Rewardle Holdings Limited

ABN 37 168 751 746

Annual Report - 30 June 2019

Rewardle Holdings Limited
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Rewardle Holdings Limited
Corporate directory
30 June 2019

Directors	Ruwan Weerasooriya – Executive Chairman David Niall – Non- executive Director Peter Pawlowitsch – Non-Executive Director (till 2 January 2019) Rodney House-– Non-Executive Director (from 2 January 2019)
Company secretary	Ian Hobson
Registered office	Suite 5, 95 Hay Street, Subiaco WA 6008 Telephone : +61 8 93888290 Facsimile: +61 8 93888256 Email: corporate@rewardle.com Website: www.rewardleholdings.com
Principal place of business	1 Alfred Place, South Melbourne VIC 3205
Share register	Suite 5, 95 Hay Street, Subiaco WA 6008 Telephone : +61 8 93888290 Facsimile: +61 8 93888256 Email: corporate@rewardle.com Website: www.rewardleholdings.com
Auditor	Moore Stephens Audit (Vic) Level 18, 530 Collins Street, Melbourne VIC 3000
Solicitors	Nova Legal Ground Floor, 10 Ord Street, West Perth WA 6005
Bankers	Westpac Banking Corporation Limited
Stock exchange listing	Rewardle Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: RXH)

Rewardle Holdings Limited
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rewardle Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $928,563 (2018: $ 2,530,413). During the year, the Company implemented a number of cost reduction initiatives that aligned operating costs with revenue generation. While the Company experienced a marginal decline in the revenue of 6% compared to the previous year, expenses were reduced by 34%. The combination of operating results and FY18 R & D rebate of $1,088,254 resulted in a 63% reduction in the net losses compared to the previous year. The Company is continuing to invest in enhancing the capability of the Rewardle Platform and while working to grow the Company's existing revenue streams, management is working on the development of new revenue opportunities through a variety of approaches including building, partnering and acquisition.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
The company has entered into a strategic partnership with the following companies:

- Pepper Leaf, a profitable, Australian owned and operated subscription-based meal kit delivery service based in Melbourne.
- SportsPass, a small, profitable business that provides rewards and benefits programs to sporting groups around Australia and;
- Beanhunter, Australia's leading online community for independent cafes and coffee lovers.

Rewardle will assist these companies in growing their businesses through provision of technology, marketing, operational support and corporate strategy services. Rewardle will be compensated for the provision of services through a combination of options to acquire shares in the respective companies and service fees payments. These companies will pay Rewardle cash fees for a variety of business services based on mutually agreed time and materials rates.

The Company established a financing facility for its FY19 R&D activity with specialist R&D lender Radium Capital (Radium) and received $596,818. The financing facility established with Radium allows the Company to manage the cash flow asymmetry associated with the timing difference between investment in research and development activity and receipt of the R&D refund.
The Agreement with Radium is based on standard terms customary for this type of financing facility including the following key terms:

- Loan amount: $596,818
- Security: Rewardle's FY19 R&D rebate
- Interest rate: 15% PA
- Maturity date: Earlier of 31 October 2019 or receipt of FY19 R&D rebate

The Company is in the process of completing its FY19 R&D claim which when processed will retire the Radium loan and provide additional working capital to support managements goal of achieving consistent cash flow positive operations.

Subsequent to year end, the company borrowed an additional $50,000 from Mr Ruwan Weerasooriya, Executive Chairman and $50,000 from Mr David Niall, Non-Executive Director to fund working capital requirements. Subsequently, the Company elected to repay these loans together with loan balance of Mr Weerasooriya of $150,000 as at 30 June 2019. The loans were all unsecured, interest free and repayable at the Company's discretion.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Ruwan Weerasooriya
Title:	Executive Chairman
Experience and expertise:	Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Over 20 years he has consistently stayed at the forefront of the disruption caused by the advent and proliferation of the internet. He has established, built and operated a range of technology and media related businesses with multiple successful outcomes including trade sales to ASX listed industry leaders. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au. He established Rewardle in 2012 to provide Local SME Merchants with the digital customer engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and big data analysis.
Other current directorships:	Nil
Former directorships (last 3 years):	During the past three years Mr Weerasooriya has held no other listed Company Directorships
Interests in shares:	397,031,678

Name:	Peter Pawlowitsch
Title:	Non-Executive Director (resigned on 2 January 2019)
Experience and expertise:	Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practising Accountants of Australia and also holds a Master of Business Administration from Curtin University.These qualifications have underpinned more than fifteen years' experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.
Other current directorships:	Ventnor Resources Limited, Knosys Limited, Novatti Group Limited, Dubber Corporation Ltd
Former directorships (last 3 years):	Nil
Interests in shares:	26,677,358

