ADSLOT ANNUAL REPORT 2015

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Contents

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Directors' Report

Your Directors present their report, together with the financial report of Adslot Ltd ACN 001 287 510 ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2015 and the auditor's report thereon.

Information on Directors

Mr Andrew Barlow, Mr Ian Lowe, Mr Ben Dixon, Mr Adrian Giles, Mr Geoff Dixon and Mr Quentin George were directors for the whole financial year and up to the date of this report. Ms Sarah Morgan was appointed as director on 27 January 2015.

Mr Andrew Barlow

Non-Executive Chairman

(Age 42)

Andrew Barlow is the founder of Adslot and an experienced technology entrepreneur. Prior to Adslot, Mr Barlow co-founded Hitwise with Adrian Giles in 1997, was Chairman and Managing Director of Hitwise from 1997 – 2000, and Director of R&D from 2000 – 2002. Hitwise was ranked one of the Top 10 fastest growing companies by Deloitte for five years running, before being sold to Experian Group (LSX.EXPN) in May 2007. Mr Barlow is also the Founder of Venturian, a privately-owned venture capital fund with investments in early-stage technology companies with unique IP, highly scalable business models and global market potential. Mr Barlow was also Founder and CEO of Max Super, an online retail superannuation fund sold to Orchard Funds Management in 2007.

Mr Barlow is a director of Nitro Software, Inc.

Mr Adrian Giles

Non-Executive Director

(Age 41)

Adrian Giles is an entrepreneur with business interests in Internet, information technology and intellectual property. In 1997 Mr Giles co-founded Sinewave Interactive which researched and pioneered the concept of marketing a website using search engines and was the first company in Australia to offer Search Engine Optimisation (SEO) as a service.

In 1997 Mr Giles co-founded Hitwise which grew over 10 years to become one of the most recognised global internet measurement brands operating successfully in the USA, UK, Australia, NZ, Hong Kong, and Singapore. Whilst positioning the company for a NASDAQ listing in early 2007 Hitwise was sold to Experian (LSX: EXPN) in one of Australia's most successful venture backed Internet trade sales. Mr Giles is also Chairman of Market Engine, a global retailing platform and support company offering Western brands direct access to half a billion new customers in China.

Mr Giles is Chair of the Remuneration Committee.

Mr Ian Lowe

CEO and Executive Director

(Age 45)

Ian Lowe is one of Australia's most experienced digital media executives, having built and run a number of successful global media technology companies from Australia. He has also forged an impeccable reputation in the advertising, media and technology community domestically and internationally, and has a deep understanding of both agency (demand-side) and publisher (supply-side) businesses.

Mr Lowe previously held the role of Chief Executive Officer of Facilitate Digital Ltd, and prior to that, worked for and managed numerous other media and media technology businesses including Traffion, Red Sheriff, PMP Limited, and George Patterson Bates.

Mr Ben Dixon

Executive Director

(Age 42)

Ben Dixon's career in the advertising industry goes back over 17 years and includes roles at several large multinational agency groups including DDB and Mojo. He has wide experience across both the media buying and account management fields having held senior positions directing accounts for advertisers such as Telstra and Kraft Foods. In particular he was responsible for the development and implementation of eCommerce and online strategies across a number of advertisers.

In late 1999 Ben conceptualised and then co-founded Facilitate Digital Pty Ltd, assuming the role of General Manager. In the subsequent 3 years he played an integral role in steering the business through an industry collapse to a position of strength. Ben was appointed Chief Executive Officer of Facilitate when Adslot acquired it in December 2013.

Mr Geoff Dixon

Non-Executive Director

(Age 75)

Geoff Dixon is an experienced and successful corporate executive with a background in the media, mining, aviation and tourism sectors at executive and board level. He was Managing Director and Chief Executive Officer of Qantas Airways Limited for eight years until 2008 and Chairman of Tourism Australia for six years until July 2015. He is Chairman of the Garvan Medical Research Foundation and Chairman of the privately held Australian Pub Fund. He is on the board of the publicly listed Crown Limited and the board of the Museum of Contemporary Art Australia, and is an Ambassador for the Australian Indigenous Education Foundation.

Directorships of other Australian Listed Companies during the past 3 years:

- Consolidated Media Holdings Limited from 31 May 2006 to 19 November 2012.
- Crown Limited from 7 July 2007 to present.

Mr Quentin George

Non-Executive Director

(Age 45)

Quentin George is one of the advertising industry's most credentialed and respected thought leaders. Based in the United States, Mr George has previously served as the Chief Digital and Innovation Officer at IPG Mediabrands, where he was responsible for overseeing $2B in digital media spend across global media agency networks, as well as specialist digital agencies for Fortune 500 brands.

Mr George has also previously held the positions of Global Head of Digital Media and Strategic Innovation, and President, Global at Universal McCann. In 2008, Mr George led the team that architected and built the industry's first ever, standalone programmatic media-buying agency, Cadreon, which he successfully grew into a multi-national organisation encompassing North America, Europe and Asia-Pacific.

Mr George has also previously served on the customer advisory boards of Google, Microsoft Advertising, Yahoo! and AOL. He has also served on high-profile industry advisory boards including the Internet Advertising Bureau (IAB) and the American Association of Advertising Agencies (AAAA's), and has held senior leadership roles at digital agencies such as Razorfish and Organic.

Ms Sarah Morgan

Non-Executive Director

(Age 45)

Sarah Morgan has over 19 years corporate finance experience, predominantly as a Director of independent corporate advisory firm Grant Samuel. Over this time Ms Morgan was involved in a large number of transactions including public company M&A, IPOs, capital raisings (debt & equity), asset acquisitions and divestments, and company and business valuations, across a broad range of industries.

Ms Morgan is a non-executive director of Hong Kong based Luxe City Guides, and is on the advisory board of Melbourne University's entrepreneurship program - the Melbourne Accelerator Program.

Directorships of other Australian Listed Companies during the past 3 years:

- Hansen Technologies Limited (ASX:HSN) from October 2014 to current
- Future Generation Global Investment Company (ASX: FGG) from July 2015 to current.

Ms Morgan is Chair of the Audit and Risk Committee.

Mr Brendan Maher

Company Secretary

(Age 47)

Brendan Maher joined the Company in 2010 as a qualified Chartered Accountant with 23 years' experience gained both in Australia and overseas with Arthur Andersen, National Westminster Bank and Skilled Group Limited.

Mr Maher has extensive experience in financial reporting, corporate transactions and was Company Secretary at ASX listed Skilled Group Limited (ASX: SKE) prior to joining Adslot.

Mr Maher is a member of the Institute of Chartered Accountants in Australia and also a member of the Australian Institute of Company Directors.

Directorships of other listed companies

Other than those disclosed on pages 1 to 5 of this Annual Report no director holds a Directorship in any other listed companies in the three year period immediately before the end of the financial year.

Directors' shareholdings

The following table sets out each director's relevant interest in shares or options in shares of the Company as at the date of this report.

Directors	Ordinary Shares #	Share Rights #	ESOP Shares #	ESOP Shares Performance Rights #
Mr Andrew Barlow	57,803,769	-	-	-
Mr Adrian Giles	19,633,409	-	-	-
Mr Ian Lowe	11,461,929	17,000,000	3,000,000	-
Mr Ben Dixon	35,119,513	-	-	750,000
Mr Geoff Dixon	86,252,015	-	-	-
Mr Quentin George	-	-	1,000,000	-
Ms Sarah Morgan	-	-	-	-

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report.

Principal activities

Adslot Ltd derives revenue from three principal activities:

1. **Trading Technology** - comprises *Adslot*, a leading global media trading technology, and *Symphony*, market-leading workflow automation technology, purpose built for digital media agencies.

2. **Services** - comprising marketing services that are provided by the company's *Webfirm* division to SME clients and project-based customisation of Trading Technology.

3. **Adserving** - technology that enables advertisers to deliver and measure the performance of online display advertising (including impressions, clicks and online sales).

Operating Results

Consolidated Group revenues from continuing operations for the FY15 period of $6,495,312 realised an increase of 28% versus the prior year result of $5,066,180.

The consolidated operating loss before interest, income tax, depreciation and amortisation (EBITDA) is $3,647,611, an improvement of 32% compared to a loss for the prior year of $5,336,412.

The consolidated operating loss after income tax is $9,205,521, a 9% improvement compared to a loss for the prior year of $10,095,562.

Review of Operations

The 12 months to 30 June 2015 was a pivotal year in which Adslot achieved unambiguous validation of our technology and the value it creates for the media industry. In the process, the Company has established a growing revenue stream (Trading Technology), the future growth of which is expected to accelerate as adoption momentum continues.

