Primary Opinion Limited

ABN 69 092 817 171

Annual Report - 30 June 2016

Primary Opinion Limited
Contents
30 June 2016

The Company’s 2016 Corporate Governance Statement has been released to ASX on 23 September 2016 and is available on the Company’s website.

Primary Opinion Limited
Corporate directory
30 June 2016

Directors	Mr. Tony Robinson (Non-executive Chairman) Mr. Tom Kiing (Non-executive Director) Mr. Hugh Robertson (Non-executive Director)
Company secretaries	Ms Melanie Leydin Mr Justin Mouchacca
Registered office	Level 4, 100 Albert Road South Melbourne VIC 3205 Tel: +613 9692 7222 Fax: +613 9077 9233
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205 Tel: +613 9692 7222 Fax: +613 9077 9233
Share register	Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001 Tel: +613 9415 5000 Fax: +613 9473 2500
Auditor	Deloitte Touche Tohmatsu 550 Bourke Street Melbourne Victoria 3000
Stock exchange listing	Primary Opinion Limited shares are listed on the Australian Securities Exchange (ASX code: POP)
Website	www.primaryopinion.com

Primary Opinion Limited
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Primary Opinion 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 2016.

Directors

The following persons were directors of Primary Opinion Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Tony Robinson (Non-executive Chairman, appointed 26 October 2015)
Mr. Tom Kiing (Non-executive Director)
Mr. Hugh Robertson (Non-executive Director, appointed 26 October 2015)
The Hon Jeffery Kennett AC (Chairman, resigned 30 November 2015)
Mr. Martin Burke (Managing Director and Chief Executive Officer, resigned 10 December 2015)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- The consolidation of its UK operations back to Australia
- Preparing the necessary requirements for the investment in Maggie Beer Products Pty Ltd (MBP)

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 $1,826,939 (30 June 2015: $6,639,879).

Financial Position

The net assets of the consolidated entity increased by $1,216,110 to $1,456,223 (30 June 2015 $240,113) The increase during the year was largely due to capital raisings which were completed raising a total of $2,475,610 (before costs) and the conversion of convertible notes that were issued during the year, amounting to $600,000.

Operating results for the year

The consolidated entity reported a net loss of $1,826,939 for the financial year, with $1,177,057 relating to the consolidated entity's discontinued operation, being its Primary Opinion platform business, located in the United Kingdom.

Operating expenses for continued operations during the year were $664,274 an increase of $100,724 from the corresponding period (2015: $563,550). The decrease in operating expenses from the downscaling of UK operations were offset by one off costs relating to the acquisition of shares in Maggie Beer.

To help minimise the costs of the corporate entity the Directors agreed not to take Director's fees until the existing business is generating meaningful revenue and or another opportunity is identified and bought in the entity.

Through this period both Mr Martin Burke and The Honourable Jeff Kennett resigned from their roles with the company. Both made significant contributions to the exploring and pursuing opportunities that the Board felt had the potential to create substantial shareholder value.

During the financial year, the consolidated entity announced that it had agreed to acquire a 48% stake in Maggie Beer Products Pty Ltd (MBP) for $15,000,000. The investment in MBP was the first step in a wider investment strategy focussed on the food and beverage sector. The Transaction completed subsequent to the end of the financial year.

Significant changes in the state of affairs

On 10 August 2015, the Company announced that it had entered into Facility Agreements with two of its Directors for the provision of finance to the Company of up to $600,000. On 28 September 2015, a general meeting of shareholders was held with shareholders approving the issue of Convertible Notes to each of the Director related entities up to the amount of loan funds provided to the company. A total of 6,027 unlisted convertible notes ('Notes') were issued on 5 October 2015 with the maturity date of the Notes being 12 months from the date of issue and a 5% interest charge applicable on the amounts provided to the consolidated entity.

On 7 March 2016, the Company received a Conversion Notice (Notice) from Jeff Kennett Pty Ltd, an entity associated with the Honourable Jeffrey Kennett AC, in relation to 2,009 Convertible Notes on issue. The Notice requested the conversion of these notes in accordance with the relevant terms and conditions and resulted in an issue of 10,045,000 fully paid ordinary shares at an Issue price of $0.02 (2 cents per share). The issue of shares through the conversion of these notes were previously approved at a general meeting of shareholders held in September 2015.

On 11 May 2016, the Company announced that it has issued 20,090,000 fully paid ordinary shares to Sieana Pty Ltd following receipt of a Conversion Notice. The Notice requested the conversion of these notes in accordance with the relevant terms and conditions and resulted in an issue of 20,090,000 fully paid ordinary shares at an Issue price of $0.02 (2 cents per share). The issue of shares through the conversion of these notes were previously approved at a general meeting of shareholders held in September 2015.

On 22 October 2015, the Company announced that it had received commitments from sophisticated investors to raise $700,000 through the issue of 35,000,000 new fully paid ordinary shares in the Company at an issue price of $0.02 (2 cents) per share.

On 7 March 2016, the Company announced that its offer to eligible shareholders under the Share Purchase Plan, as announced on 8 February 2016 and extended on 24 February 2016, closed raising $477,000. A total of 15,900,000 fully paid shares were issued at an issue price of $0.03 (3 cents) per share.

On 1 April 2016, the Company announced that, pursuant to the capital raising that was announced by the Company on 7 March 2016 and additional commitments which were received, it had issued 43,287,000 fully paid ordinary shares to sophisticated and professional investors at an issue price of $0.03 (3 cents) per share, raising approximately $1,300,000.

On 10 May 2016, the Company announced that it had agreed to acquire a 48% equity stake in Maggie Beer Products Pty Ltd (MBP) for $15,000,000. This investment was seen as the first step of the company's wider investment strategy focused on the food and beverage sector.

On 20 June 2016, the Company lodged a Prospectus with the Australian Securities and Investment Commission (ASIC) in relation to a capital raising of $20,000,000 through the issue of 500,000,000 new fully paid ordinary shares. The offer was underwritten by Bell Porter Securities Limited.

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

Matters subsequent to the end of the financial year

On 15 July 2016, the Company announced that it had completed the capital raising of $20,000,000 from the issue of 500,000,000 shares at an issue price of $0.04 (4.0 Cents) per share. On 19 July 2016, The Company executed the Share Sale Agreement and Shareholders Agreement with the shareholders of Maggie Beer Products Pty Ltd (MBP) for the acquisition of a 48% stake in MBP.

On 19 July 2016, the Company issued 500,000,000 new fully paid ordinary shares pursuant to the Prospectus dated 20 June 2016 raising $20,000,000. The Company also issued 21,750,000 fully paid ordinary shares pursuant to the Company's Employee Loan Funded Share Plan, as approved by shareholders at a general meeting of shareholders held on 24 June 2016.

On 21 July 2016, following the completion of the transaction to acquire a 48% interest in Maggie Beer Products Pty Ltd, the company was requoted on ASX. The investment in Maggie Beer Products will be equity accounted for as a joint venture with joint control.

No other matter or circumstance has arisen since 30 June 2016 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

The future developments of the consolidated entity will relate to the performance of the Company's investment in Maggie Beer Products Pty Ltd (MBP). The Primary Opinion business was discontinued during the financial year and any likely developments will be dependent on the potential sale or use of the consolidated entity's asset.

As the consolidated entity acquired 48% interest in MBP subsequent to the financial year, the expected results are yet to be known and will depend on the implementation of MBP's business plan.