Name:	David Niall
Title:	Non- executive Director
Experience and expertise:	David Niall has a BSc (Hons) and holds a Master of Business Administration from Harvard Business School. Formerly an executive at Telstra, he has a deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. He has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries
Other current directorships:	Buymyplace Ltd (ASX:BMP)
Former directorships (last 3 years):	Nil
Interests in shares:	10,932,513

Name:	Rodney House
Title:	Non-Executive Director (appointed from 2 January 2019)
Experience and expertise:	Rodney is a proven commercial leader with over 20 years of experience in media and sales. Most recently he held the role of Commercial Director at Australia Community Media (ACM), a division of Fairfax Media. In this role, Rodney's responsibilities included direct and agency sales teams along with call centre partnerships for print and digital media. He also headed up Fairfax Marketing Services – delivering a full suite of digital marketing services to regional clients. This comprised of approximately 650 employees, operating from 140 locations across rural and regional Australia. During his time with ACM Rodney led a significant sales transformation program and was instrumental in the sales teams' skill and digital capability development.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ian Hobson

Ian Hobson is a Fellow Chartered Accountant and Chartered Secretary who provides Company secretarial and financial controller services to ASX listed companies. Ian has had 30 years' experience in the profession. Ian is experienced in due diligence, transaction support, capital raising and corporate governance

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Attended	Held
Ruwan Weerasooriya	4	4
David Niall	4	4
Peter Pawlowitsch	1	1
Rodney House	3	3

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 27 November 2018, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations in the technology sector.

The short-term incentives ('STI') are payable to Executives based upon the attainment of agreed corporate and individual milestones and are reviewed and approved by the Board of Directors. During the year, no STI were paid to the Executives.

The objective of long term incentives is to reward Directors/Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Director's/Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTIs) granted to Directors/ Executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options on issue during the year vest over a selected period not based on service conditions.

The objective of the granting of options is to reward Executives in a manner that aligns the element of remuneration with the creation of shareholder wealth. As such LTIs are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

Use of remuneration consultants
The Board does not seek the advice of Remuneration Consultants in fulfilling its roles and responsibilities associated with the Remuneration Committee and determining compensation for Directors, the Managing Director and any Key Management Personnel.

Voting and comments made at the company's 27 November 2018 *Annual General Meeting ('AGM')*
At the 27 November 2018 AGM, 78% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Rewardle Holdings Limited:
- Ruwan Weerasooriya – Executive Chairman
- David Niall – Non-executive Director
- Peter Pawlowitsch – Non-Executive Director (resigned on 2 January 2019)
- Rodney House - Non Executive Director (appointed from 2 January 2019)

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:					
Peter Pawlowitsch*	12,087	2,082	-	9,831	24,000
Rodney House**	18,265	1,735	-	-	20,000
David Niall	45,203	6,023	-	18,194	69,420
Executive Directors:					
Ruwan Weerasooriya	87,500	8,313	7,913	68,438	172,164
	163,055	18,153	7,913	96,463	285,584

* Peter Pawlowitsh resigned as the non-executive director on 2 January 2019.
** Rodney House was appointed as the non-executive director on 2 January 2019.

As at 30 June 2019, a balance of 142,436 is payable to the directors.

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
2018	Cash salary and fees $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:					
D Niall	86,233	12,112	-	41,267	139,612
P Pawlowitsch	13,199	4,164	-	30,637	48,000
Executive Directors:					
R Weerasooriya	150,000	14,250	-	-	164,250
	249,432	30,526	-	71,904	351,862

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Ruwan Weerasooriya
Title:	Executive Chairman
Agreement commenced:	20 July 2014
Term of agreement:	The Managing Director’s remuneration package comprises an annual salary of $150,000 plus statutory superannuation. The service agreement has no fixed term and Mr Weerasooriya or the Company can terminate the agreement upon provision of six months written notice.

Name:	Mr David Niall
Title:	Non-executive Director
Agreement commenced:	30 May 2017 and revised on 1 October 2018
Term of agreement:	David Niall entered into a revised agreement from 1 October 2018 as a Non- executive Director at a package of $40,000 per annum inclusive of superannuation. Prior to this David Niall had an agreement that consists of a package comprising $120,000 per annum plus superannuation, a notice period of six months and that he devote 70% of his working time to the Company.