Significant Achievements

Revenue Growth

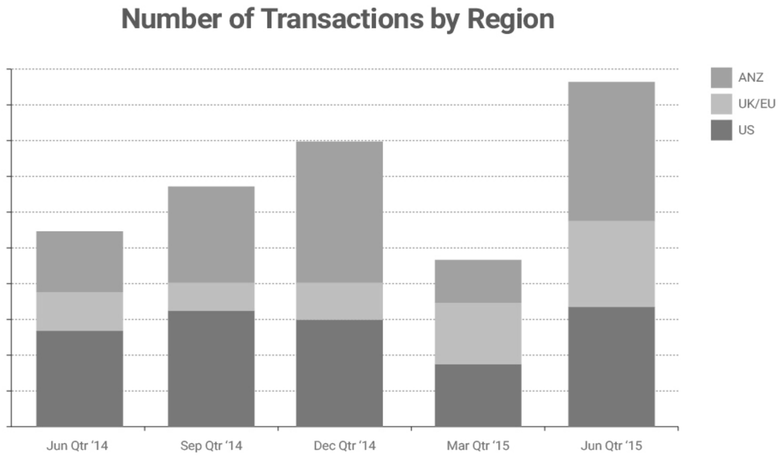
Revenue from continuing operations in the 12 months to 30 June 2015 grew 28% YoY, which saw Total Income and EBITDA improve by a corresponding 26% and 32% respectively. The *Trading Technology* revenue segment was the key growth driver, increasing by 69% against the prior corresponding period to become the largest contributing revenue segment for the Group.

Validation of Adslot Trading Technology

Market validation of *Adslot*'s trading technology is evident in the form of:

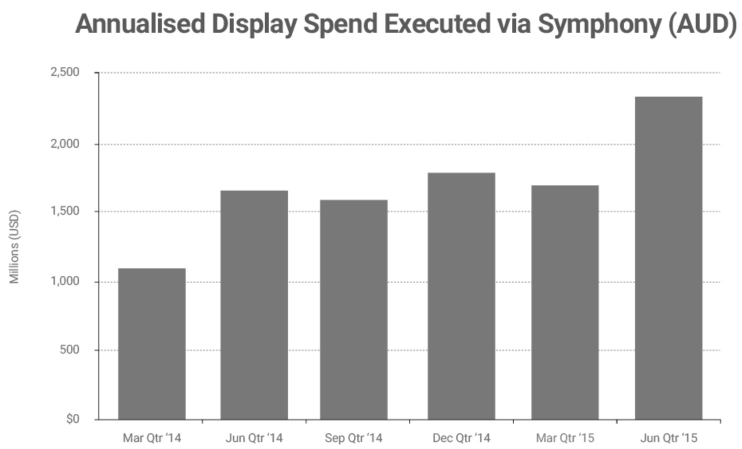
- Growth in the value of media transacted via *Adslot*. **In the 12 months to 30 June 2015, the dollar value of media transacted via *Adslot* increased by 437% against the prior corresponding period**;
- Growth in the number of transactions (more media buyers transacting via *Adslot* more frequently);
- Growth in the average value per transaction (media buyers transacting larger campaign budgets as they become more familiar and confident with *Adslot*); and
- A majority of transactions are being derived from repeat usage (as new users transact via *Adslot*, a significant majority of these return to execute future trades via the platform). This demonstrates growing user confidence in the *Adslot* platform, and in combination with securing new users, should drive continued revenue growth.

Market validation in the form of transaction growth is also being seen across all key regions of operation (US, Europe and ANZ).



Media Spend (Demand) executed via Symphony in Strong Growth

In the 12 months to 30 June 2015, the annualised value of display ad spend executed via *Symphony* grew by 39% from \$1.65b to \$2.3b, and is expected to exceed \$2.5b by the end of calendar year 2015.



This growth is significant for the following reasons:

- It is driven largely from winning and successfully deploying *Symphony* for large new agency customers in US, Europe and ANZ; and
- Via the *Adslot-Symphony* integration released earlier this year, media spend executed via *Symphony* have access to an increasingly integrated trading experience with the publishers they value most. As adoption of this integrated trading capability builds, *Adslot* will directly benefit in the form of Transaction Fee revenues.

<u>Adslot's Trading Platform is 'Best in Class'</u>

The Company continues to believe that best in class technology is central to our success. A number of major platform enhancements were successfully released in the 12 months to 30 June 2015, including:

- The integration of *Adslot* and *Symphony* was achieved via two major deployments undertaken in August 2014 and April 2015. First trading activity using this integration has since been undertaken by five major media agencies. Trading activity secured via the *Adslot-Symphony* integration is expected to grow significantly in the next 12 months and beyond;
- Consistent with the strategic priorities communicated at the 2014 AGM, *Adslot* has pursued feature enhancements to demonstrate that a campaign traded via *Adslot* will perform better than a campaign that is not traded via *Adslot*. In the 12 months to 30 June 2015, a number of enhancements were released that allow buyers and sellers to collaboratively evaluate campaign performance data, and then optimise campaign performance quickly and easily via the platform;
- *Viewability*, or the ability for a consumer to actually view a display advertisement, has recently become a critical issue for the online display advertising industry. In 2H FY15, *Adslot* released an enhancement that permits the reporting of viewability to the buyer and seller, in the process becoming a trusted source of this valuable information, whilst also informing trading and optimisation decisions for buyers and sellers;
- To underwrite the Company's partnership strategy, Application Programming Interfaces (API's) were developed and released in the 12 months to 30 June 2015. These included a supply-side API (allowing supply partners to expose publisher inventory to *Adslot* buyers), and a demand-side API (allowing demand partners access to and the ability to purchase this inventory). During the 12 months to 30 June 2015, integrations with Kantar Media and *Symphony* were completed using this API capability. Additional partner integrations are expected to be announced;
- In 2H FY15, *Adslot* released an integration with *AI Match*, a leading adserving product provided by SAS, one of the world's leading software and data technology companies. This integration allows the growing number of large publishers that use *AI Match* to automate both the release of inventory to media buyers using *Adslot*, and the acceptance and fulfilment of orders from these buyers; and
- In 1H FY15, *Adslot* released an integration of audience data from *Nielsen*. This release allows media buyers to profile thousands of inventory sources by audience profile, and then model this audience on a blended basis across multiple publishers.

<u>Coalition of Partnerships is growing</u>

Throughout the 12 months to 30 June 2015, *Adslot* announced it had secured partnership agreements with a number of organisations, including:

- Microsoft (supply partner);
- Operative (supply partner);
- PubMatic (supply partner); and
- Yahoo! (supply partner).

These partnerships compliment demand partnerships secured via Kantar Media, MediaMath, Bionic and *Symphony*. As acceptance of *Adslot* and similar trading technology expands, leading industry bodies such as the Internet Advertising Bureau (IAB) are actively consulting with vendors such as *Adslot* to formulate technical standards. These standards will allow *Adslot* and its partners to accelerate integration projects to conclusion and in the process allow *Adslot* to bring supply and demand together at scale.

The Company expects to announce developments in this area.

Review of Operations (continued)

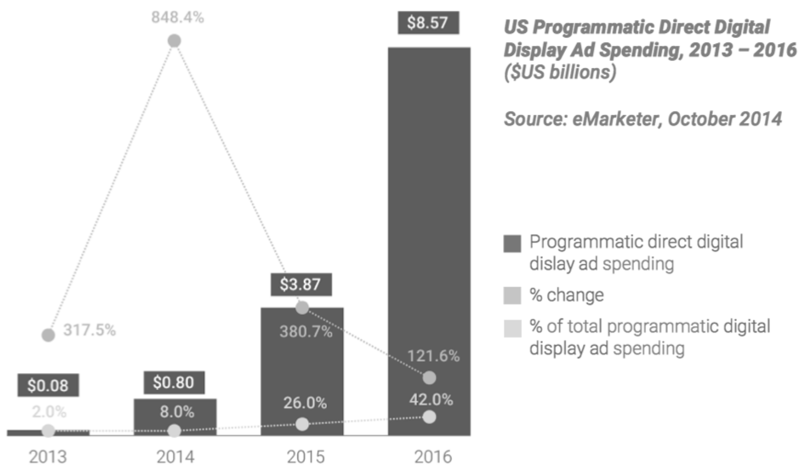
Matters subsequent to the end of the financial year

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

Likely developments and business strategies

<u>Revenues Will Continue to Grow</u>

The now established theme of revenue growth derived from *Trading Technology* is expected to continue. Moreover, *Trading Technology* revenue growth is expected to accelerate - a view supported by a significant increase in the Company's sales pipeline (in terms of both the *number of agencies* and the continued lift in *average transaction size*), and industry analyst projections of a rapid increase in industry acceptance and adoption over the remainder of CY15, CY16 and beyond.



Leading analysts such as IDC and eMarketer have projected a material and ongoing increase in the volume of display advertising transactions undertaken via Automated Guaranteed technology such as Adslot.

Adslot expects to generate *Trading Technology* growth in the form of both Transaction Fees and Licence Fees.