Environmental regulation

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter. The economic entity's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

Information on directors

Name:	Tony Robinson
Title:	Non-executive Chairman (appointed 26 October 2015)
Experience and expertise:	Mr Tony Robinson has significant experience in wealth management and insurance, including as CEO of Centre Point Alliance, IOOF and OAMPS. His other previous management positions include joint managing director of Falkiners Stockbroking, managing director of WealthPoint, Chief Financial Officer of Link Telecommunications and General Manager corporate services at Mayne Nickless. Tony Robinson is a Director of the Bendigo and Adelaide Bank and also a Director of their wealth management subsidiary, Sandhurst Trustees Ltd.
Other current directorships:	Bendigo and Adelaide Bank Limited (ASX: BEN), Pacific Current Group Limited (ASX: PAC), PSC Insurance Group Ltd Limited (ASX: PSI), TasFoods Limited (ASX: TFL)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	14,250,000 fully paid ordinary shares
Interests in options:	None

Name:	Tom Kiing
Title:	Non-executive Director
Experience and expertise:	Board member since July 2008, Mr Kiing is also a director of Bridge Capital Pty Ltd, an Australian technology investment firm that manages a portfolio of investments in the IT sector. He currently also sits on the Board of: Melbourne IT Ltd, Australia's largest domain name and web services business and The Atomic Group, an integrated sports and entertainment company in Australia. Mr Kiing is also the founder of Tarazz.com.au Australia's largest online mall, an Australian based ecommerce portal. Mr Kiing has extensive experience as a technology executive in building and growing businesses in the digital arena. Mr Kiing also has broad experience in mergers and acquisitions, capital markets and corporate finance. He travels extensively through the ASEAN region to promote a wide range of Australian investment opportunities to Asian institutions and private investors. Mr Kiing is a member of the Remuneration and Audit Committees.
Other current directorships:	Melbourne IT Limited (ASX: MLB)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	49,292,952 fully paid up ordinary shares
Interests in options:	None

Name:	Hugh Robertson
Title:	Non-executive Director (appointed 26 October 2015)
Experience and expertise:	Hugh is a senior investment adviser with Bell Potter. He has worked in the stockbroking industry for 30 years with a variety of firms including Falkiners stockbroking, Investor First and Wilson HTM. Among his areas of interest is a concentration on small cap industrial stocks and he currently sits on the boards of AMA Group Ltd, Centrepoint Alliance Limited and TasFoods Limited.
Other current directorships:	TasFoods Limited (ASX: TFL), AMA Limited (ASX: AMA), Centrepoint Alliance Limited (ASX: CAF) (appointed 2 May 2016)
Former directorships (last 3 years):	Hub 24 Limited (ASX: HUB) (resigned 29 February 2016)
Interests in shares:	18,525,642 fully paid up ordinary shares
Special responsibilities:	Chairman of Audit Committee and Remuneration and Nomination Committee
Interests in options:	None

Name:	Hon Jeffery Kennett AC
Title:	Non-executive Chairman (resigned 30 November 2015)
Experience and expertise:	Jeff Kennett AC is the founding Chairman of beyondblue: the national depression initiative and has been Chairman since 2000. He is Chairman of The Torch, a program assisting incarcerated Indigenous men and women. Mr Kennett was an Officer in the Royal Australian Regiment, serving at home and overseas. He was a Member of the Victorian Parliament for 23 years, and was Premier of the State from 1992 to 1999. Prior to that he was Leader of the Opposition 1982-1989; 1991-1992. He is currently Chairman of Open Windows Australia Proprietary Limited, Chairman of CT Management Group Pty Ltd, Chairman of Amtek Corporation Pty Ltd and Chairman of LEDified Lighting Corporation Pty Ltd. Mr Kennett is Patron of The Royal District Nursing Service and Sovereign Hill Ballarat and associated with many other community organisations. Member of the Singapore Tourism Advisory Board 2000-2006. President of the Hawthorn Football Club 2005-2011. Chairman of Australian Seniors Finance Ltd 2004-2007. In 2005 Mr Kennett was awarded the Companion of the Order of Australia. Mr Kennett was awarded an Honorary Doctorate in Business (honoris causa) by Ballarat University in 2000 and he was awarded an Honorary Doctorate of Laws (honoris causa) by Deakin University in 2014.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Martin Burke
Title:	Managing Director and CEO (resigned 10 December 2015)
Experience and expertise:	Mr Burke has over 30 years' experience in senior leadership, sales and business development roles with both early stage and established businesses serving the professional services sector. Mr Burke was previously at Melbourne IT where he led the Digital Brand Services business until its acquisition in 2013. Prior to this he was Managing Director of Thompson CompuMark for three and a half years, joining Thompson CompuMark from PCTFILTER (now Inovia) where he was CEO for 2 years. Earlier in his career Mr Burke was Trademark Services and Marketing Director for CPA Global and commercial director at FT.com, and he also held a number of senior sales and marketing management positions with Reuters in London and New York. Mr Burke is based in London, UK.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

'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 secretaries
Ms Melanie Leydin
Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bio science and biotechnology sector.

Melanie has over 23 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Mr Justin Mouchacca
Mr Mouchacca holds a Bachelor of Business majoring in Accounting. He graduated from RMIT University in 2008, became a Chartered Accountant in 2011 and since July 2013 has been the principal of chartered accounting firm, Leydin Freyer Corp Pty Ltd.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bioscience and biotechnology sectors.

Justin has over 9 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit Committee	
	Attended	Held	Attended	Held	Attended	Held
Tony Robinson	8	8	-	-	-	-
Tom Kiing	19	19	-	-	2	2
Hugh Robertson	8	8	-	-	-	-
Hon Jeffrey G Kennett AC	12	12	-	-	2	2
Martin Burke	12	12	-	-	2	2

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

Retirement, election and continuation in office of directors
The Board of Directors (Board) has power to appoint persons as Directors to fill any vacancies. Other than those Directors appointed during the year, one-third (or the nearest number to) are required to retire by rotation at each annual general meeting and are eligible to stand for re-election together with those Directors appointed during the year to fill any vacancy who must retire and stand for election.

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
- Share-based compensation
- Additional information
- 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 Nomination and Remuneration Committee 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.

No external specialist remuneration advice is sought in respect of remuneration arrangements for Non-Executive Directors of the Board and Key Management Personnel of the Group during the year. General reward advice is sought on an ad hoc basis.

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. Fees are established annually for the Chairman and Non-Executive Directors. The total fees paid by the Group to members of the Board, including fees paid for their involvement on Board committees, are kept within the total approved by shareholders from time to time. ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. Shareholders approved a maximum fee pool of $400,000 per annum at the Company's annual general meeting held on 30 October 2006. There are no retirement allowance benefits to Non-Executive Directors.

Each Non-Executive Director receives a fee for being a Director of the Company but no additional fees for sitting on or chairing committees. The Non-Executive Directors also receive superannuation contributions at 9.5%, and do not receive any other retirement benefits.

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.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options are occasionally awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. 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 Primary Opinion Limited:
- Tony Robinson
- Tom Kiing
- Hugh Robertson
- Hon Jeffrey Kennett AC
- Martin Burke

Primary Opinion Limited
Directors' report
30 June 2016

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Tony Robinson	-	-	-	-	-	-	-
Tom Kiing	10,000	-	-	-	-	-	10,000
Hugh Robertson	-	-	-	-	-	-	-
Hon Jeffrey G Kennett AC *	10,000	-	-	-	-	-	10,000
Executive Directors:							
Martin Burke**	292,856	-	-	-	-	-	295,856
	312,856	-	-	-	-	-	315,856

* Hon Jeffery G Kennett AC resigned as a director on 30 November 2015.
** Martin Burke resigned as a Managing Director and CEO on 10 December 2015.
*** No Directors Fees payable from 1 January 2016 - 30 June 2016.