Name:	Mr Peter Pawlowitsch
Title:	Non-executive director
Agreement commenced:	30 May 2017
Term of agreement:	Peter has entered into an agreement that consists of a package comprising $40,000 per annum inclusive of superannuation. Peter ceased to be the non-executive director from 2 January 2019.

Name:	Mr Rodney House
Agreement commenced:	2 January 2019
Term of agreement:	Rodney has entered into an agreement that consists of a package comprising $40,000 per annum inclusive of superannuation.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019. No shares were issued to Directors on exercise of compensation options during the year.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
R Weerasooriya	231,601,812	65,429,800	100,000,066	-	397,031,678
P Pawlowitsch*	13,252,124	2,886,178	10,539,056	(26,677,358)	-
D Niall	1,931,445	5,368,455	3,632,613	-	10,932,513
	246,785,381	73,684,433	114,171,735	(26,677,358)	407,964,191

* P. Pawlowitsch resigned as the Non-Executive Director effective 2 January 2019 and disposals represents shares held as at the date of resignation.

Option holding

There were no options over ordinary shares in the company held during the financial year by the director and other members of key management personnel of the consolidated entity, including their personally related parties.

This concludes the remuneration report, which has been audited.

Loans from directors and executives
The Executive Chairman, Ruwan Weerasooriya has provided the following facilities during the year to the Group:

(i) An unsecured, fee and interest free and non-recourse facility of $900,000 from which $500,000 has been drawn down during quarter ended 30 September 2018 as a loan to support working capital requirements. The loan is repaid in full through shares issued in November 2018.

(ii) An unsecured, fee and interest free and non-recourse facility of facility of $150,000 which is drawn in full during quarter ended 30 June 2019. The balance payable as at 30 June 2019 is $150,000.

Shares under option
There were no unissued ordinary shares of Rewardle Holdings Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Rewardle Holdings Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Ruwan Weerasooriya
Executive Chairman

26 September 2019

MOORE STEPHENS

Moore Stephens Audit (Vic)

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REWARDLE HOLDINGS LIMITED AND CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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.

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

26 September 2019

Rewardle Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Rendering of services	5	1,350,188	1,600,260
Other Income	5	1,088,254	1,005,690
Expenses			
Operating expenses associated with Rewardle network	6	(1,701,206)	(2,229,045)
Employee benefits expense		(1,660,274)	(2,842,046)
Depreciation and amortisation expense		(5,525)	(52,709)
Share based payments		-	(12,563)
Loss before income tax expense		(928,563)	(2,530,413)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Rewardle Holdings Limited	17	(928,563)	(2,530,413)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Rewardle Holdings Limited		(928,563)	(2,530,413)
		Cents	**Cents**
Basic earnings per share	29	(0.21)	(0.83)
Diluted earnings per share	29	(0.21)	(0.83)

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

Rewardle Holdings Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	8	44,927	62,365
Trade and other receivables	9	108,095	183,336
Total current assets		153,022	245,701
Non-current assets			
Property, plant and equipment	10	3,132	8,657
Intangible assets	11	-	-
Total non-current assets		3,132	8,657
Total assets		156,154	254,358
Liabilities			
Current liabilities			
Trade and other payables	12	812,727	624,731
Provisions	13	119,801	188,034
Unearned Income	14	136,459	397,976
Total current liabilities		1,068,987	1,210,741
Total liabilities		1,068,987	1,210,741
Net liabilities		(912,833)	(956,383)
Equity			
Issued capital	15	18,190,908	17,218,795
Reserves	16	-	3,038,065
Accumulated losses	17	(19,103,741)	(21,213,243)
Total deficiency in equity		(912,833)	(956,383)

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

Rewardle Holdings Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued capital $	Reserves $	Retained losses $	Total deficiency in equity $
Balance at 1 July 2017	15,104,347	3,025,502	(18,682,830)	(552,981)
Loss after income tax expense for the year	-	-	(2,530,413)	(2,530,413)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,530,413)	(2,530,413)
Transactions with owners in their capacity as owners:				
Securities issued during the year	2,023,952	-	-	2,023,952
Capital raising cost	(47,298)	-	-	(47,298)
Cost of share based payments	137,794	12,563	-	150,357
Balance at 30 June 2018	17,218,795	3,038,065	(21,213,243)	(956,383)

Consolidated	Issued capital $	Reserves $	Retained losses $	Total deficiency in equity $
Balance at 1 July 2018	17,218,795	3,038,065	(21,213,243)	(956,383)
Loss after income tax expense for the year	-	-	(928,563)	(928,563)
)Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(928,563)	(928,563)
Transactions with owners in their capacity as owners:				
Securities issued during the period	990,793	-	-	990,793
Capital raising costs	(18,680)	-	-	(18,680)
Lapse of share options	-	(3,038,065)	3,038,065	-
Balance at 30 June 2019	18,190,908	-	(19,103,741)	(912,833)