<u>Demand Captured via *Symphony* Will Continue to Grow</u>

As the global agency community becomes increasingly attuned to the data asset, operational and practitioner benefits *Symphony* provides, the Company anticipates building on the already strong client base of media agency customers by signing a number of new clients in the coming year.

In addition to generating new revenues, this will likely see the dollar value of annualised display advertising demand exceed $3b by the end of FY16, and ensures the Company is well positioned to further capitalise in coming quarters on the *Adslot-Symphony* integration strategy.

<u>The Integration of *Adslot* and *Symphony* Will Become Increasingly Seamless</u>

A number of projects are planned for FY16 that will see the integration of *Adslot* and *Symphony* become increasingly seamless. The Company's objective for FY16 is to advance the integration to the point where any obvious distinction between the two platforms is removed.

This objective will also realise additional feature benefits for buyers and sellers, and provides tactical sales benefits for *Adslot*.

<u>Additional Partner Integrations Will be Deployed</u>

As usage and adoption of Automated Guaranteed technology continues to expand, particularly in key markets such as the United States, the Company expects to see a number of developments including:

- Industry collaboration to formulate technical standards that will make integrations more scalable for all participants;
- Appetite from existing *Adslot* partners to prioritise the opportunity integration creates; and
- Appetite from other companies to partner with *Adslot*.

These factors will combine to advance *Adslot's* partnership strategy significantly in FY16.

Environmental regulations

The Group's operations are not subject to any significant environmental regulations under the Commonwealth, State or any other country in which the entity operates.

Dividends

The Directors do not recommend the declaration of a dividend. No dividend has been declared or paid during the year.

Shares under option

There were no unissued shares or interests under option as at the date of signing this report.

During or since the end of the financial year, the Company issued 200,000 ordinary shares as a result of the exercise of options which were granted on 14 October 2010 and exercised at 11.6 cents.

Shares subject to rights

Details of unissued shares or interests subject to rights as at the date of signing this report are:

CEO Sign on Rights

	Share price required (a)	Number of rights
Right to receive ordinary shares	$0.200	3,000,000
Right to receive ordinary shares	$0.300	4,000,000
Right to receive ordinary shares	$0.400	5,000,000
Right to receive ordinary shares	$0.500	5,000,000
Total		**17,000,000**

(a) Share price required to trade above a 30 day VWAP before entitlement to Right

Executive Performance Rights

Issue Type	Issue or Acquisition date	Issue Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Transfers during the year (Number)	Balance at end of the year (Number)
Performance Rights	26/11/14	Nil	-	10,750,000	-	10,750,000
			-	**10,750,000**	**-**	**10,750,000**

Indemnification and Insurance of Officers

The Company has during the financial year, in respect of each person who is or has been an officer of the company or a related body Corporate, made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Since the end of the financial year, the Company has paid premiums to insure all directors and officers of Adslot Ltd and the Adslot Group of companies, against costs incurred in defending any legal proceedings arising out of their conduct as a director and officer of the Company, other than for conduct involving a wilful breach of duty or a contravention of Sections 232(5) or (6) of the *Corporations Act 2011*, as permitted by section 241A(3) of the Corporations Act. Disclosure of the premium amount is prohibited by the insurance contract.

Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015 and the number of meetings attended by each Director.

	Board of Directors		Remuneration Committee		Audit and Risk Committee	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr Andrew Barlow	8	8	2	2	-	-
Mr Ian Lowe	8	8	-	-	-	-
Mr Adrian Giles	8	8	2	2	1	1
Mr Geoff Dixon	8	6	-	-	1	1
Mr Ben Dixon	8	7	-	-	-	-
Mr Quentin George	8	8	2	2	-	-
Ms Sarah Morgan	2	2	-	-	1	1

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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 19 of the financial report. Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 21 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

REMUNERATION REPORT

The remuneration report is set out under the following headings:

Section 1: Non-executive directors' remuneration

Section 2: Executive remuneration

Section 3: Details of remuneration

Section 4: Executive contracts of employment

Section 5: Equity-based compensation

Section 6: Equity holdings and transactions

Section 7: Other transactions with key management personnel

Section 1: Non-executive directors' remuneration

Non-executive directors' fees are reviewed annually and are determined by the Board. In making its determination it takes into account fees paid to other non-executive directors of comparable companies.

Non-executive directors' fees are within the maximum aggregate limit of $350,000 per annum agreed to by shareholders at the Annual General Meeting held on 30 November 2009. To preserve the independence and integrity of their position, non-executive directors do not receive performance-based bonuses.

The Chairman's fees are $75,000 per annum. Non-executive directors fees are $50,000 per annum. In addition, the Chair of the Audit & Risk Committee receives a further $25,000 in recognition of the additional workload of that position.

Section 2: Executive remuneration

The Board of Directors are responsible for determining and reviewing compensation arrangements for key management personnel and the executive team. In June 2011, the Company established a Remuneration Committee who now makes recommendations on remuneration of key management personnel to the Board.

The Board assesses the appropriateness of the nature and amount of emoluments of these employees on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality executives. Executives' remuneration consists of a fixed cash component, short-term incentives in the form of cash bonuses, and long-term incentives in the form of equity-based compensation linked to the long term prospects and future performance of the Company. The inclusion of equity-based compensation in executives' remuneration provides a direct link between their remuneration and shareholder wealth, otherwise there are no direct relationships.

In providing the Company's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

Item	2015	2014	2013	2012	2011
EPS (cents)	(0.89)	(1.20)	(0.94)	(1.08)	(1.66)
Net loss ($)	9,205,521	10,095,562	6,460,947	7,331,658	10,341,309
Share price at 30 June ($)	0.090	0.115	0.044	0.035	0.090

REMUNERATION REPORT (continued)

Section 3: Details of remuneration

Details of the remuneration of the directors and the key management of the Company and its controlled entities are set out in the following tables.

The key management personnel of Adslot Ltd and its controlled entities include the following directors and executive officers:

Directors	Position	Date appointed/resigned
Mr Adrian Giles	Non-Executive Director	Appointed 26 November 2013
Mr Andrew Barlow	Non-Executive Director Non-Executive Chairman	Appointed 16 February 2010 Appointed 26 November 2013
Mr Ian Lowe	Chief Executive Officer Executive Director	Appointed 8 October 2012 Appointed 8 October 2012
Mr Ben Dixon	Executive Director	Appointed 23 December 2013
Mr Geoff Dixon	Non-Executive Director	Appointed 23 December 2013
Mr Quentin George	Non-Executive Director	Appointed 14 June 2014
Ms Sarah Morgan	Non-Executive Director	Appointed 27 January 2015

Executive Officers		
Mr Brendan Maher	Company Secretary / Chief Financial Officer	Appointed 15 November 2010
Mr Tom Peacock	Group Commercial Director	Appointed 23 December 2013

Group 2015	Short-term benefits			Long Term Benefits	Post-employment benefits	Share-based payment		
Name	Salary & fees $	Bonus $	Other $	Long Service Leave $	Superannuation $	Shares[1] $	Rights[1] $	Total $
Executive directors								
Mr I Lowe	309,000	20,531	-	-	18,783	12,123	113,384	473,821
Mr B Dixon	175,397	5,000	-	5,663	17,599	_	7,253	210,912
Non-executive directors								
Mr A Giles	50,000	-	-	-	-	-	-	50,000
Mr A Barlow	68,493	-	-	-	6,507	-	-	75,000
Mr G Dixon	45,662	-	-	-	4,338	-	-	50,000
Mr Q George	50,000	-	-	-	-	60,683	-	110,683
Ms S Morgan (i)	29,680	-	-	-	2,820	-	-	32,500
Other key management personnel								
Mr B Maher	266,862	15,000	-	11,101	20,208	51,280	12,089	376,540
Mr T Peacock	200,000	10,000	-	3,722	18,783	134,381	9,671	376,557
Totals	**1,195,094**	**50,531**	**-**	**20,486**	**89,038**	**258,467**	**142,397**	**1,756,013**

[1] Awards of Shares and Rights are governed by the rules of the Company's ESOP. Given the forfeiture conditions contained in that Plan, these awards are in substance rights issues.

(i) from 27 January 2015

Bonuses

Bonuses appearing in the table above were paid for the year ended 30 June 2015 (but relate to the performance from the prior year) as follows:

Name	Amount Paid $	Amount available in future periods $	Total Bonus Opportunity $	Assessment Criteria
Mr I Lowe	20,531	-	125,000	Company performance to budget, product development and launch, and client & partnership signings.
Mr B Dixon	5,000	19,000	55,000	Performance related KPI's.
Mr B Maher	15,000	-	45,063	Division performance, governance, reporting and performance related KPI's.
Mr T Peacock	10,000	-	N/A (a)	Performance related KPI's.

(a) Not applicable as total bonus opportunity is based on a percentage of the Group's performance.