	Short-term benefits			Post-employment benefits	Termination benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Termination payment $	Equity-settled $	Total $
Non-Executive Directors:							
Hon Jeffrey G Kennett AC	49,583	-	-	4,674	-	-	54,257
Tom Kiing	49,583	-	-	4,674	-	-	54,257
Harvey C Parker*	20,833	-	-	1,927	-	-	22,760
Executive Directors:							
Martin Burke	358,017	-	-	-	-	-	358,017
	478,016	-	-	11,275	-	-	489,291

***** Harvey C Parker resigned on 26 November 2014

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2016	2015	2016	2015	2016	2015
Non-Executive Directors:						
Tony Robinson	-	-	-	-	-	-
Tom SP Kiing	100%	100%	-	-	-	-
Hugh Robertson	-	-	-	-	-	-
Hon Jeffrey G Kennett AC	100%	100%	-	-	-	-
Executive Directors:						
Martin Burke	100%	100%	-	-	-	-

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 2016.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Options held	Exercise price	Fair value per option at grant date
17/12/2013	17/12/2014	13/12/2018	1,258,033	$0.060	$0.0260
17/12/2013	17/12/2015	13/12/2019	1,258,033	$0.060	$0.0270
17/12/2013	17/12/2016	13/12/2020	1,258,033	$0.060	$0.0230

Options granted carry no dividend or voting rights.

All options noted above were issued to Mr Martin Burke in previous financial years.

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 2016.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2016 are summarised below:

	2016 $	2015 $	2014 $	2013 $	2012 $
Sales revenue	-	-	1,487,175	2,715,003	4,839,463
EBIT	(1,683,909)	(6,646,008)	(2,454,903)	(9,126,726)	(7,066,388)
Net profit/(loss) before tax	(1,826,939)	(6,639,879)	(2,424,111)	(9,061,989)	(6,840,832)
Loss after income tax	(1,826,939)	(6,639,879)	(2,343,895)	(9,137,339)	(6,587,011)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2016	2015	2014	2013	2012
Share price at financial year end ($)	0.04	0.02	0.05	0.06	0.27
Basic earnings per share (cents per share)	(0.97)	(6.06)	(5.95)	(93.65)	(67.50)
Diluted earnings per share (cents per share)	(0.97)	(6.06)	(5.95)	(93.65)	(67.50)

The value of dividends and earnings per share relating to 2011, 2012 and 2013 have been adjusted to reflect the share consolidation of 1:5 completed in 2014.

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/ other	Disposals/ other	Balance at the end of the year
Ordinary shares					
Tony Robinson *	-	-	5,500,000	-	5,500,000
Tom SP Kiing	28,702,952	-	20,590,000	-	49,292,952
Hugh Robertson **	-	-	18,525,642	-	18,525,642
Hon Jeffery Kennett AC ***	7,353,172	-	10,545,000	-	17,898,172
Martin Burke ****	7,175,083	-	-	-	7,175,083
	43,231,207	-	55,160,642	-	98,391,849

* Tony Robinson was appointed a director on 26 October 2015.
** Hugh Robertson was appointed a director on 26 October 2015.
*** Hon Jeffery Kennett AC resigned on 30 November 2015 and retained his shareholding as at the end of the financial year.
**** Martin Burke resigned on 10 December 2015 and retained his shareholding as at the end of the financial year.

Option holding
The number of options over ordinary 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	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Martin Burke *	3,774,099	-	-	-	3,774,099
	3,774,099	-	-	-	3,774,099

* Martin Burke resigned as Managing Director and CEO on 10 December 2015 and retained the option as at the end of the financial year.

Convertible note of Primary Opinion Ltd	Balance at the start of the year	Received as part of remuneration	Issued during the period	Converted into shares	Balance at the end of the year
Options over ordinary shares					
Tom Kiing *	-	-	4,018	(4,018)	-
Hon Jeffery Kennett AC *	-	-	2,009	(2,009)	-
	-	-	6,027	(6,027)	-

* A total 6,027 unlisted convertible notes (‘Notes’) were issued on 5 October 2015 at an issue price of $100 per note. Each note entitles the noteholder to convert to 5,000 ordinary shares at a cost of $0.02 per share.

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options
The following ordinary shares of Primary Opinion Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
17 December 2013	$0.060	3,774,099

Indemnity and insurance of officers
The Company has indemnified each Director referred to in this report, the Company Secretary and previous Directors and secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity in terms of Article 27 in favour of each Non-Executive Director of the Company and certain Non-Executive Directors of related bodies corporate of the Company as well as with the Company Secretary.

The Company has paid insurance premiums in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation. Cover is also only provided for fines and penalties in limited circumstances and up to a small financial limit.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Indemnity and insurance of 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
During the period, fees of $7,700 were paid to Deloitte for the consent to be named as auditors and for assisting PKF Corporate Finance (NSW) Pty Limited with the investigating accountants report.

Officers of the company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the company who are former partners of Deloitte Touche Tohmatsu.

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
Deloitte Touche Tohmatsu 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

Tony Robinson
Non-Executive Chairman

23 September 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 9671 7001
www.deloitte.com.au

The Board of Directors
Primary Opinion Limited
Level 4, 100 Albert Road
South Melbourne VIC 3205

23 September 2016

Dear Board Members

Primary Opinion Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Primary Opinion Ltd.

As lead audit partner for the audit of the financial statements of Primary Opinion Ltd for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gerard Belleville

Gerard Belleville
Partner
Chartered Accountants

Primary Opinion Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
Revenue from continuing operations	5	14,392	8,050
Expenses			
Corporate costs		(442,572)	(283,635)
Contractor benefits expenses		-	(37,594)
Advertising and marketing expenses		(1,187)	(41,710)
Employee benefits expense	6	(31,954)	(172,115)
Depreciation and amortisation expense	6	(706)	(566)
Loss on disposal of assets		-	(1,999)
Other expenses	6	(11,817)	(660)
Foreign exchange losses		(125)	-
Finance costs	6	(144,822)	-
IT Costs		(31,091)	(25,271)
Loss before income tax expense from continuing operations		(649,882)	(555,500)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(649,882)	(555,500)
Loss after income tax expense from discontinued operations	8	(1,177,057)	(6,084,379)
Loss after income tax expense for the year attributable to the owners of Primary Opinion Limited		(1,826,939)	(6,639,879)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	17	-	144,855
Other comprehensive income for the year, net of tax		-	144,855
Total comprehensive income for the year attributable to the owners of Primary Opinion Limited		(1,826,939)	(6,495,024)
Total comprehensive income for the year is attributable to:			
Continuing operations		(649,882)	(555,500)
Discontinued operations	8	(1,177,057)	(5,939,524)
		(1,826,939)	(6,495,024)

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

Primary Opinion Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Primary Opinion Limited			
Basic earnings per share	28	(0.35)	(0.51)
Diluted earnings per share	28	(0.35)	(0.51)
Earnings per share for loss from discontinued operations attributable to the owners of Primary Opinion Limited			
Basic earnings per share	28	(0.62)	(5.55)
Diluted earnings per share	28	(0.62)	(5.55)
Earnings per share for loss attributable to the owners of Primary Opinion Limited			
Basic earnings per share	28	(0.97)	(6.06)
Diluted earnings per share	28	(0.97)	(6.06)

