2015 $
At the beginning of the reporting period	65,704,629	65,704,629	200	200
Shares issued during the year	44,351,878	-	-	-
At the end of the reporting period	110,056,507	65,704,629	200	200

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

	2016	2015
	$	$

10 Issued Capital (continued)

(b) Capital Management

Capital of the Company is managed in order to safeguard the ability of the company to continue as a going concern, so that the company can continue to develop its business and generate returns for shareholders.

The Company's capital comprises of shareholders equity and retained earnings.

There are no externally imposed capital requirements.

11 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2016 $	2015 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	(451,131)	(151,540)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	12,272	7,007
- (gain)/loss on sale of fixed assets	3,260	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(984)	145,293
- increase/(decrease) in income in advance	(128,000)	128,000
- increase/(decrease) in trade and other payables	(27,159)	14,331
- increase/(decrease) in income taxes payable	(1,921)	(61,824)
- increase/(decrease) in deferred taxes payable	4,033	(3,016)
- increase/(decrease) in employee benefits	(493)	(8,789)
Cashflow from operations	(590,123)	69,462

12 Capital and Leasing Commitments

Operating leases have been have been taken out for office premises. Lease payments are increased on an annual basis to reflect market rentals.

13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None).

14 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2016	Percentage Owned (%)* 2015
Subsidiaries:			
RR&D Pty Ltd	Brisbane, Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

15 Financial Risk Management

The Company is not exposed to material financial risks through its use of financial instruments. This note discloses the Company's objectives, policies and processes for managing and measuring these risks.The Company does not speculate in financial assets.

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Specific information regarding the mitigation of each financial risk to which Company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Funding for short and long-term liquidity needs is additionally available through related parties.

The Company's liabilities are current and are either expected to be settled with in normal trade terms (i.e., 30 days) or are at call liabilities.

During the financial year, the Company has issued 42,851,878 shares at 2 cents per share, raising a total of $857,037, which subsequently improves working capital ratio.

Market risk

The companys exposure to market risk is limited to cash on deposit with Australian banks. Cash is deposited in floating rate, at-call accounts, where the risk of changes in interest rates affecting future cash flows is not considered material.

15 Financial Risk Management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Trade receivables are recorded with related parties.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

16 Related Parties

The Company's main related parties are as follows:

- Tamawood Limited and its controlled entities;
- Lev Mizikovsky (director);
- Michael Fennell (director);
- Robert Lynch (director);
- Andrew Thomas (director);
- Angela Gibson (former director);
- Geoff Acton (company secretary) and ERC Traders Pty Ltd;
- Rainrose Pty Ltd;
- AstiVita Limited.

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

(b) Transactions with related parties

The company provides information technology design, development and support services to Tamawood Limited and its controlled entities. Revenue for these services is shown in Note 2 and receivables is shown in Note 6.

16 Related Parties (continued)

(b) Transactions with related parties (continued)

The company receives administration services from Tamawood Limited and its related entities. Payables to related parties in respect of the services received are shown in Note 8.

AstiVita limited charged the company for the repair of a dishwasher for $176. No amount was outstanding at the end of the reporting period.

Dixon Systems Pty Ltd charged the company for administration costs in relation to the companies AGM to the value of $2,045 and no amounts were outstanding at the end of the reporting period.

Dixon Build Ply Ltd charged the company for cleaning services to the value of $726, $5,056 for electricity, $4,700 for office equipment and $10,060 for miscellaneous expenses. No amounts were outstanding at the end of the reporting period.

Tamawood Limited charged the company $1,100 for motor vehicle insurance incurred and no amounts were outstanding at the end of the reporting period.

The company rents premises from the related entity Tamawood Limited. During the year the compay paid $36,900 in rent. No rental fees were outstanding at the end of the reporting period..

The company engages ERC Traders Pty Ltd, a company associated with Mr G. Acton, for the provision of company secretarial and other services. During the year $853 (2015: $17,769) in fees were paid to ERC Traders Pty Ltd and no amounts were outstanding at the end of the reporting period.

All amounts listed are GST exclusive.