No portion of the total bonus opportunity for key management personnel was forfeited.

REMUNERATION REPORT (continued)

Section 3: Details of remuneration (continued)

Group 2014	Short-term benefits			Long Term Benefits	Post-employment benefits	Share-based payment		
Name	Salary & fees $	Bonus $	Other $	Long Service Leave $	Superannuation $	Shares[1] $	Rights[1] $	Total $
Executive directors								
Mr I Lowe	300,000	53,215	-	-	17,775	68,739	159,493	599,222
Mr B Dixon (i)	91,734	-	-	1,737	8,485	-	-	101,956
Non-executive directors								
Mr A Giles	60,165	-	-	-	-	-	-	60,165
Mr A Barlow	60,844	-	-	-	4,086	-	-	64,930
Mr C Morris (ii)	32,583	-	-	-	-	-	-	32,583
Ms T Fuller (iii)	71,666	-	-	-	-	-	-	71,666
Mr G Dixon (i)	24,097	-	-	-	2,229	-	-	26,326
Mr Q George (iv)	-	-	-	-	-	2,158	-	2,158
Other key management personnel								
Mr B Maher	259,089	45,063	-	-	17,775	63,537	-	385,464
Mr T Peacock (i)	104,839	-	-	1,707	9,698	38,706	-	154,950
Totals	1,005,017	98,278	-	3,444	60,048	173,140	159,493	1,499,420

[1] Awards of Shares and Rights to Mr I Lowe and Awards of Shares to Mr B Maher are governed by the rules of the Company's ESOP. Given the forfeiture conditions contained in that Plan, these awards are in substance rights issues.

(i) from 23 December 2013
(ii) to 21 February 2014
(iii) to 14 June 2014
(iv) from 16 June 2014

Bonuses

Bonuses appearing in the table above were paid for the year ended 30 June 2014 (but relate to the performance from the prior year) as follows:

Name	Amount Paid $	Amount available in future periods $	Total Bonus Opportunity $	Assessment Criteria
Mr I Lowe	53,215	-	125,000	Company performance to budget, product development and launch, and client & partnership signings.
Mr B Maher	45,063	-	45,063	Division performance, governance, reporting and performance related KPI's.

No portion of the bonuses paid to key management personnel were forfeited.

Section 4: Executive contracts of employment

Formal contracts of employment for all members of the key management personnel are in place. Contractual terms for most executives are similar but do, on occasions, vary to suit different needs. The following table summarises the key contractual terms for all key management personnel.

Length of contract	Open ended
Fixed Remuneration	Remuneration comprises salary and statutory employer superannuation contributions.
Incentive Plans	Eligible to participate. Incentive criteria and award opportunities vary for each executive.
Notice Period	Members of the key management, including executive directors, have notice periods ranging from three weeks to three months. The Chief Executive Officer and Chief Financial Officer have notice periods of 3 months. Other Executives have notice periods ranging from 3 weeks to 1 month.
Resignation	Employment may be terminated by giving notice consistent with the notice period.
Retirement	There are no financial entitlements due from the Company on retirement of an executive.
Termination by the Company	The Company may terminate the employment agreement by providing notice consistent with the notice period or payment in lieu of the notice period.
Redundancy	Payments for redundancy are discretionary and are determined having regard to the particular circumstances. There are no contractual commitments to pay redundancy over and above any statutory entitlement.
Termination for serious misconduct	The Company may terminate the employment agreement at any time without notice, and the executive will be entitled to payment of remuneration only up to the date of termination.

Section 5: Equity-based compensation

Employee share ownership plan (ESOP)

In November 2012 the Company gained approval to establish an employee incentive scheme comprising the Adslot Limited Share Option Plan and the Adslot Employee Share Trust.

Rights to shares are available to be issued to eligible employees based on the performance against agreed key performance indicators. Any rights awarded are subject to a two-year service period and if this service period is not met, the rights to shares will be forfeited by the eligible employee. Shares held by the Trust under the scheme will have voting and dividend rights, and the right to participate in further issues pro-rata to all ordinary shareholders.

No ESOP rights were granted to directors and senior management under the ESOP in the current financial year ended 30 June 2015**.**

The following table shows grants of share-based compensation to directors and senior management under the ESOP during prior year ending 30 June 2014:

			During the Financial year			
Name	**ESOP Series**	**Number Granted**	**Number Vested**	**% of Grant Vested**	**% of Grant Forfeited**	**% of Compensation for the year Consisting of Shares**
Mr B Maher	Dec 2011	-	413,511	100%	-	16%
	Sept 2013	763,602	-	-	-	
	March 2014	561,526	-	-	-	
Mr T Peacock	Jan 2014	176,928	-	-	-	25%
	March 2014	2,823,072	-	-	-	

ESOP Series	**Number of Shares**	**Vesting Date**	**Value of shares at grant date $**	**Expensed in FY 2014 $**	**Fair Value Per Share $**	**Date vested and exercisable**
Sept 2013	763,602	05-Sep-2015	45,816	18,703	0.060	-
Jan 2014	176,928	28-Jan-2016	21,231	4,450	0.120	-
March 2014	3,384,598	04-Mar-2016	304,045	41,573	0.090	-
			371,092	**64,726**		

REMUNERATION REPORT (continued)

Section 5: Equity-based compensation (continued)

Performance Rights over Shares

Shareholders approved at the November 2014 Annual General Meeting the creation of Performance Rights over Shares which enables the Board to offer eligible employees the right to Performance Rights which convert to shares subject to the executive's performance against certain performance criteria. No amounts are paid or payable by the recipient on receipt of the right. The rights carry no voting rights. All rights are subject to service periods which require the employees remain an employee of the Company.

The following table shows grants of share-based compensation to directors and senior management under the Performance Rights Plan during the current financial year:

Name	Series	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)
Brendan Maher	Nov 2014	-	1,250,000	-	-	1,250,000
Tom Peacock	Nov 2014	-	1,000,000	-	-	1,000,000
		-	**2,250,000**	**-**	**-**	**2,250,000**

Rights over Shares

Upon commencement of employment (8 October 2012) Mr Lowe was granted the right to receive the following shares after the share price of the Company trades above a 30 day volume-weighted average price (VWAP) as per the table below. Each right would convert into one ordinary share of Adslot Ltd when the VWAP criteria is met. No amounts are paid or payable by the recipient on receipt of the right. The rights carry no voting rights. Some rights are subject to escrow per the below table and all rights are subject to Mr Lowe remaining an employee of the Company.

Rights over shares movements during the financial year are summarised below:

Issue Type	Required VWAP Price $	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)
Rights over shares	0.200	3,000,000	-	-	-	3,000,000
Rights over shares	0.300	4,000,000	-	-	-	4,000,000
Rights over shares	0.400	5,000,000	-	-	-	5,000,000
Rights over shares	0.500	5,000,000	-	-	-	5,000,000
		17,000,000	**-**	**-**	**-**	**17,000,000**

The following table shows grants of rights over shares to directors and senior management during prior year ending 30 June 2014:

Issue Type	Required VWAP Price $	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)
Rights over shares	0.100	3,000,000	-	-	3,000,000	-
Rights over shares	0.200	3,000,000	-	-	-	3,000,000
Rights over shares	0.300	4,000,000	-	-	-	4,000,000
Rights over shares	0.400	5,000,000	-	-	-	5,000,000
Rights over shares	0.500	5,000,000	-	-	-	5,000,000
		20,000,000	**-**	**-**	**3,000,000**	**17,000,000**

Details of ESOP and other rights to ordinary shares in the Company provided as remuneration of directors and the key management personnel of the Company are set out below:

Name	Rights Granted During the Year				Rights Vested During the Year			
	2015		2014		2015		2014	
	Number	$	Number	$	Number	$	Number	$
Directors								
Mr Adrian Giles	-	-	-	-	-	-	-	-
Mr Ian Lowe	-	-	-	-	1,500,000	165,000	1,500,000	88,500
Mr Andrew Barlow	-	-	-	-	-	-	-	-
Mr B Dixon (i)	750,000	78,750	-	-	-	-	-	-
Mr G Dixon (i)	-	-	-	-	-	-	-	-
Mr Q George (ii)	-	-	1,000,000	105,000	-	-	-	-
Ms S Morgan (iii)	-	-	-	-	-	-	-	-
Other Key Management Personnel								
Mr B Maher	1,250,000	131,250	1,325,128	91,861	1,674,872	245,109	413,511	21,916
Mr T Peacock (i)	1,000,000	105,000	3,000,000	264,015	-	-	-	-

(i) from 23 December 2013
(ii) from 16 June 2014
(iii) from 27 January 2015

The assessed fair value at issue date of the options granted to the executive is allocated equally over the period from issue date to vesting date, and the amount is included in the remuneration tables above. Fair values at issue date are independently determined using the binomial option pricing model that takes into account the exercise price, the term of the option, the share price at issue date and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for **Performance rights** to shares granted during the year ended 30 June 2015 included:

Model Input	PR # 15-2
Grant Date	26/11/2014
Assessment period	2 years
Exercise Price	-
Probability of Conversion to Shares	25%
Price at Grant Date	$0.105

There were no **Performance rights** to shares granted during the year ended 30 June 2014.