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

Primary Opinion Limited
Statement of financial position
As at 30 June 2016

	Note	Consolidated 2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	9	1,630,875	414,281
Trade and other receivables	10	64,906	97,177
Other	11	314,505	26,817
Total current assets		2,010,286	538,275
Non-current assets			
Property, plant and equipment	12	-	55,820
Intangible assets	13	-	-
Total non-current assets		-	55,820
Total assets		2,010,286	594,095
Liabilities			
Current liabilities			
Trade and other payables	14	554,063	353,982
Total current liabilities		554,063	353,982
Total liabilities		554,063	353,982
Net assets		1,456,223	240,113
Equity			
Issued capital	16	19,250,887	16,099,980
Reserves	17	534,687	642,545
Accumulated losses		(18,329,351)	(16,502,412)
Total equity		1,456,223	240,113

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

Primary Opinion Limited
Statement of changes in equity
For the year ended 30 June 2016

Consolidated	Contributed Equity $	Foreign Currency Reserve $	Options Reserves $	Retained Earnings $	Premium on convertible notes $	$
Balance at 1 July 2014	12,748,627	(1,554,558)	715,668	(10,102,633)	-	1,807,104
Loss after income tax expense for the year	-	-	-	(6,639,879)	-	(6,639,879)
Other comprehensive income for the year, net of tax	-	144,855	-	-	-	144,855
Total comprehensive income for the year	-	144,855	-	(6,639,879)	-	(6,495,024)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 16)	3,351,353	-	-	-	-	3,351,353
Share-based payments (note 29)	-	-	41,686	-	-	41,686
Transfer of share options	-	-	(240,100)	240,100	-	-
Reversal of foreign currency translation reserve (note 17)	-	1,534,994	-	-	-	1,534,994
Balance at 30 June 2015	16,099,980	125,291	517,254	(16,502,412)	-	240,113

Consolidated	Contributed Equity $	Foreign Currency Reserve $	Options Reserve $	Retained profits $	Option Premium on convertible notes $	Total equity $
Balance at 1 July 2015	16,099,980	125,291	517,254	(16,502,412)	-	240,113
Loss after income tax expense for the year	-	-	-	(1,826,939)	-	(1,826,939)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,826,939)	-	(1,826,939)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 16)	2,911,639	-	-	-	-	2,911,639
Share-based payments (note 29)	-	-	17,433	-	-	17,433
Reversal of foreign currency translation reserve (note 17)	-	(125,291)	-	-	-	(125,291)
Issue of convertible note (note 15)	-	-	-	-	239,268	239,268
Transfer from Option Premium reserve to contributed equity (note 17)	239,268	-	-	-	(239,268)	-
Balance at 30 June 2016	19,250,887	-	534,687	(18,329,351)	-	1,456,223

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

Primary Opinion Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,600	419,038
Payments to suppliers and employees (inclusive of GST)		(1,805,474)	(4,570,166)
Interest received		1,792	6,669
Interest paid		(13,751)	-
Net cash used in operating activities	26	(1,804,833)	(4,144,459)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(37,289)
Payments for intangibles		-	(351,509)
Net cash used in investing activities		-	(388,798)
Cash flows from financing activities			
Proceeds from issue of shares		2,475,610	3,475,000
Proceeds from issue of convertible notes		600,000	-
Payments for share issue costs		(54,183)	(123,647)
Net cash from financing activities		3,021,427	3,351,353
Net increase/(decrease) in cash and cash equivalents		1,216,594	(1,181,904)
Cash and cash equivalents at the beginning of the financial year		414,281	1,596,185
Cash and cash equivalents at the end of the financial year	9	1,630,875	414,281

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

Note 1. General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, the Corporations Act 2001 and complies with other requirements of the law.

The financial report covers the economic entity of Primary Opinion Limited and controlled entities. Primary Opinion Limited is a public company, incorporated and domiciled in Australia.

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report includes the consolidated financial statements of the Group and is referred to as the Group or consolidated entity.

Accounting standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (‘IFRS’).

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2016.

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, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.
The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be 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 to be 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'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. 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. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be 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. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012 - 2014
AASB 2015-1 was issued in January 2015 and the amendments it contains are applicable to annual reporting periods beginning on or after 1 January 2016 and affects a number of Accounting Standards. The impact of adoption of these amendments has not yet been assessed by the consolidated entity.

AASB 2015-2 Amendments to Australian Annual Accounting Standards - Disclosure Initiative: Amendments to AASB 101
AASB 2015-2 was issued in January 2015 and the amendments it contains are applicable to annual reporting periods beginning on or after 1 January 2016 and affects a number of Accounting Standards. The impact of adoption of these amendments has not yet been assessed by the consolidated entity.

AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
Amends AASB 107 'Statement of Cashflows' to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments apply to annual periods beginning on or after 1 January 2017. The directors of the Company do not anticipate that the application of these amendments to will have a material impact on the Group's consolidated financial statements.

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 available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, 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.

Note 2. Significant accounting policies (continued)

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 23.

Principles of consolidation
A controlled entity is any entity Primary Opinion Limited has the power over, and is exposed or has rights to variable returns from its involvement in the entity, and has the ability to use it power to affect its returns.

A list of controlled entities is contained in note 24 to the financial statements.

All inter-company balances and transactions between entities in the consolidated entity, including any recognised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

The investments in controlled entities are measured at cost in the parent entity's financial statements.

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.

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

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

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

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

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

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

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

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 2. Significant accounting policies (continued)

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

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.

Income tax
The charge for current income tax expense/(benefit) is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is recognised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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.

Primary Opinion Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognised its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity. The Group entered into the tax consolidation regime from 1st June 2006 and notified the Australian Taxation Office that it had formed an income tax consolidated Group to apply from 1st June 2006. The tax will be paid by the parent entity as the Group has not entered into a tax funding agreement. Primary Opinion Ltd is the designated parent entity for tax consolidation purposes.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

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.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Financial assets
Investments are recognised and derecognised on trade date when purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', held to maturity' investments, 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss and other comprehensive income.

With exception of available-for-sale equity instruments, if, in subsequent periods, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of profit or loss and other comprehensive income to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Property, plant and equipment
Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

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

Note 2. Significant accounting policies (continued)

The depreciable amount of all fixed assets including recognised lease assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	3-4 years
Furniture and fittings	8 years
Software	2-4 years
Leasehold improvements	8 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

Intangible assets
Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the statement of profit or loss and other comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Note 2. Significant accounting policies (continued)

Research and development cost
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Deferred development costs are amortised over the useful life of the product, once the product has been made available for commercial sale. Research costs are charged to profit or loss as they are incurred.

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

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

Subsequent to initial recognition, deferred development costs for which the product has been made available for commercial sale are reported at cost less accumulated amortisation and accumulated impairment loss.

Intangible Assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of non-financial assets
At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in income.

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 due for payment within 30 days of issue.

Note 2. Significant accounting policies (continued)

Employee benefits
Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made by the Company to employee superannuation funds are charged as expenses when incurred.

The company operates an ownership-based remuneration scheme through the Incentive Option Scheme, details of which are provided in note 29 to the financial statements. Other than minimal administration costs, which are expensed when incurred, the plan does not result in any cash outflow from the Company.

The fair value of equity-settled share based payments is measured by use of the Black-Scholes and Binomial model. The expected life used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Financial Liabilities
Financial liabilities are classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Compound instruments
The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Note 2. Significant accounting policies (continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Primary Opinion 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.

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 GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

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

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.

Impairment of development costs
The consolidated entity had incurred development costs in the prior year ended 30 June 2015 in relation to expenditure on developing the Primary Opinion platform. Upon completion of an impairment review by the Directors at 30 June 2015 the asset was fully impaired and an impairment expense of $824,203 was recorded in the prior year. The decision to fully impair the asset was taken due to the minimal sales achieved at the balance date, resulting in limited supportable sales data to provide the basis for future cash flow forecasts. During the financial year a decision was made to discontinue the Primary Opinion business in the UK.