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

Rewardle Holdings Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		1,058,388	1,700,089
Payments to suppliers and employees		(2,894,755)	(4,919,235)
Interest received		2	2,250
R&D tax offset refund received		1,088,252	1,003,440
Net cash used in operating activities	28	(748,113)	(2,213,456)
Cash flows from investing activities			
Payments for property, plant and equipment	10	-	(6,926)
Payments for intangibles	11	-	(44,220)
Payments for security deposits		-	(2,490)
Proceeds from release of security deposits		4,680	-
Net cash from/(used in) investing activities		4,680	(53,636)
Cash flows from financing activities			
Proceeds from issue of shares	15	94,675	2,161,746
Payment for capital raising costs		(18,680)	(47,298)
Proceeds from borrowings		650,000	200,000
Repayment of borrowings		-	(200,000)
Net cash from financing activities		725,995	2,114,448
Net decrease in cash and cash equivalents		(17,438)	(152,644)
Cash and cash equivalents at the beginning of the financial year		62,365	215,009
Cash and cash equivalents at the end of the financial year	8	44,927	62,365

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

Note 1. General information

The financial statements cover Rewardle Holdings Limited as a consolidated entity consisting of Rewardle Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Rewardle Holdings Limited's functional and presentation currency.

Rewardle Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Suite 5, 95 Hay Street, Subiaco WA 6008 Telephone : +61 8 93888290 Facsimile: +61 8 93888256 Email: corporate@rewardle.com Website: www.rewardleholdings.com	1 Alfred Place, South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The impact of the AASB 15 and AASB 9 are referenced later in this note.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of the AASB 16 is referenced later in this note.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity'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.

Going Concern
For the year ended 30 June 2019 the consolidated entity had an operating net loss of $928,563 (2018: $2,530,413), net cash outflows from operating activities of $748,113 (2018: $2,213,456) and net current liabilities of $915,965 (2018: net current liabilities of $965,040).

Note 2. Significant accounting policies (continued)

The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

In determining that the going concern assumption is appropriate, the Directors have had regard to:

- The Group cashflow forecast shows a positive cash position for a period extending beyond twelve months from this report.
- Forecast revenue from Merchants paying monthly subscription fees continuing in keeping with historical performance;
- Forecast revenue from brand partnerships continuing in keeping with historical performance;
- Forecast increase in the revenue resulting from strategic partnership agreements for the provision of technology, marketing, operational support and corporate strategy services to Pepper Leaf, SportsPass, and Beanhunter.
- Further reductions in the underlying cost base (primarily through employee costs, improved technology efficiencies and other operating cost reductions);
- Receipt of research and development tax incentive rebates (R&D) continuing in keeping with historical levels of cost apportionment;
- Access to R&D financing on quarterly draw down on similar terms provided to the Company for FY19;
- Opportunities to monetise the Membership base; and
- Access to loans which Directors may elect to provide on terms yet to be negotiated and agreed.

The consolidated entity’s ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the consolidated entity may be unable to continue as a going concern and may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rewardle Holdings Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Rewardle Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

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

Revenue recognition
The consolidated entity recognises revenue as follows:

AASB 15 Revenue from contracts with customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

In applying AASB 15, the consolidated entity has elected to use the modified retrospective approach, with any adjustment required being recognised on 1 July 2018 in retained earnings.

On applying this standard, there were no material adjustments required or impact on the financial statements.

Our revised accounting policy is as follows:

The consolidated entity predominantly derives revenue from the rendering of services to commercial customers on normal credit terms. Contracts with customers have one performance obligation, that being the delivery of the services, at which point revenue from the rendering of services is recognised. Contract with the customers comprises of set-up fee and merchant fee components. Set-up fees is recognised at point-in-time basis at the time subscribing the new customer. Merchant fee is recognised over-time basis over the period of the service period. The Brand partnership fee is recognised on over-time basis the period of the service per the Brand Partnership agreements with the customers. Service contracts do not contain provisions for sales returns, rebates, discounts or any ongoing service and the total transaction price does not contain any variable consideration in relation to such items.

Other income
Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

AASB 9 Financial Instruments
The consolidated entity has adopted this standard from 1 July 2018. The adoption of this standard has had no effect on comparatives. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB139 'Financial Instruments: Recognition and Measurement.

AASB 9 introduces new classification and measurement models for financial assets. A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). There has been no change to the classification of financial assets as a result of the adoption of AASB 9.