There were no **ESOP rights** to shares granted during the year ended 30 June 2015.

The model inputs for **ESOP rights** to shares granted during the year ended 30 June 2014 included:

Model Input	ESOP #14-1	ESOP #14-2	ESOP #14-3	ESOP #14-4	ESOP #14-5	ESOP #14-6
Grant Date	9/07/13	5/09/13	28/01/14	06/03/14	15/06/14	15/06/14
Escrow End Date	9/07/15	5/09/15	28/01/16	04/03/16	15/06/15	2015-2018
Exercise Price	-	-	-	-	-	-
Price at Grant Date	$0.042	$0.061	$0.120	$0.090	$0.105	$0.105

REMUNERATION REPORT (continued)

Section 6: Equity holdings and transactions

The number of shares in the Company held during the financial year by each Director of Adslot Ltd and other key management personnel of the Group, including their personally related parties, are set out below:

2015 Name	Balance at the start of the year (Number)	Received during the year on exercise of options (Number)	Received during the year as compensation (Number)	Net other changes during the year (Number)	Balance at the end of the year (Number)
Directors					
Mr A Giles	19,633,409	-	-	-	19,633,409
Mr A Barlow	62,803,769	-	-	(5,000,000)	57,803,769
Mr I Lowe	9,961,929	-	1,500,000	-	11,461,929
Mr B Dixon	35,119,513	-	-	-	35,119,513
Mr G Dixon	86,252,015	-	-	-	86,252,015
Mr Q George	-	-	-	-	-
Ms S Morgan (i)	-	-	-	-	-
Other key management personnel					
Mr B Maher	-	-	1,674,872	(1,400,000)	274,872
Mr T Peacock	742,642	-	-	-	742,642
Totals	**214,513,277**	**-**	**3,174,872**	**(6,400,000)**	**211,288,149**

(i) from 27 January 2015

Section 7: Other transactions with Key Management Personnel

Transactions with Directors and their personally related entities:

During the year digital marketing services to the value of $2,175 were provided to entities related to Mr Adrian Giles and Mr Andrew Barlow on normal commercial terms and conditions.

During the year advertising inventory to the value of $905 was traded on the Adslot platform by an entity related to Mr Ben Dixon and Mr Geoff Dixon on normal commercial terms and conditions.

This marks the end of the audited remuneration report.

This report is made in accordance with a resolution of directors.

Andrew Barlow

Chairman

26 August 2015

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Auditor's Independence Declaration
To the Directors of Adslot Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Adslot Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 26 August 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Notes	2015 $	2014 $
Total revenue from continuing operations		**6,495,312**	5,066,180
Other income		**680,182**	627,482
Total revenue and other income	3	**7,175,494**	5,693,662
Hosting & other related technology costs		**(1,094,477)**	(1,207,632)
Salaries and employment related costs		**(5,954,451)**	(5,539,323)
Directors' fees		**(259,568)**	(259,220)
Marketing costs		**(246,726)**	(362,838)
Lease – rental premises	4	**(820,431)**	(595,430)
Impairment of receivables	4	**37,440**	(3,145)
Listing & registrar fees		**(117,301)**	(177,291)
Legal fees		**(35,993)**	(278,490)
Travel expenses		**(396,234)**	(283,510)
Audit and accountancy fees		**(182,837)**	(222,915)
Finance costs		**(76)**	(3,451)
Other expenses		**(854,617)**	(1,300,586)
Share based payment expense		**(702,806)**	(560,307)
Depreciation and amortisation expenses	4	**(5,731,779)**	(5,025,021)
Total expenses		**(16,359,856)**	(15,819,159)
Loss before income tax expense		**(9,184,362)**	(10,125,497)
Income tax benefit / (expense)	5	**(21,159)**	29,935
Loss after income tax expense		**(9,205,521)**	(10,095,562)
Net loss attributable to members		**(9,205,521)**	(10,095,562)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		**53,065**	35,515
Write off available for sale investment		**-**	(106,335)
Total other comprehensive income / (loss)		**53,065**	(70,820)
Total comprehensive loss attributable to the members		**(9,152,456)**	(10,166,382)

	Notes	2015 Cents	2014 Cents
Earnings per share (EPS) from loss from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings per share	16	**(0.89)**	(1.20)
Diluted earnings per share	16	**(0.89)**	(1.20)

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

Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	7	**4,441,226**	3,354,051
Trade and other receivables	8	**4,430,402**	3,582,201
Total current assets		**8,871,628**	6,936,252
NON-CURRENT ASSETS			
Property, plant & equipment	9	**74,296**	100,078
Deferred tax assets	5	**39,677**	39,677
Intangible assets	10	**30,289,099**	33,941,462
Total non-current assets		**30,403,072**	34,081,217
Total assets		**39,274,700**	41,017,469
CURRENT LIABILITIES			
Trade and other payables	11	**2,853,010**	2,422,088
Other liabilities	12	**683,148**	667,707
Provisions	13	**507,747**	462,287
Total current liabilities		**4,043,905**	3,552,082
NON-CURRENT LIABILITIES			
Provisions	13	**242,671**	232,494
Deferred tax liabilities	5	**39,677**	39,677
Total non-current liabilities		**282,348**	272,171
Total liabilities		**4,326,253**	3,824,253
NET ASSETS		**34,948,447**	37,193,216
EQUITY			
Issued capital	14	**115,100,833**	108,515,858
Reserves	15	**1,187,988**	1,242,375
Accumulated losses		**(81,340,374)**	(72,565,017)
TOTAL EQUITY		**34,948,447**	37,193,216

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

2015

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2014		108,515,858	1,242,375	(72,565,017)	37,193,216
Movement in foreign exchange translation reserve	15	-	53,065	-	53,065
Decrease in available for sale investment reserve		-	-	-	-
Other comprehensive income		-	53,065	-	53,065
Loss attributable to members of the company		-	-	(9,205,521)	(9,205,521)
Total comprehensive income		**-**	**53,065**	**(9,205,521)**	**(9,152,456)**
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	14	6,204,881	-	-	6,204,881
Reclassification of lapsed options to retained earnings	15	-	(430,164)	430,164	-
Reclassification of vested ESOP	15	380,094	(380,094)	-	-
Increase in employees share based payments reserve	15	-	702,806	-	702,806
		6,584,975	(107,452)	430,164	6,907,687
Balance 30 June 2015		**115,100,833**	**1,187,988**	**(81,340,374)**	**34,948,447**

2014

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2013		76,871,148	1,039,039	(62,589,935)	15,320,252
Movement in foreign exchange translation reserve	15	-	35,515	-	35,515
Decrease in available for sale investment reserve			(106,335)	-	(106,335)
Other comprehensive income		-	(70,820)	-	(70,820)
Loss attributable to members of the company		-	-	(10,095,562)	(10,095,562)
Total comprehensive income		**-**	**(70,820)**	**(10,095,562)**	**(10,166,382)**
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	14	31,479,039	-	-	31,479,039
Reclassification of lapsed options to retained earnings	15	-	(120,480)	120,480	-
Reclassification of vested ESOP	15	165,671	(165,671)	-	-
Increase in employees share based payments reserve	15	-	560,307	-	560,307
		31,644,710	274,156	120,480	32,039,346
Balance 30 June 2014		**108,515,858**	**1,242,375**	**(72,565,017)**	**37,193,216**

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

Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from trade and other debtors		8,278,552	4,774,215
Interest received		184,099	337,769
Government grants		436,152	427,932
Payments to trade creditors, other creditors and employees		(12,046,481)	(11,135,733)
Income tax paid		(19,868)	(7,329)
Interest paid		(8,130)	(3,445)
Net cash outflows from operating activities	24	(3,175,676)	(5,606,591)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(40,786)	(15,622)
Proceeds from sale of fixed assets		-	1,477
Net cash acquired via business acquisition		-	503,593
Receipt from R&D tax incentive		1,741,136	1,870,561
Payments for intangible assets		(3,638,707)	(2,458,170)
Net cash outflows from investing activities		(1,938,357)	(98,161)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		6,523,200	-
Payments of equity raising costs		(370,441)	-
Net cash inflows from financing activities		6,152,759	-
Net increase / (decrease) in cash held		1,038,726	(5,704,752)
Cash at the beginning of the financial year		3,354,051	9,132,037
Effects of exchange rate changes on cash		48,449	(73,234)
CASH AT THE END OF THE FINANCIAL YEAR	7	4,441,226	3,354,051

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

1. Summary of Significant Accounting Policies

The financial report covers Adslot Ltd ('the Company') and controlled entities ('the Group'). Adslot Ltd is a listed public company, incorporated and domiciled in Australia. The financial report is for the financial year ended 30 June 2015 and is presented in Australian dollars.