Recovery of deferred tax assets
As described in note 2 above, the Group recognises deferred tax assets to the extent that future taxable profits will be available against which to utilize the benefits of the temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Convertible note
During the period, $600,000 worth of convertible notes were issued. The valuation of the convertible notes included judgements and assumptions around the expected volatility of the shares and the exercise date.

Note 4. Operating segments

Identification of reportable operating segments
AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance.

During the current financial year, there was only one operating segment under the criteria set out in AASB 8, that is Primary Opinion which includes the development of a platform that will enable subscribers to provide professional service content to the market across a broad range of devices. Head office costs are not considered an operating segment and are accounted for in the reconciliation to operating profit before tax. The accounting policies for the segment are consistent with those of the consolidated entity. The Primary Opinion business builder business was discontinued during the period following a decision to expand into the food and beverage industry.

Note 5. Revenue

	Consolidated	
	2016	**2015**
	$	**$**
From continuing operations		
Service revenue	-	1,800
Other Income		
Interest income	1,792	6,129
Other income	12,600	121
	14,392	6,250
Revenue from continuing operations	14,392	8,050

Note 6. Expenses

	Consolidated	
	2016	**2015**
	$	**$**
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Depreciation of non-current assets	706	566
Total depreciation and amortisation	706	566
Employee benefits expense		
Defined contribution plans	-	11,275
Other employee benefits	14,521	119,154
Share based payments	17,433	41,686
Total employee benefits expense	31,954	172,115
Other expenses		
Sundry Expenses	11,817	660
Finance costs		
Interest on convertible notes	144,822	-

Note 7. Income tax benefit

	Consolidated 2016 $	Consolidated 2015 $
Income tax benefit		
Current tax	(380,163)	(527,839)
Amounts not brought to current as a Deferred Tax Asset in the current year	380,163	527,839
Aggregate income tax expense	-	-
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense from continuing operations	(649,882)	(1,256,934)
Loss before income tax expense from discontinued operations	(1,177,057)	(5,382,945)
	(1,826,939)	(6,639,879)
Tax at the statutory tax rate of 30%	(548,082)	(1,991,964)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	41
Options expense	5,229	12,506
Non-assessable non-operating income	(3,780)	-
Amounts not brought to current as a Deferred Tax Asset in the current year	546,633	1,979,417
Income tax benefit	-	-

	Consolidated 2016 $	Consolidated 2015 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised (Australia)	8,494,517	8,126,115
Potential tax benefit @ 30%	2,548,355	2,437,835
Unused tax losses for which no deferred tax asset has been recognised (United Kingdom)	6,501,510	6,085,014
Potential tax benefit at statutory tax rates	1,300,302	1,217,003

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.

The Australian entity has unused capital losses of $5,958,223 (at 30%: $1,787,467) that are not recognised in the financial report, in addition to the losses stated above.

The UK subsidiary, Primary Opinion Limited, has been put into liquidation on 18 December 2015. It is anticipated that the Group will forego these losses when the liquidation is completed.

Note 8. Discontinued operations

Description
During the 2016 financial year the directors advised that following a thorough review of business operations, the directors determined to consolidate the principal operations of Primary Opinion based in the United Kingdom back to Australia. The consolidated entity carried out a reduction in operating expenses whilst enabling the board to explore business opportunities to strengthen the business. On 20 June 2016, the board announced its intention to sell the Primary Opinion Business Builder business following a decision to expand into the food and beverage industry.

The assets from the operations, where they could not be transferred for use within the Primary Opinion operation or Corporate Office, were written down to nil at 30 June 2016 and scrapped during the current financial year. All liabilities arising from the decision to discontinue operations were included in the result for the year ended 30 June 2016. All normal operational expenses will be met as they arise.

Financial performance information – Primary Opinion UK

	Consolidated	
	2016	**2015**
	$	**$**
Revenue	-	2,059
Interest income	120	469
Total revenue	120	2,528
Corporate costs	(143,806)	(341,749)
Contractor benefits expense	(210,143)	(915,397)
Employee benefits expense	(710,557)	(1,648,853)
Depreciation and amortisation expense	(5,496)	(348,613)
Advertising and marketing costs	(30,936)	(140,417)
Loss on disposal of assets	(35,830)	(4,452)
Impairment of assets	-	(824,203)
IT costs	(118,746)	(457,642)
Other expenses	(3,428)	13,152
Total expenses	(1,258,942)	(4,668,174)
Loss before income tax expense	(1,258,822)	(4,665,646)
Income tax expense	-	-
Loss after income tax expense	(1,258,822)	(4,665,646)
Recognition of foreign exchange gain on disposal of foreign operations	81,765	-
Income tax expense	-	-
Loss on disposal of foreign operations after income tax expense	81,765	-
Loss after income tax expense from discontinued operations	(1,177,057)	(4,665,646)

Cash flow information

	Consolidated	
	2016	**2015**
	$	**$**
Net cash used in operating activities	(1,333,291)	(3,643,258)
Net cash from investing activities	-	(388,798)
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	(1,333,291)	(4,032,056)

Note 8. Discontinued operations (continued)

Consumer Chat Operations
During the 2014 financial year the directors made the decision to focus the consolidated entity's resources on the development of the Primary Opinion business operation. Consequently it was decided to discontinue the Consumer Chat operations, and all other operations undertaken by the Group. Due to contractual obligations and existing service agreements, Consumer Chat operations continued until after 30 June 2014. As a result the Consumer Chat operations were discontinued in the 2015 financial year.

The assets from the operations, where they could not be transferred for use within the Primary Opinion operation or Corporate Office, were written down to nil at 30 June 2014 and scrapped during the 30 June 2015 financial year. All liabilities arising from the decision to discontinue operations were included in the result for the year ended 30 June 2014.

Financial performance information – Consumer Chat Operations

	Consolidated	
	2016	**2015**
	$	**$**
Consumer Chat Communities revenue	-	61,679
Interest income	-	38
Total revenue	-	61,717
Partner revenue share	-	(32,942)
Other expenses	-	87,446
Total expenses	-	54,504
Profit before income tax expense	-	116,221
Income tax expense	-	-
Profit after income tax expense	-	116,221
Recognition of foreign exchange losses on disposal of foreign operations	-	(1,534,994)
Income tax expense	-	-
Loss on disposal of foreign operations after income tax expense	-	(1,534,994)
Loss after income tax expense from discontinued operations	-	(1,418,773)

Cash flow information

	Consolidated	
	2016	**2015**
	$	**$**
Net cash from operating activities	-	52,866
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash increase in cash and cash equivalents from discontinued operations	-	52,866

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2016	**2015**
	$	**$**
Cash at bank	1,620,873	414,281
Cash on deposit	10,002	-
	1,630,875	414,281

Note 10. Current assets - trade and other receivables

	Consolidated	
	2016	**2015**
	$	**$**
Other debtors	-	38,449
GST/VAT receivable	64,906	58,728
	64,906	97,177

Impairment of receivables
Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2016	**2015**
	$	**$**
Opening balance	-	109,746
Amount recovered	-	(34,652)
Unused amounts reversed	-	(75,094)
Closing balance	-	-

Note 11. Current assets - other

	Consolidated	
	2016	**2015**
	$	**$**
Prepayments	13,159	26,817
Other current assets*	301,346	-
	314,505	26,817

* Other current assets relate to capital raising costs which were incurred during the financial year as part of the Company's Prospectus dated 20 June 2016. The fund raising in relation to this Prospectus did not complete until July 2016. The capital raising costs were subsequently applied against the equity raised in July 2016.