Note 2. Significant accounting policies (continued)

For financial liabilities, new impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. There has been no change to the carrying value of the allowance for impairment as a result of the transition to the new standard. The standard introduces additional new disclosures.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Refer to Note 19 for the new disclosures taken from the adoption of this Standard.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

Note 2. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Plant and equipment under lease	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 2. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

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

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

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

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

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

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

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

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Rewardle Holdings Limited, 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 financial year.

Note 2. Significant accounting policies (continued)

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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

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

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. As at reporting date, the Group assessed to have no material impact from this standard.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

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

The Board considers that the consolidated entity has only operated in one segment, as a Digital Customer Engagement platform for local SME merchants.

Where applicable, corporate costs, finance costs, and interest revenue are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a Group basis

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the project is located.

Revenues were not derived from a single external customer.

The information reported to the CODM is on a monthly basis.

Note 5. Revenue

	Consolidated 2019 $	Consolidated 2018 $
Revenue from contracts with customers		
Rendering of services	1,350,188	1,600,260
Other income		
Interest income	2	2,250
R&D tax incentive rebate	1,088,252	1,003,440
Revenue from continuing operations	2,438,442	2,605,950

Disaggregation of revenue
Revenue from contracts with customers is categorised into the reportable segments disclosed below. Revenue is recognised when the performance obligations are delivered over time except for Setup fee which is recognised point in time. Once a contract has been entered into, the Group has an enforceable right to payment for work completed to date.

	Consolidated 2019 $	Consolidated 2018 $
Major product lines		
Merchant fee	1,170,319	963,324
Brand Partnership fee	144,627	554,029
Set up fees	35,242	82,907
	1,350,188	1,600,260
Timing of revenue recognition		
Services recognised over time	1,314,946	1,517,353
Services recognised at point in time	35,242	82,907
Total revenue	1,350,188	1,600,260

Note 6. Operating expenses associated with Rewardle network

	Consolidated 2019 $	Consolidated 2018 $
Consulting fees	307,031	522,940
IT consumables	36,640	150,639
Merchant and member network costs	127,041	108,694
Legal fees	24,845	26,772
Sales commission and service fees	360,416	580,199
Company secretarial and accounting fees	104,355	22,366
Auditing fees	39,500	36,000
Rent	128,317	148,709
Impairment of trade receivables	80,808	85,124
Other operating expenses	492,253	547,602
	1,701,206	2,229,045

Note 7. Income tax expense

	Consolidated	
	2019	2018
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(928,563)	(2,530,413)
Tax at the statutory tax rate of 30%	(278,569)	(759,124)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	(53,233)	22,723
R&D tax incentive rebate	(326,475)	(301,032)
	((658,277)	(1,037,433)
Deferred tax not brought into the accounts	658,277	1,037,433
Income tax expense	-	-

	Consolidated	
	2019	2018
	$	$
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	11,307,580	9,113,323
Potential tax benefit @ 30%	3,392,274	2,733,997

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2019	2018
	$	$
Cash on hand	100	100
Cash at bank	44,827	62,265
	44,927	62,365

Note 9. Current assets - trade and other receivables

	Consolidated	
	2019	2018
	$	$
Trade receivables	66,155	225,890
Less: Allowance for expected credit losses	(33,486)	(142,696)
	32,669	83,194
Other receivables	75,426	100,142
	108,095	183,336

Refer to note 19 for further details on the allowance for expected credit losses.

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Plant and equipment - at cost	35,265	35,265
Less: Accumulated depreciation	(32,133)	(26,608)
	3,132	8,657

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

Consolidated	$	Total $
Balance at 1 July 2017	10,220	10,220
Additions	6,926	6,926
Depreciation expense	(8,489)	(8,489)
Balance at 30 June 2018	8,657	8,657
Depreciation expense	(5,525)	(5,525)
Balance at 30 June 2019	3,132	3,132

Note 11. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
Intangibles - at cost	(44,220)	(44,220)
Less: Accumulated amortisation	44,220	44,220
	-	-

Note 12. Current liabilities - trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	374,977	135,041
Loan from director	150,463	463
Other payables	287,287	489,227
	812,727	624,731

Trade and other payables are non-interest bearing and are normally settled on 30 day terms. The loan from director is unsecured and non-interest bearing. Due to the short term nature of the above financial instruments, their carrying value is assumed to approximate their fair value.

Amounts are expected to be settled within twelve months. Refer to note 19 for further information on financial instruments.