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*

Compliance with IFRS

Australian Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial statements and notes of Adslot Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Adslot Ltd is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets. Under the historical cost convention assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Going concern

Management continue to invest resources to successfully launch the Adslot products in multiple geographies. The Group has incurred net cash outflows from operations of $3.2m for the year, and management anticipate incurring further net cash outflows from operations until such time as sufficient revenue growth is achieved.

The ability of the Group to continue as a going concern is dependent upon revenue growth and levels of cash reserves. During FY 2015 the Company increased the earnings from its Trading Technology revenues which is represented by the *Adslot* and *Symphony* products. During FY 2016 the Company expects to further increase revenues from these two products on a stand-alone basis and also from the integration of these two products.

Despite this, the Company anticipates net operating cash flows from operations will continue to be negative in FY 2016. However the Directors believe the Group can continue to pay its debts as and when the fall due for the following reasons:

- The Group had a cash position as at 30 June 2015 of $4.4m;
- The Group expects to receive $2.1m in grants for Research & Development relating to prior year expenditure within the next four months;
- The *Webfirm* division is expected to make continued positive net cash flows from its operations during FY 2016; and
- Management could reduce the level of resources dedicated to expanding the business if so required.

Accordingly the Directors believe there exists a reasonable expectation that the Group can continue to pay its debts as and when they fall due, and the financial report has been prepared on a going concern basis.

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements comprise those of the Company, and the entities it controlled at the end of, or during, the financial year. The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All intra-group transactions, balances, income and expenses between entities in the Group included in the financial statements have been eliminated in full. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased. The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the Group.

Investments in subsidiaries are accounted for at cost less impairment losses in the parent entity information in Note 26.

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

The Group recognises identifiable assets and liabilities assumed in the business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values. Goodwill is stated after separate recognition of identifiable intangible assets calculated as the excess of the sum of the fair value of the consideration transferred over the acquisition date fair value of identifiable net assets. If the identifiable net assets exceed the consideration transferred, the excess amount is recognised in profit or loss immediately.

Any deferred settlement of cash consideration is discounted to its present value as at the date of acquisition. The discount rate used is the incremental borrowing rate that the Group can obtain from an independent financier under comparable terms and conditions.

Foreign Currency Exchange

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are charged/credited to other comprehensive income and recognised in the Group's foreign currency translation reserve in equity. On disposal of a foreign operation the cumulative translation difference recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(d) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call which are readily convertible to cash and are not subject to significant risk of changes in value, net of bank overdrafts.

Publisher Account Cash represents share of advertising revenue held before release to Adslot Publishers.

1. Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Leasehold improvements are depreciated over the estimated useful life using the straight-line method with any balance written off at termination of lease.

Depreciation is calculated on a straight line basis for all plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and is recognised in profit or loss. The following depreciation rates are used for each class of depreciable asset:

Computer Equipment	20 – 40% per annum
Plant & Equipment	20 – 25% per annum
Leasehold Improvements	20 – 30% per annum

(f) Receivables

Trade receivables are recognised initially at fair value and thereafter are measured at amortised cost, less provision for impairment. They are non-derivative financial assets with fixed or determinable amounts not quoted in an active market. Trade accounts receivable are generally settled between 14 and 60 days and carried at amounts recoverable.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against the allowance account.

(g) Investments and other financial assets

Financial assets are recognised when the group entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured subsequent to recognition at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any other category of financial assets. Available-for-sale financial assets are measured at fair value. Gains or losses arising from changes in available-for-sale financial assets are presented in other comprehensive income in the period in which they arise.

(h) Trade and other creditors – financial liabilities

Trade accounts payable and other creditors represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

(i) Borrowings

Borrowings are initially recognised at fair value (less transaction costs) and subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method.

(j) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred except where they are incurred in the construction of a qualifying asset in which case the finance costs are capitalised as part of the asset.

(k) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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. Deferred tax liabilities are always provided for in full.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Adslot Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Adslot Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

To the extent that it is not probable that taxable profit will be available in the foreseeable future against which the unused tax losses or unused tax credits can be utilised, the deferred tax assets of its own and its controlled entities are not recognised by Adslot Ltd.

(l) Employee benefits

Wages and salaries, annual leave and sick leave

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'provisions'. The Group does not discount the leave liability calculations as the Group expects all annual leave for all employees to be used wholly within 12 months of the end of reporting period.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in provisions for employee entitlements and is measured at the amount expected to be paid when the liabilities are settled. The liability for long service leave expected to be settled more than 12 months from the reporting date, is recognised in the non-current provision for employee benefits and is measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Share-based compensation benefits

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value at grant date is determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity-settled share-based payments is recognised as an expense, with a corresponding increase in equity (share-based payments reserve) on a straight line basis over the vesting period.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital while the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

1. Summary of Significant Accounting Policies (continued)

(m) Intangible Assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (acquisition date). Goodwill is measured as the excess of the fair value of consideration paid over the fair value of the identifiable net assets of the entity or operations acquired. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, being allocated to the cash flows of the relevant cash generating unit and is carried at cost less accumulated impairment losses. An impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

Research & development expenditure

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development costs is tested for impairment annually when the asset is not yet available for use or more frequently when an indicator of impairment arises during the reporting period.

Intellectual property

The intellectual property relates to the names, platform technology, branding and domains acquired as a result of the acquisition of Adslot, Adimise, Full Circle Online, QDC IP Technology and Facilitate Digital businesses. Where the useful life is assessed as indefinite, assets are not amortised and the carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment. It is carried at cost less impairment losses. For those assets assessed as having a finite life, they are amortised on a straight-line basis over the estimated useful life of the asset. The expected accounting useful life of intellectual property relating to the Adslot, Adimise, QDC IP Technology and Facilitate Digital business is 4 to 5 years.

Domain name

Acquired domain names are accounted for at cost, useful life is assessed as indefinite and the assets are not amortised. The carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment. They are carried at cost less impairment losses.

Software

Software represents internally developed software platforms capitalised according to accounting standards. Software is assessed as having a finite life and is amortised on a straight-line basis over the estimated useful life of the asset. The expected accounting useful life of software is 5 years.

The carrying value of the software is tested for impairment when an indicator of impairment arises during the reporting period.

(n) Leased assets

Leases of assets under which the Group assumes substantially all the risks and benefits of ownership are classified as finance leases. This is distinct from operating leases under which the lessor effectively retains substantially all such risks and benefits. Property, plant and equipment acquired by finance leases are capitalised at the present value of the minimum lease payments as a finance lease asset and as a corresponding lease liability from date of inception of the lease. Lease assets are amortised over the period the entity is expected to benefit from the use of the assets or the term of the lease, whichever is shorter. Finance lease liabilities are reduced by the component of principal repaid. Lease payments are allocated between the principal component of the liability and interest expense.

Operating lease payments are charged to statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease term. Associated costs such as maintenance and insurance are expensed as incurred.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances, duties and taxes paid.

Revenue is recognised for the major business activities as follows:

Rendering of services

Service revenue is recognised on an accruals basis as and when the service has been passed onto the customer.

Website development revenue is recorded based on project delivery. All projects are assigned percentages of project completion (based on actual work in progress) and all website development revenue applicable to percentage of incomplete work is recorded as unearned revenue.

Website hosting, SSL certificate and domain name registration revenue is recorded over a one year duration. While 30% of search engine optimisation renewal revenue is recorded as earned in first month of renewal contract, the remaining 70% revenue is recognised over a one year duration. Prepaid revenue calculated in this regard is excluded from revenue and is being treated as unearned revenue in the Consolidated Statement of Financial Position.

Adslot Publisher revenue is accounted for in accordance with AASB 118 *Revenue* such that only the portion of the media campaign that is retained by Adslot for their services is recorded as revenue. Where underlying campaigns selected by advertisers are served over a period a time, the portion that extends beyond the reporting period is not taken up as revenue. Where the funds for these campaigns are prepaid by advertisers those amounts are treated as unearned revenue in the Consolidated Statement of Financial Position.

Funds collected from advertisers and due to publisher clients are separated from company funds and are disclosed in the accounts as “Cash held on behalf of Publishers” and “Publisher Creditors”.

Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably, taking into account the effective yield on the financial asset.

Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income and are amortised on a straight line basis over the expected lives of the assets.

Sale of non-current assets

The net gain from the sale of non-current asset sales is recognised as income at the date control of the asset passes to the buyer, usually when the signed contract of sale becomes unconditional.

(q) Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

1. Summary of Significant Accounting Policies (continued)

(r) Earnings per share

Basic earnings per share

Basic earnings per share for continuing operations and total operations attributable to members of the Company are determined by dividing net profit after income tax from continuing operations and the net profit attributable to members of the Company respectively, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period. The number of shares used in the calculation at any time during the period is based on the physical number of shares issued.