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2016	**2015**
	$	**$**
Leasehold improvements - at cost	-	12,386
Less: Accumulated depreciation	-	(1,777)
	-	10,609
Fixtures, fittings and equipment - at cost	-	60,016
Less: Accumulated depreciation	-	(14,805)
	-	45,211
	-	55,820

Note 12. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Fixtures, fittings and equipment $	Leasehold Improvements $	Total $
Balance at 1 July 2014	32,311	2,927	35,238
Additions	23,980	13,309	37,289
Disposals	(1,998)	(4,452)	(6,450)
Exchange differences	2,171	722	2,893
Depreciation expense	(11,253)	(1,897)	(13,150)
Balance at 30 June 2015	45,211	10,609	55,820
Disposal	(40,550)	(9,774)	(50,324)
Depreciation expense	(4,661)	(835)	(5,496)
Balance at 30 June 2016	-	-	-

Disposal of Assets:
All assets disposed of in the financial year due to the closing of Primary Opinion UK operations

Note 13. Non-current assets - intangible assets

	Consolidated	
	2016	**2015**
	$	**$**
Development - at cost	1,190,226	1,190,226
Less: Accumulated amortisation	(366,023)	(366,023)
Less: Impairment	(824,203)	(824,203)
	-	-

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

Consolidated	Development Costs $	Total $
Balance at 1 July 2014	711,915	711,915
Additions from internal developments	351,509	351,509
Exchange differences	96,806	96,806
Impairment of assets	(824,203)	(824,203)
Amortisation expense	(336,027)	(336,027)
Balance at 30 June 2015	-	-
Balance at 30 June 2016	-	-

Note 13. Non-current assets - intangible assets (continued)

Development expenditure capitalised during the prior period related to the Primary Opinion information platform. The asset was brought into use in January 2015. When brought into use it was assessed that the Back end system would have a useful life of 24 months, and the front end system 18 months. Amortisation is charged on a straight line basis over the useful life of the asset.

In accordance with AASB136 the directors have reviewed the asset for impairment. As minimal sales were achieved during the current and previous financial year, an impairment to intangibles was accounted for in full.

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2016	2015
	$	$
Trade payables	553,055	126,939
Other payables	1,008	227,043
	554,063	353,982

Refer to note 19 for further information on financial instruments.

Trade and other payables are non-interest bearing and are normally settled within 30 to 60 days of recognition.

The increase in trade payables during the period related to costs associated with the company's prospectus and proposed transaction

Note 15. Current liabilities – Convertible Notes

	Consolidated	
	30 June 2016	30 June 2015
	$	$
Convertible Note	-	-

A total 6,027 unlisted convertible notes (‘Notes’) were issued on 5 October 2015 at an issue price of $100 per note.
Each note entitles the noteholder to convert to 5,000 ordinary shares at a cost of $0.02 per share.

Conversion may occur at any time between 5 October 2015 and 5 October 2016. If the notes have not been converted, they will be redeemed on 6 October 2016 at face value. The maturity date of the Notes is 12 months from the date of issue and interest of 5% is paid until settlement date.

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and an equity component, representing the residual attributable to the option to convert the financial liability into equity of the Company, as follows:

	$
Proceeds of issue	602,700
Liability component at date of issue	(363,432)
Equity component	239,268

On 10 August 2015, the Company announced that it had entered into Facility Agreements with two of its Directors for the provision of finance to the Company of up to $600,000. On 28 September 2015, a general meeting of shareholders was held with shareholders approving the issue of Convertible Notes to each of the Director related entities up to the amount of loan funds provided to the consolidated entity.

Note 15. Current liabilities - Other financial liabilities (continued)

The equity component of $239,268 was credited to equity (option premium on convertible notes) as at 31 December 2015 and subsequently were converted to fully paid ordinary shares during the financial year.

During the period the company received a conversion notice from Jeff Kennett Pty Ltd, an entity associated with the honourable Jeffrey Kennett AC and Sienna Pty Ltd, an entity associated with Tom Kiing, to convert all convertible notes into ordinary shares. Refer to note 27 for details.

Note 16. Equity - issued capital

	Consolidated			
	2016 Shares	2015 Shares	2016 $	2015 $
Ordinary shares - fully paid	267,257,697	142,935,697	19,250,887	16,099,980

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2014	65,558,073		12,748,627
Issue of fully paid ordinary shares	11 August 2014	9,800,000	$0.055	539,000
Issue of fully paid ordinary shares	30 September 2014	40,654,546	$0.055	2,236,000
Issue of fully paid ordinary shares	1 May 2015	26,923,078	$0.026	700,000
Costs of capital raising		-	-	(123,647)
Balance	30 June 2015	142,935,697		16,099,980
Issue of fully paid ordinary shares	20 October 2015	35,000,000	$0.020	700,000
Conversion of convertible notes	07 March 2016	10,045,000	$0.020	200,900
Issue of fully paid ordinary shares	09 March 2016	15,900,000	$0.030	477,000
Issue of fully paid ordinary shares	01 April 2016	43,287,000	$0.030	1,298,610
Conversion of convertible notes	10 May 2016	20,090,000	$0.020	401,800
Costs of capital raising		-	-	(58,264)
Cost of convertible notes		-	-	130,861
Balance	30 June 2016	267,257,697		19,250,887

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
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.

Note 16. Equity - issued capital (continued)

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the Group's assets, as well as to make the routine outflows of payables and tax.

The capital risk management policy remains unchanged from the 2015 Annual Report.

Note 17. Equity - reserves

	Consolidated	
	2016	**2015**
	$	**$**
Foreign currency reserve	-	125,291
Employee equity settled benefits	534,687	517,254
Option premium reserve	-	-
	534,687	642,545

Foreign currency reserve
Exchange differences relating to the translation of foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

The functional currency of the economic entity's foreign controlled entities are as follows:

- GBP for Primary Opinion Limited (UK)

Employee equity settled benefits reserve
Employee equity settled benefits reserve arises on the grant of share options to Directors and employees under the Primary Opinion incentive option scheme. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option premium on convertible notes $	Employee equity settled benefits $	Foreign currency Translation $	Total $
Balance at 1 July 2014	-	715,668	(1,554,558)	(838,890)
Exchange differences arising on translation of foreign operations	-	-	144,855	144,855
Loss reclassified to profit or loss on disposal of foreign operations	-	-	1,534,994	1,534,994
Share based payment	-	41,686	-	41,686
Transfer to accumulated losses	-	(240,100)	-	(240,100)
Balance at 30 June 2015	-	517,254	125,291	642,545
Gain reclassified to profit or loss on disposal of foreign operations	-	-	(125,291)	(125,291)
Share based payment	-	17,433	-	17,433
Issue of convertible note	239,268	-	-	239,268
Transfer from Option premium reserve to contributed equity	(239,268)	-	-	(239,268)
Balance at 30 June 2016	-	534,687	-	534,687

Note 18. Equity - dividends

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

Franking credits

	Consolidated	
	2016	2015
	$	$
Franking credits available for subsequent financial years based on a tax rate of 30%	4,945,018	4,945,018

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 19. Financial instruments

Financial risk management objectives
The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the consolidated entity's assets, as well as to make the routine outflows of payables and tax.

The consolidated entity's principal financial instruments comprise receivables, payables, cash and short-term deposits. These activities expose the consolidated entity to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The consolidated entity does not have formal documented policies and procedures for the management of risk associated with financial instruments. However, the Board has responsibility for managing the different types of risks to which the consolidated entity is exposed. These responsibilities include considering risk and monitoring levels of exposure to interest rate risk, foreign exchange rate risk and by being aware of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 19. Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2016	2015	2016	2015
Consolidated	$	$	$	$
USD	-	45,595	-	-
EUR	-	7,992	-	(1,067)
GBP	169,833	318,230	(137,077)	(228,721)
NOK	-	13,659	-	(2,844)
	169,833	385,476	(137,077)	(232,632)

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

Interest rate risk
The consolidated entity’s exposure to market interest rates relates primarily to the consolidated entity’s cash and short term deposits held.