	2016	2015
	$	$

17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of ResiWeb Limited during the year are as follows:

	2016 $	2015 $
Short-term employee benefits	132,394	148,672
Long-term benefits	1,154	12,562
	133,548	161,234

Key management personnel shareholdings

The number of ordinary shares in ResiWeb Limited held by each key management person of ResiWeb Limited during the financial year is as follows:

	Balance at beginning of year	Share based payments	Other changes during the year	Balance at end of year
30 June 2016				
Michael Fennell - Managing director	4,012,500	-	8,340	4,020,840
Lev Mizikovsky - Non-executive director	26,578,475	-	35,525,477	62,103,952
Robert Lynch - Non-executive director	1,668,301	-	-	1,668,301
Andrew Thomas - Non-executive director	1,554,129	-	4,000	1,558,129
Geoff Acton - Company secretary	298,943	-	(5,542)	293,401
	34,112,348	-	35,532,275	69,644,623
30 June 2015				
Michael Fennell - Managing director	4,012,500	-	-	4,012,500
Lev Mizikovsky - Non-executive director	28,195,447	-	(1,616,972)	26,578,475
Robert Lynch - Non-executive director	1,668,301	-	-	1,668,301
Andrew Thomas - Non-executive director	1,554,129	-	-	1,554,129
Geoff Acton - Company secretary	298,943	-	-	298,943
	39,741,820	-	(1,616,972)	34,112,348

	2016	2015
	$	$

18 Share-based Payments

	Balance at beginning of year (no. of shares)	Share based payments	Other changes during the year	Balance at end of year (no of shares)
30 June 2016				
Robert Lynch	1,668,301	-	-	1,668,301
Andrew Thomas	1,554,129	-	4,000	1,558,129
Geoff Acton	298,943	-	(5,542)	293,401
Michael Fennell	4,012,500	-	8,340	4,020,840
Dmitry Sokoletsky	3,500,000	-	(3,500,000)	-
Ian Henderson	2,407,299	-	-	2,407,299
	13,441,172	-	(3,493,202)	9,947,970
30 June 2015				
Robert Lynch	1,668,301	-	-	1,668,301
Andrew Thomas	1,554,129	-	-	1,554,129
Geoff Acton	298,943	-	-	298,943
Michael Fennell	4,012,500	-	-	4,012,500
Dmitry Sokoletsky	3,500,000	-	-	3,500,000
Ian Henderson	2,407,299	-	-	2,407,299
	13,441,172	-	-	13,441,172

19 Remuneration of Auditors

	2016	2015
Remuneration of the auditor of the company, Hanrick Curran Audit Pty Ltd, for the:		
- audit of the financial statements	13,156	12,860

20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21 **Company Details**

The registered office and prinicple place of business of the company is:

ResiWeb Limited
1821 Ipswich Road
ROCKLEA QLD 4106

ResiWeb Limited

Additional shareholder information

30 June 2016

Additional Shareholder Information

Additional information for shareholders not disclosed elsewhere in this report is set out below. This information is effective as at .

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
POLTICK PTY LTD	33,572,478	30.50
TAMAWOOD LIMITED	25,546,806	23.21
SKYLEVI PTY LTD	14,775,748	13.43
RAINROSE PTY LTD	7,000,000	6.36
NOWCASTLE PTY LTD	4,469,782	4.06
MR MICHAEL WILLIAM FENNELL & MRS TANIA MAREE FENNELL	3,000,000	2.73
MIZI SUPERANNUATION PTY LTD	1,616,972	1.47
IAN HENDERSON	1,404,374	1.28
M & T FENNELL SUPER FUND PTY LTD	1,000,000	0.91
IAN HENDERSON & MARIAN ELIZABETH HENDERSON	995,626	0.90
MR TIMOTHY MARK BARTHOLOMAEUS	936,249	0.85
ROBERT PATRICK LYNCH	936,249	0.85
MR ANDREW BARRY THOMAS	550,000	0.50
RIPELAND PTY LTD	546,579	0.50
MR TIMOTHY MARK BARTHOLOMAEUS & MS PATRESE CAROLINE BARTHOLOMAEUS	500,000	0.45
MR ROBERT LYNCH & MRS SINEAD LYNCH	500,000	0.45
STODDART BUILDING PRODUCTS PTY LTD	473,825	0.43
RADE DUDUROVIC	468,904	0.43
ANDREW THOMAS	468,125	0.43
J.P MORGAN NOMINEES AUSTRALIA LIMITED	460,625	0.42
	99,222,342	90.16

Securities exchange

The Company is not listed on a securities exchange