Note 13. Current liabilities - provisions

	Consolidated	
	2019	2018
	$	$
Employee benefits	119,801	188,034

Employee benefits represent annual leave and long service leave entitlements of employees within the Group and is non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

Note 14. Current liabilities - Unearned Income

	Consolidated	
	2019	2018
	$	$
Unearned income	136,459	397,976

Unearned income represents payment received in advance for services to still be provided within the Group and is non-interest bearing.

Note 15. Equity - issued capital

	Consolidated			
	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	526,321,488	331,168,066	18,190,908	17,218,795

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2017	188,435,949	15,104,347
Issued for cash – September 2017		134,763,630	2,023,952
Issued in lieu of salaries – December 2017		4,442,961	58,803
Issued in lieu of salaries – June 2018		3,525,526	78,991
Expenses of issues		-	(47,298)
Balance	30 June 2018	331,168,066	17,218,795
Issued pursuant to entitlement offer*		184,365,054	921,825
Issued in lieu of salaries and fees		10,788,368	68,968
Share issue expense		-	(18,680)
Balance	30 June 2019	526,321,488	18,190,908

Note 15. Equity - issued capital (continued)

**Entitlement offer*
On 16 November 2018, the Company announced a 1 for 1.4 accelerated pro-rata non-renounceable rights issue offer of up to 241,684,687 fully paid ordinary shares at $0.005 each to raise $1,208,423 (before costs). The Entitlement Offer includes an institutional component (Institutional Entitlement Offer) and a retail component (Retail Entitlement Offer).

On 26 November 2018, the Company's Managing Director and founder, Mr Ruwan Weerasooriya, subscribed for 165,429,866 shares under the institutional component for $827,149. The share has been issued to Mr Ruwan, in lieu of the working capital loan of $500,000 received from him and towards his director fee of $327,149 (inclusive of Superannuation).This includes his director fee of $68,438 payable to him upto November 2018.
Under the retail component, the company issued 18,935,188 share for $94,676 for the company received the cash on 19 December 2018. Of this issue, 10,539,056 were issued to Peter Pawlowitsch for $52,695 and 3,632,613 to David Niall for $18,163.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2018 Annual Report.

Note 16. Equity - reserves

	Consolidated	
	2019	**2018**
	$	**$**
Options and other reserves	-	3,038,065

Other reserve
As part of the acquisition of Rewardle Pty Ltd in 2014, the equity balances of the Consolidated Entity would be that of the operating entity, Rewardle Pty Ltd (deemed to be the “acquirer” for accounting purposes). The resulting difference between the equity balances of Rewardle Holdings Limited and that of Rewardle Pty Ltd is recognised in the other reserve.

Option issue reserve
The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options. Due to the expiry of the share options, the balance of the share option reserve have been taken to the accumulated losses.

Note 17. Equity - accumulated losses

	Consolidated	
	2019	**2018**
	$	**$**
Accumulated losses at the beginning of the financial year	(21,213,243)	(18,682,830)
Loss after income tax expense for the year	(928,563)	(2,530,413)
Transfer from options reserve	3,038,065	-
Accumulated losses at the end of the financial year	(19,103,741)	(21,213,243)

Note 18. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity is not exposed to any significant foreign currency risk through foreign exchange rate fluctuations as it does not undertakes any material transaction denominated in foreign currency.

Note 19. Financial instruments (continued)

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises interest income it can potentially earn on surplus cash deposits. The Company has no interest bearing borrowings from long-term borrowings and hence not exposed to any interest rate risk from related variable rates.

The consolidated entity has cash and cash equivalent totalling $ 44,927 (2018: $62,365). An official increase/decrease in interest rates of 0.5% (2018: 0.5%) basis points would have an adverse/favourable effect on profit before tax of $ 225 (2018: $312) per annum.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. 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 consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	**Expected credit loss rate 2019 %**	**Carrying amount 2019 $**	**Allowance for expected credit losses 2019 $**
0 to 3 months overdue	17%	39,359	6,690
Over 3 months overdue	100%	26,796	26,796
		66,155	33,486

	Consolidated 2019 $
0 to 3 months overdue	6,690
Over 3 months overdue	26,796
	33,486

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Note 19. Financial instruments (continued)

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

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Directors
The following persons were directors of Rewardle Holdings Limited during the financial year:

Ruwan Weerasooriya	Executive Chairman
David Niall	Non- Executive Director
Peter Pawlowitsch	Non-Executive Director (until 2 January 2019)
Rodney House	Non-Executive Director (from 2 January 2019)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	2018
	$	$
Short-term employee benefits	163,055	249,432
Post-employment benefits	18,153	30,526
Long-term benefits	7,913	-
Share-based payments	96,463	71,904
	285,584	351,862

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

	Consolidated	
	2019	2018
	$	$
Audit services -		
Audit or review of the financial statements	39,500	36,000

Note 22. Contingent liabilities

The Group has no material contingent liabilities as at the date of this report (2018: nil).