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the statement of financial position date.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	Basis points increase			Basis points decrease		
Consolidated - 2016	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	100	16,309	-	(50)	(8,205)	-

	Basis points increase			Basis points decrease		
Consolidated - 2015	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	100	4,141	4,141	(50)	(2,071)	(2,071)

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for impairment losses, as disclosed in the statement of financial position and notes to the financial report.

The consolidated entity trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the consolidated entity’s policy to securitise its trade and other receivables. It is the Group's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Note 19. Financial instruments (continued)

Liquidity risk
The consolidated entity manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

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

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	554,063	-	-	-	554,063
Total non-derivatives		554,063	-	-	-	554,063

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	353,982	-	-	-	353,982
Total non-derivatives		353,982	-	-	-	353,982

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

There were no financial instruments that are measured subsequent to initial recognition at fair value as at reporting date.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

	2016		**2015**	
Consolidated	**Carrying amount $**	**Fair value $**	**Carrying amount $**	**Fair value $**
Assets				
Cash and cash equivalents	1,630,875	1,630,875	414,281	414,281
Trade and other receivables	64,906	64,906	97,177	97,177
	1,695,781	1,695,781	511,458	511,458
Liabilities				
Trade and other payables	554,063	554,063	353,982	353,982
	554,063	554,063	353,982	353,982

Note 20. Key management personnel disclosures

Directors
The following persons were directors of Primary Opinion Limited during the financial year:

Tony Robinson	Non-Executive Chairman (appointed 26 October 2015)
Tom Kiing	Non-Executive Director
Hugh Robertson	Non-Executive Director (appointed 26 October 2015)
The Hon Jeffery Kennett AC	Chairman (resigned 30 November 2015)
Mr Martin Burke	Managing Director and Chief Executive Officer (resigned 10 December 2015)

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

	Consolidated	
	2016	**2015**
	$	**$**
Short-term employee benefits	315,856	478,016
Post-employment benefits	-	11,275
Share-based payments	-	-
	315,856	489,291

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company, and unrelated firms:

	Consolidated	
	2016	**2015**
	$	**$**
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	52,400	60,575
Other services – Deloitte Touche Tohmatsu		
Other services*	7,700	-
	60,100	60,575
Audit services - unrelated firms		
Audit or review of the financial statements	-	18,158
Other services – unrelated firms		
Other services	-	36,211
	-	54,369

*These are fees for the consent to be named as auditors and for assisting PKF Corporate Finance (NSW) Pty Limited with the investigating accountants report

Note 22. Related party transactions

Parent entity
Primary Opinion Limited is the parent entity of the consolidated entity.

Note 22. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 24.

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
During the financial year, the consolidated entity paid $23,771 in relation to insurance renewals and related services, included in this amount is $750 paid to an entity associated with Mr Tony Robinson, PSC Insurance Group Limited.

During the financial year, Bell Potter Securities Limited, an entity associated with Hugh Robertson, received $20,000 in relation to capital raising fees.

On 20 June 2016, the Company entered into an underwriting agreement with Bell Potter Securities Limited in relation to a $20,000,000 fully underwritten capital raising. On completion of the offer, the leader manager was paid a management fee of $200,000 and a 4% underwriting fee of the funds raised under the offer.

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
During the financial year, entities associated with Jeff Kennett and Tom Kiing provided loan facilities of $200,000 and $400,000 respectfully to the Company. Convertible notes were issued in satisfaction of these loans following receipt of Shareholders approval during the year. All convertible notes were converted into ordinary shares during the year.

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

Note 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	2016 $	2015 $
Loss after income tax	(1,759,047)	(4,820,109)
Total comprehensive income	(1,759,047)	(4,820,109)

Note 23. Parent entity information (continued)

Statement of financial position

	2016 $	2015 $
Total current assets	1,830,475	76,926
Total assets	1,830,475	77,632
Total current liabilities	416,986	73,433
Total liabilities	416,986	73,433
Equity		
Issued capital	19,250,887	16,099,980
Employee equity settled benefits	534,687	517,257
Accumulated losses	(18,372,085)	(16,613,038)
Total equity	1,413,489	4,199

Contingent liabilities
A previous director of the Company has made a claim under his deed of indemnity with the Company for legal costs totalling $88,306.65. This claim is in respect of the legal costs the previous director has incurred to date in relation to investigations by ASIC and defending proceedings brought by the Commonwealth Director of Public Prosecutions. The Company denies that it is liable for these costs on the basis that they relate to defending criminal charges brought by ASIC in relation to a breach of directors' duties whilst director of the Company. The Company considers that the indemnity does not cover liability incurred or arising out of a breach of directors' duties.

Capital commitments - Property, plant and equipment
There were no commitments for the acquisition of property, plant and equipment by the parent entity during the year (2015: NIL).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 24. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Primary Opinion Limited *	UK	100.00%	100.00%
Jumbuck Entertainment GmbH**	Germany	-	100.00%
Jumbuck Entertainment Inc.**	USA	-	100.00%
Jumbuck Entertainment AS **	Norway	-	100.00%

* Primary Opinion Limited was put into Liquidation on 18 December 2015.
** Jumbuck Entertainment GmbH, Jumbuck Entertainment Inc. and Jumbuck Entertainment AS were deregistered during the period.

Note 25. Events after the reporting period

On 15 July 2016, the Company announced that it had completed the capital raising of $20,000,000 from the issue of 500,000,000 shares at an issue price of $0.04 (4.0 Cents) per share. On 19 July 2016, the Company has now executed the Share Sale Agreement and Shareholders Agreement with the shareholders of Maggie Beer Products Pty Ltd (MBP) for the acquisition of a 48% stake in MBP.

On 19 July 2016, the Company issued 500,000,000 new fully paid ordinary shares pursuant to the Prospectus dated 20 June 2016 raising $20,000,000. The consolidated entity also issued 21,750,000 fully paid ordinary shares pursuant to the Company's Employee Loan Funded Share Plan, as approved by shareholders at a general meeting of shareholders held on 24 June 2016.

On 21 July 2016, following the completion of the transaction to acquire a 48% interest in Maggie Beer Products Pty Ltd, the company was requoted on ASX. The investment in Maggie Beer Products will be equity accounted for as a joint venture with joint control.

No other matter or circumstance has arisen since 30 June 2016 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 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2016	**2015**
	$	**$**
Loss after income tax expense for the year	(1,826,939)	(6,639,879)
Adjustments for:		
Depreciation and amortisation	6,202	349,178
Impairment of intangibles	-	824,203
Net loss on disposal of non-current assets	35,830	6,450
Share-based payments	17,433	41,686
Foreign exchange differences	(126,878)	1,534,994
Interest in convertible note	131,071	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	46,058	341,103
Decrease in prepayments	13,658	133,826
Decrease in provisions	-	(39,799)
Decrease/Increase in trade creditors and accruals	(101,268)	(696,210)
Decrease in current tax liabilities	-	(11)
Net cash used in operating activities	(1,804,833)	(4,144,459)

Note 27. Non-cash investing and financing activities

	Consolidated	
	2016	**2015**
	$	**$**
Shares issued on conversion of loan	602,700	-

On 7 March 2016, the Company received a Conversion Notice (Notice) from Jeff Kennett Pty Ltd, an entity associated with the Honourable Jeffrey Kennett AC, in relation to 2,009 Convertible Notes on issue. The Notice requested the conversion of these notes in accordance with the relevant terms and conditions and resulted in an issue of 10,045,000 fully paid ordinary shares at an Issue price of $0.02 (2 cents per share). The issue of shares through the conversion of these notes were previously approved at a general meeting of shareholders held in September 2015.