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.

(s) Dividends

Provision is made for the amount of any dividend determined or recommended by the directors on or before the end of the financial year but not distributed at reporting date.

(t) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer.

Each of the operating segments is managed separately as each of these service lines requires different technologies, service different clients and sells different products. All inter-segment transactions are carried out at arm's length prices.

The Group reports its segments based on geographical locations:

- APAC – Australia, New Zealand and Asia;
- EMEA – Europe, the Middle East and Africa; and
- The Americas – North, Central and South America.

(v) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

In web development and web hosting business operations, management assesses stage of completion of each project and recognises revenue in the period in which development work is undertaken. In making its judgement, management considered the standard duration of such contracts, stage of progress in contracts and commencement date of such contracts. Accordingly, management has deferred recognising some web development and web hosting revenue of an estimated value of services to be rendered in the future.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The future cash flows included in the assessments are predicated largely on:

- the adoption of the integrated *Adslot-Symphony* Platform;
- the continued adoption of the *Adslot Marketplace* product; and
- the growth of *Symphony*.

In the event that these products do not generate revenues as planned an impairment of the related intangible assets may result.

The carrying amount of goodwill and intangible assets at the reporting date was $30,289,099 (2014: $33,941,462) and there were no impairment losses (2014: nil) recognised during the current financial year. Refer to Note 10 for further details.

Capitalisation of internally developed software

Distinguishing the research and development phases of software projects and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Share based payments

The calculation of the fair value of options issued requires significant estimates to be made in regards to several variables such as volatility and the probability of options reaching their vesting period. The estimations made are subject to variability that may alter the overall fair value determined. The share based payment expense for the year was $702,806 (2014: $560,307).

Unrecognised deferred tax assets

As disclosed in Note 5, the Group recognises deferred tax assets relating to temporary differences, capital losses or operating losses when it is probable that they will be able to be utilised in future reporting periods. Due to the continuing operating losses, the Directors have determined it not appropriate to recognise deferred tax assets until a point in time where it is probable that future taxable income is going to be available to utilise the assets. The tax benefit of deferred tax assets not recognised is $8,635,840 (2014: $7,228,777).

Research and development tax concessions

A receivable of $2,184,913 (2014: $2,041,942) has been recognised in relation to a research and development tax concession for the 2015 financial year. The actual claim is yet to be submitted with the Australian Tax Office and therefore there remains some uncertainty in regards to the quantum of the concession to be received. The financial statements reflect the Directors' estimate of the receivable after taking into account the likelihood of each component of the claim being received.

1. Summary of Significant Accounting Policies (continued)

(w) New standards and interpretations issued but not effective

The following new or amendments to existing standards have been published and are mandatory for accounting periods beginning on or after 1 July 2015 or later periods, but have not been adopted. The Group is yet to undertake a detailed assessment of the impact of these standards. However, based on the Group's preliminary assessment, the Standards are not expected to have a material impact on the transactions till the year ending 30 June 2018.

AASBs	Summary	Application date for Group
AASB 9 *Financial Instruments* and related AASB 2014-1 and AASB 2014-7 *Amendments to Australian Accounting Standards – Financial Instruments*	AASB 9 includes requirements for the classification and measurement of financial assets.	1 July 2018
AASB 15 *Revenue from Contracts with Customers* and related AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	AASB 15 establishes a new revenue recognition model and changes the bases for deciding whether revenue is to be recognised over time or at a point in time.	1 July 2018
AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	These amendments clarify the materiality requirements, where entities should not be disclosing immaterial information in a manner that obscures useful information.	1 July 2016
AASB 2015-3 *Amendments to Australian Accounting Standards from the Withdrawal of AASB 1031 Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015

2. Segment Information

2015	APAC	EMEA	The Americas	Total
Operating segments				
External sales (i)	**5,533,327**	**246,101**	**497,309**	**6,276,737**
Segment result from continuing operations	**(5,303,162)**	**(694,383)**	**(835,464)**	**(6,833,009)**
Depreciation included in segment result (Note 9)	**71,494**	**3,237**	**3,396**	**78,127**
Amortisation included in segment result (Note 10)	**5,653,652**	**-**	**-**	**5,653,652**
Additions to non-current assets (PP&E) (Note 9)	**47,810**	**1,754**	**2,575**	**52,139**
Impairment of intangibles	**-**	**-**	**-**	**-**
Statement of Financial Position				
Segment assets	**41,329,869**	**161,477**	**138,660**	**41,630,006**
Segment liabilities	**(15,603,752)**	**(182,714)**	**(191,365)**	**(15,977,831)**

2014	APAC	EMEA	The Americas	Total
Operating segments				
External sales (i)	4,551,808	155,785	136,625	4,844,218
Segment result from continuing operations	(7,708,784)	(711,268)	(1,225,821)	(9,645,873)
Depreciation included in segment result (Note 9)	66,256	5,600	2,797	74,653
Amortisation included in segment result (Note 10)	4,950,368	-	-	4,950,368
Additions to non-current assets (PP&E) (Note 9)	10,758	1,281	2,949	14,988
Impairment of intangibles	-	-	-	-
Statement of Financial Position				
Segment assets	43,803,054	203,673	185,753	44,192,480
Segment liabilities	(14,937,538)	(234,137)	(157,338)	(15,329,013)

Segment revenue reconciles to total revenue from continuing operations as follows:

Revenue	2015 $	2014 $
Total segment revenue	**6,276,737**	4,844,218
Head office revenue	**23,755**	-
Interest revenue	**195,104**	239,387
Intersegment eliminations	**(284)**	(17,425)
Total revenue from continuing operations	**6,495,312**	5,066,180

(i) Refer to Note 3 for a description of product lines from external customers.

2. Segment Information (continued)

A reconciliation from segment result to operating profit before income tax is provided as follows:

Segment Result	2015 $	2014 $
Total segment result	**(6,833,009)**	(9,645,873)
Interest revenue	**195,104**	239,387
Other revenue	**680,182**	627,482
Share option expenses	**(702,806)**	(560,307)
Gain / (Loss) on foreign exchange	**60,352**	(42,090)
Income tax benefit/(expense)	**(21,159)**	29,935
Profit on sale of fixed assets	**-**	32
Loss on write off of asset	**-**	(106,329)
Other head office income/(expenses) not allocated in segment result	**(2,584,185)**	(637,799)
Loss before income tax from continuing operations	**(9,205,521)**	(10,095,562)

Reportable segment assets are reconciled to total assets as follows:

Segment assets	2015 $	2014 $
Total segment assets	**41,630,006**	44,192,480
Head office assets	**49,019,570**	48,310,079
Intersegment eliminations	**(51,374,876)**	(51,485,090)
Total assets as per the statement of financial position	**39,274,700**	41,017,469

Reportable segment liabilities are reconciled to total liabilities as follows:

Segment liabilities	2015 $	2014 $
Total segment liabilities	**(15,977,831)**	(15,329,013)
Head office liabilities	**(718,948)**	(865,766)
Intersegment eliminations	**12,370,526**	12,370,526
Total liabilities as per the statement of financial position	**(4,326,253)**	(3,824,253)

The Group's revenues (which includes revenue from external customers, grant income and interest income) and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	2015 $		2014 $	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Australia (Domicile)	**5,114,063**	**30,349,986**	4,850,986	34,069,371
New Zealand	**693,217**	**1,018**	398,713	510
USA	**497,309**	**2,723**	136,625	3,376
Other countries	**870,905**	**49,345**	307,338	7,960
Total	**7,175,494**	**30,403,072**	5,693,662	34,081,217

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, New Zealand and the USA, have been identified on the basis of the customer's geographical location. Non-current assets are allocated based on their physical location.

Notes to and forming part of the segment information

Business segments

The Group reports its segments based on geographical locations:

- APAC – Australia, New Zealand and Asia;
- EMEA – Europe, the Middle East and Africa; and
- The Americas – North, Central and South America.

Accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment profit represents the profit earned by each segment without investment revenue, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, capitalised R&D and other intangible assets, net of related provisions but do not include non-current inter-entity assets and liabilities which are considered quasi-equity in substance.

Segment liabilities consist primarily of trade and other creditors, employee benefits and sundry provisions and accruals. Segment assets and liabilities do not include income taxes.

Inter-segment transfers

Segment revenue reported above represents revenue generated from external customers. Inter segment revenue transfers of $284 (2014: $17,425), and corresponding expenses have been eliminated on consolidation.

Major customers

The Group provides services to and derives revenue from a number of customers across all the divisions. During the year, the Group did not derive revenue that was greater than 10% of consolidated revenue from continuing operations from one customer.