Note 23. Commitments

	Consolidated 2019 $	Consolidated 2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	177,696

Note 24. Related party transactions

Parent entity
Rewardle Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2019 $	Consolidated 2018 $
Current borrowings:		
Loan from key management personnel*	150,000	-

* As at 30 June 2019, the Group has loan of $150,000 from an unsecured, fee and interest free and non-recourse facility of the same value provided by the Executive Chairman, Mr Ruwan Weerasooriya. Subsequent to year end, this loan was repaid on 30 July 2019.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2019 $	Parent 2018 $
Loss after income tax	((931,549)	(2,306,128)
Total comprehensive income	((931,549)	(2,306,128)

Statement of financial position

	Parent 2019 $	Parent 2018 $
Total current assets	586	8,750
Total assets	586	8,750
Total current liabilities	303,362	352,090
Total liabilities	303,362	352,090
Net Liabilities	(302,776)	(343,340)
Equity		
Issued capital	29,366,808	28,394,695
Options and other reserves	-	3,041,987
Accumulated losses	(29,669,584)	(31,780,022)
Total deficiency in equity	(302,776)	(343,340)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Rewardle Pty Ltd	Australia	100.00%	100.00%

Note 27. Events after the reporting period

The company has entered into a strategic partnership with the following companies:

- Pepper Leaf, a profitable, Australian owned and operated subscription-based meal kit delivery service based in Melbourne.
- SportsPass, a small, profitable business that provides rewards and benefits programs to sporting groups around Australia and;
- Beanhunter, Australia's leading online community for independent cafes and coffee lovers.

Rewardle will assist these companies in growing their businesses through provision of technology, marketing, operational support and corporate strategy services. Rewardle will be compensated for the provision of services through a combination of options to acquire shares in the respective companies and service fees payments. These companies will pay Rewardle cash fees for a variety of business services based on mutually agreed time and materials rates.

The Company established a financing facility for its FY19 R&D activity with specialist R&D lender Radium Capital (Radium) and received $596,818. The financing facility established with Radium allows the Company to manage the cash flow asymmetry associated with the timing difference between investment in research and development activity and receipt of the R&D refund.

The Agreement with Radium is based on standard terms customary for this type of financing facility including the following key terms:

- Loan amount: $596,818
- Security: Rewardle's FY19 R&D rebate
- Interest rate: 15% PA
- Maturity date: Earlier of 31 October 2019 or receipt of FY19 R&D rebate

The Company is in the process of completing its FY19 R&D claim which when processed will retire the Radium loan and provide additional working capital to support managements goal of achieving consistent cash flow positive operations.

Subsequent to year end, the company borrowed an additional $50,000 from Mr Ruwan Weerasooriya, Executive Chairman and $50,000 from Mr David Niall, Non-Executive Director to fund working capital requirements. Subsequently, the Company elected to repay these loans together with loan balance of Mr Weerasooriya of $150,000 as at 30 June 2019. The loans were all unsecured, interest free and repayable at the Company's discretion.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 28. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2019	**2018**
	$	**$**
Loss after income tax expense for the year	(928,563)	(2,530,413)
Adjustments for:		
Depreciation and amortisation	5,525	52,709
Impairment of trade receivables	80,808	85,124
Equity settled share based payment	120,244	150,357
Change in operating assets and liabilities:		
Increase in trade and other receivables	(10,247)	(71,515)
Increase in trade and other payables	52,353	80,907
Increase/(decrease) in other provisions	(68,233)	19,375
Net cash used in operating activities	(748,113)	(2,213,456)

Note 29. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax attributable to the owners of Rewardle Holdings Limited	(928,563)	(2,530,413)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	446,798,614	304,854,794
Weighted average number of ordinary shares used in calculating diluted earnings per share	446,798,614	304,854,794
	Cents	**Cents**
Basic earnings per share	(0.21)	(0.83)
Diluted earnings per share	(0.21)	(0.83)

Note 30. Share-based payments

(a) Share Options

Set out below are summaries of options granted under the plan:

2019: There are no new options granted during the year.