Note 27. Non-cash investing and financing activities (continued)

On 11 May 2016, the Company announced that it has issued 20,090,000 fully paid ordinary shares to Sieana Pty Ltd following receipt of a Conversion Notice. The Notice requested the conversion of these notes in accordance with the relevant terms and conditions and resulted in an issue of 20,090,000 fully paid ordinary shares at an Issue price of $0.02 (2 cents per share). The issue of shares through the conversion of these notes were previously approved at a general meeting of shareholders held in September 2015.

Note 28. Earnings per share

	Consolidated	
	2016	**2015**
	$	**$**
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Primary Opinion Limited	(649,882)	(555,500)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	188,588,163	109,656,538
Weighted average number of ordinary shares used in calculating diluted earnings per share	188,588,163	109,656,538
	Cents	**Cents**
Basic earnings per share	(0.35)	(0.51)
Diluted earnings per share	(0.35)	(0.51)

	Consolidated	
	2016	**2015**
	$	**$**
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Primary Opinion Limited	(1,177,057)	(6,084,379)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	188,588,163	109,656,538
Weighted average number of ordinary shares used in calculating diluted earnings per share	188,588,163	109,656,538
	Cents	**Cents**
Basic earnings per share	(0.62)	(5.55)
Diluted earnings per share	(0.62)	(5.55)

	Consolidated	
	2016	**2015**
	$	**$**
Earnings per share for loss		
Loss after income tax attributable to the owners of Primary Opinion Limited	(1,826,939)	(6,639,879)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	188,588,163	109,656,538
Weighted average number of ordinary shares used in calculating diluted earnings per share	188,588,163	109,656,538

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.97)	(6.06)
Diluted earnings per share	(0.97)	(6.06)

Note 29. Share-based payments

During the previous financial years, the consolidated entity granted unlisted options to Managing Director, Mr Martin Burke, following receipt of shareholder approval.

Mr Martin Burke resigned during the financial year and the Company agreed to waive the vesting condition in relation to the continuation of employment. These options still retain their other vesting conditions relating to share price hurdles.

The options hold no voting or dividend rights, and are not transferable.

Set out below are summaries of options and employee share plan (ESP) granted under the plan:

2016

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
17/12/2013	17/12/2018	$0.060	1,258,033	-	-	-	1,258,033
17/12/2013	17/12/2019	$0.060	1,258,033	-	-	-	1,258,033
17/12/2013	17/12/2020	$0.060	1,258,033	-	-	-	1,258,033
			3,774,099	-	-	-	3,774,099

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Consolidation of options	Expired/ forfeited/ other	Balance at the end of the year
17/12/2013	17/12/2018	$0.060	1,258,033	-	-	-	1,258,033
17/12/2013	17/12/2019	$0.060	1,258,033	-	-	-	1,258,033
17/12/2013	17/12/2020	$0.060	1,258,033	-	-	-	1,258,033
			3,774,099	-	-	-	3,774,099
Weighted average exercise price			$0.060	$0.000	$0.000	$0.000	$0.060

Details of share options held by employees, former employees, consultants and former Directors outstanding as at end of year:

Grant date	Vesting date	Share price at grant date	Exercise price	Fair value at grant date
17/12/2013	17/12/2018	$0.021	$0.060	$0.026
17/12/2013	17/12/2019	$0.021	$0.060	$0.027
17/12/2013	17/12/2020	$0.021	$0.060	$0.023

Note 29. Share-based payments (continued)

There are no EPS hurdles attached to the options granted, however, there are market conditions as follows:

a) The option will vest on the daily closing price of ordinary shares (as quoted on ASX) remaining at or above $0.085 (8.5 cents) throughout any consecutive 20 business day period (being a date on which the ASX is open for trading) commencing at any time after the date that is 12 months after the date of issue of the Options and ending before the expiry date.

b) The option will vest on the daily closing price of ordinary shares (as quoted on ASX) remaining at or above $0.285 (28.5 cents) throughout any consecutive 20 business day period (being a date on which the ASX is open for trading) commencing at any time after the date that is 12 months after the date of issue of the Options and ending before the expiry date.

c) The option will vest on the daily closing price of ordinary shares (as quoted on ASX) remaining at or above $0.50 (50 cents) throughout any consecutive 20 business day period (being a date on which the ASX is open for trading) commencing at any time after the date that is 12 months after the date of issue of the Options and ending before the expiry date.

Primary Opinion Limited
Directors' declaration
30 June 2016

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 2016 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

Tony Robinson
Non-Executive Chairman

23 September 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 9671 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of Primary Opinion Ltd

Report on the Financial Report

We have audited the accompanying financial report of Primary Opinion Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 16 to 50.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Primary Opinion Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Primary Opinion Ltd is in accordance with the *Corporations Act 2001*, including:

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

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

DELOITTE TOUCHE TOHMATSU

Gerard Belleville
Partner
Chartered Accountants
Melbourne, 23 September 2016

Primary Opinion Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 19 September 2016.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	502
1,001 to 5,000	194
5,001 to 10,000	68
10,001 to 100,000	277
100,001 and over	445
	1,486
Holding less than a marketable parcel	784

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC Custody Nominees (Australia) Limited - A/C 2	105,534,988	13.38
HSBC Custody Nominees (Australia) Limited	91,600,036	11.61
Sieana Pty Ltd	49,292,952	6.25
Bollinger Investments Pty Ltd - Brightr Side A/C	38,850,000	4.92
UBS Nominees Pty Ltd	28,125,000	3.56
RBC Investor Services Australia Pty Limited - VFA A/C	25,362,621	3.21
Citicorp Nominees Pty Limited	19,209,322	2.43
Thirty-Fifth Celebration Pty Ltd - JC McBain Super Fund A/C	17,270,731	2.19
Mr Jeffrey Gibb Kennett	17,080,617	2.16
Wallis-Mance Pty Limited - Wallis-Mance Family A/C	12,798,386	1.62
National Nominees Limited - DB A/C	12,500,000	1.58
CVC Limited	11,778,027	1.49
Bungeeltap Pty Ltd - H & B Robertson S/F A/C	10,375,642	1.32
Anthony Robinson	8,750,000	1.11
Fordholm Consultants Pty Ltd - Diana Boehme Super Fund A/C	8,574,591	1.09
Bungeeltap Pty Ltd	8,150,000	1.03
Mr Martin Burke	7,175,083	0.91
Mrkat Pty Ltd - R G Woolley Super A/C	6,740,000	0.85
Chantale Millard	6,250,000	0.79
Argus Nominees Pty Ltd - The Halstead Super Fund A/C	5,840,000	0.74
	491,257,996	62.24

Unquoted equity Securities	Number on issue	Number of holders
Options over ordinary shares issued	3,774,099	1

Primary Opinion Limited
Shareholder information
30 June 2016

Substantial holders
The Company has received the following substantial Shareholder notices:

	Ordinary shares	
	Number held	**% of total shares issued**
Industry Super Holdings Pty Ltd	87,518,200	11.09
Ellerston Capital Limited	81,250,000	10.30
Sieana Pty Ltd	49,292,952	6.25
Victorian Funds Management Corporation	39,901,941	5.05

Voting rights
The voting rights attached to ordinary shares are set out below:

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

Options do not carry voting rights.