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/04/2014	07/02/2018	$0.20	13,412,500	-	-	(13,412,500)	-
03/07/2015	07/02/2018	$0.25	836,500	-	-	(836,500)	-
03/07/2015	07/02/2018	$0.30	550,000	-	-	(550,000)	-
03/07/2015	31/03/2018	$0.30	1,000,000	-	-	(1,000,000)	-
			15,799,000	-	-	(15,799,000)	-
Weighted average exercise price			$0.21	$0.00	$0.00	$0.21	$0.00

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0 years (2018: 0 years).

(b) Shares issued as share-based payments

Employee Share Contribution Plan
The Group has an employee share contribution plan (ESCP) to assist in the attracting, motivating and rewarding employees who are eligible to participate. The key terms of the ESCP are;

- Eligible participants may opt to receive shares in lieu of normal net salary and wages, and receive a 20% value on the nominated amount in consideration for choice;
- Eligible participants are full-time, part-time or casual employees (including an executive director) of the Company or an Associated Body Corporate, a non-executive director of the Company or a Contractor of the Company;
- Shares rank equally in all respect with shares already on issue and vest immediately on issue; and
- Shares are issued at the volume weighted average price of the 30 consecutive days trading for the relevant quarter.

Refer to note 15 for the detail of shares issued during the year in lieu of salary and fee payable.

Rewardle Holdings Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes 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 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 give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial 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 295A of the Corporations Act 2001.

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

On behalf of the directors

Ruwan Weerasooriya
Executive Chairman

26 September 2019

MOORE STEPHENS

Moore Stephens Audit (Vic)

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rewardle Holdings Ltd and Controlled Entity (the Company), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.
In our opinion:

a) the accompanying financial report of the Company 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 2019 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) *Going Concern basis* in the financial report, which indicates that the Company incurred a net loss of $928,563 during the year ended 30 June 2019 and, as of that date, the Company's current liabilities exceeded its total assets by $912,833. As stated in Note 2 (Going Concern), these events or conditions, along with other matters as set forth in Note 2 (Going Concern), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. Except for the matters described in the Material Uncertainty related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

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

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

MOORE STEPHENS

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 8 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Rewardle Holdings Ltd and Controlled Entity, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Moore Stephens

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

26 September 2019

Rewardle Holdings Limited
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 25 September 2019.

Substantial holders

Name	Units	% of Total
RUWAN WEERASOORIYA	339,725,553	64.55%

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	43	2,243	0.00%
1,001 - 5,000	71	216,858	0.04%
5,001 - 10,000	99	900,745	0.17%
10,001 - 100,000	262	9,018,278	1.71%
100,001 - 9,999,999,999	144	516,183,365	98.07%
Totals	**619**	**526,321,489**	**100.00%**

There are 462 Shareholders with less than a marketable parcel.

Voting rights
Each fully paid ordinary share carries voting rights of one vote per share.

The Top 20 Holders of Ordinary Shares are:

Position	Holder Name	Holding	% IC
1	RUWAN WEERASOORIYA	339,725,553	64.55%
2	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	24,734,695	4.70%
3	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	21,428,572	4.07%
4	MOSCH PTY LTD	11,755,103	2.23%
5	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	11,142,858	2.12%
6	MR DAVID NIALL	10,932,513	2.08%
7	MR HONGHAO SUN	7,250,000	1.38%
8	VAULT (WA) PTY LTD <VAULT A/C>	6,979,681	1.33%
9	JASON POTTER	6,414,462	1.22%
10	MR TRENT ANTONY GOODRICK	5,000,000	0.95%
11	MOSCH PTY LTD	2,864,943	0.54%
12	TEGAR PTY LTD <HEALY SUPER FUND A/C>	2,669,395	0.51%
13	VAULT (WA) PTY LTD <VAULT A/C>	2,469,462	0.47%
14	SEQUOI NOMINEES PTY LTD <THE SEQUOI A/C>	2,287,186	0.43%
15	ROBERT PAUL MARTIN & SUSAN PAMELA MARTIN <RP & SP MARTIN S/F A/C>	2,100,000	0.40%
16	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	2,010,000	0.38%
17	MR DAVID WILLIAM WALTERS	2,000,000	0.38%
18	LANDMARK HOLDINGS (WA) PTY LTD <THE NESRAL A/C>	1,697,143	0.32%
19	PUTNEY BRIDGE INVESTMENTS PTY LTD <CHRIS & JULIA TITLEY S/F A/C>	1,486,532	0.28%
20	MISS PENNY BOLGIA	1,470,019	0.28%
	Total	**466,418,117**	**88.62%**
	Total issued capital - selected security class(es)	**526,321,489**	**100.00%**

There are no Unquoted Equity Securities.

There are no Restricted Securities.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.