3. Revenue and Other Income

	2015 $	2014 $
Revenue		
Revenue from Trading Technology	**2,652,086**	1,568,673
Revenue from Services	**2,396,948**	2,449,584
Revenue from Adserving	**1,251,174**	808,536
Total revenue for services rendered	**6,300,208**	4,826,793
Interest income	**195,104**	239,387
Total revenue	**6,495,312**	5,066,180
Other income		
Grant income	**680,182**	627,482
	680,182	627,482
Total revenue and other income	**7,175,494**	5,693,662

Revenue derived from the three product lines are described as follows:

Trading Technology

Comprises *Adslot*, a leading global media trading technology, and *Symphony*, market-leading workflow automation technology, purpose built for digital media agencies.

Services

Comprising marketing services that are provided by the company's *Webfirm* division to SME clients and project-based customisation of *Trading Technology*.

Adserving

Technology that enables advertisers to deliver and measure the performance of online display advertising (including impressions, clicks and online sales).

4. Expenses

	2015 $	2014 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation		
Amortisation – Leasehold improvements	**28,340**	14,175
Amortisation – Software development costs	**5,653,652**	4,950,368
Depreciation – Plant & equipment	**49,787**	60,478
Total depreciation and amortisation	**5,731,779**	5,025,021
Finance costs		
Interest paid/payable to unrelated entities	**76**	3,451
Other charges against assets		
Impairment / (recovery) of trade receivables	**(37,440)**	3,145
Rental expense – operating leases	**820,431**	595,430
Defined contribution superannuation expense	**601,939**	420,676
Loss on write off of available for sale asset	**-**	106,329
(Profit) / Loss on sale of PP&E & internally developed software	**-**	(32)
Foreign currency (gain) / loss	**(60,352)**	42,090

5. Income Tax Expense

	2015 $	2014 $
a) Numerical reconciliation of income tax expense to prima facie tax benefit		
Loss before income tax	(9,184,362)	(10,125,497)
Prima facie tax benefit on loss before income tax at 30% (2014: 30%)	(2,755,309)	(3,037,649)
Tax effect of:		
Other non-allowable items	7,475	6,854
Share options expensed during year	210,842	168,092
Research & development tax concession	1,443,457	995,706
Income tax benefit attributable to entity	(1,093,535)	(1,866,997)
Deferred tax income relating to utilisation of unused tax losses	-	(39,677)
Deferred tax assets relating to tax losses not recognised	1,407,063	1,876,739
Other – adjustments and net foreign exchange differences	(292,369)	-
Income tax (benefit)/expense attributable to entity	21,159	(29,935)

b) Movement in deferred tax balances

				Balance at 30 June 2015		
	Balance at 1 July 2014	Recognised in Profit & Loss	Acquired in Business combination	Net	Deferred tax assets	Deferred tax liabilities
	$	$	$	$	$	$
Trade and other receivables	(125,957)	-	-	(125,957)	-	(125,957)
Property, plant and equipment	199	-	-	199	-	199
Intangible assets	165,435	-	-	165,435	-	165,435
Unused tax losses	(39,677)	-	-	(39,677)	(39,677)	-
Net tax (assets) / liabilities	-	-	-	-	(39,677)	39,677

				Balance at 30 June 2014		
	Balance at 1 July 2013	Recognised in Profit & Loss	Acquired in Business combination	Net	Deferred tax assets	Deferred tax liabilities
	$	$	$	$	$	$
Trade and other receivables	-	-	(125,957)	(125,957)	-	(125,957)
Property, plant and equipment	-	-	199	199	-	199
Intangible assets	-	-	165,435	165,435	-	165,435
Unused tax losses	-	(39,677)	-	(39,677)	(39,677)	-
Net tax (assets) / liabilities	-	(39,677)	39,677	-	(39,677)	39,677

5. Income Tax Expense (continued)

c) Deferred tax assets not brought to account

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out on Note 1(k) occur.

	2015 $	2014 $
Temporary differences	**(5,119,749)**	(3,217,981)
Tax Losses:		
Operating losses	**33,667,624**	27,182,025
Capital losses	**238,258**	131,879
	28,786,133	24,095,923
Potential tax benefit (30%)	**8,635,840**	7,228,777

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Adslot Ltd.

6. Dividends

The Company did not declare any dividends in the current year or prior year. There are no franking credits available to shareholders of the Company.

7. Cash and Cash Equivalents

	2015 $	2014 $
Cash at bank and on hand	**3,416,910**	3,140,845
Publisher account	**1,024,316**	213,206
	4,441,226	3,354,051

8. Trade and Other Receivables

	2015 $	2014 $
Current:		
Trade debtors	**2,261,222**	1,725,119
Less: Allowance for impairment	**(241,074)**	(413,987)
	2,020,148	1,311,132
Other receivables	**2,227,608**	2,060,296
Prepayments	**182,646**	210,773
	4,430,402	3,582,201

The average age of the Company's trade receivables is 57 days (2014: 61 days).

(a) Ageing of past due but not impaired

	2015 $	2014 $
0 – 30 days	**107,949**	85,161
31 – 60 days	**382,112**	43,775
61 – 90 days	**86,493**	63,117
Over 91 days	**107,330**	65,450
	663,884	257,503

(b) Movement in the provision for impairment

	2015 $	2014 $
Balance at beginning of the year	**413,987**	20,480
Impairment recognised during the year	**20,294**	15,108
Impairment recognised during the year from receivables acquired through business combinations	**-**	408,309
Amounts written off as uncollectible	**(118,408)**	(22,122)
Amounts recovered during the year	**(116,161)**	(7,788)
Net foreign exchange differences	**41,362**	-
Balance at the end of the year	**241,074**	413,987

In determining the recoverability of a trade receivable, the Company considers any recent history of payments and the status of the projects to which the debt relates. No payment terms have been renegotiated. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further provision required in excess of the allowance for impairment.

Fair value of receivables

Fair value of receivables at year end is measured to be the same as receivables net of the allowance for impairment.

9. Non-Current Assets – Property, Plant and Equipment

	2015 $	2014 $
Leasehold improvements – at cost	**104,280**	91,320
Less: Accumulated amortisation	**(87,020)**	(58,680)
	17,260	32,640
Plant and equipment – at cost	**148,841**	182,107
Less: Accumulated depreciation	**(129,223)**	(143,615)
	19,618	38,492
Computer equipment – at cost	**326,045**	432,398
Less: Accumulated depreciation	**(288,627)**	(403,452)
	37,418	28,946
Total carrying amount of property, plant and equipment	**74,296**	100,078

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2015

	Leasehold Improvements $	Plant and Equipment $	Computer Equipment $	Total $
Carrying amount at 1 July 2014	**32,640**	**38,492**	**28,946**	**100,078**
Additions	**12,960**	**1,735**	**37,444**	**52,139**
Depreciation / amortisation expense	**(28,340)**	**(20,609)**	**(29,178)**	**(78,127)**
Net foreign exchange differences	**-**	**-**	**206**	**206**
Carrying amount at 30 June 2015	**17,260**	**19,618**	**37,418**	**74,296**

2014

	Leasehold Improvements $	Plant and Equipment $	Computer Equipment $	Total $
Carrying amount at 1 July 2013	21,514	58,946	49,619	130,079
Additions	-	-	14,988	14,988
Additions through business combinations	25,301	-	12,002	37,303
Disposals / write offs	-	-	(8,578)	(8,578)
Depreciation / amortisation expense	(14,175)	(20,454)	(40,024)	(74,653)
Net foreign exchange differences	-	-	939	939
Carrying amount at 30 June 2014	32,640	38,492	28,946	100,078

10. Non-Current Assets – Intangible Assets

	Internally Developed Software $	Domain Name $	Intellectual Property $	Goodwill $	Total $
Year ended 30 June 2015					
Opening net book amount	**1,516,737**	**38,267**	**17,224,519**	**15,161,939**	**33,941,462**
Acquisitions	**2,001,289**	**-**	**-**	**-**	**2,001,289**
Acquisitions through business combinations	**-**	**-**	**-**	**-**	**-**
Amortisation	**(527,083)**	**-**	**(5,126,569)**	**-**	**(5,653,652)**
Impairment of assets	**-**	**-**	**-**	**-**	**-**
Carrying amount at 30 June 2015	**2,990,943**	**38,267**	**12,097,950**	**15,161,939**	**30,289,099**
At 30 June 2015					
Cost	**4,103,169**	**38,267**	**29,316,305**	**20,543,592**	**54,001,333**
Accumulated amortisation and impairment	**(1,112,226)**	**-**	**(17,218,355)**	**(5,381,653)**	**(23,712,234)**
Carrying amount at 30 June 2015	**2,990,943**	**38,267**	**12,097,950**	**15,161,939**	**30,289,099**

	Internally developed Software $	Domain Name $	Intellectual Property $	Goodwill $	Total $
Year ended 30 June 2014					
Opening net book amount	548,834	38,267	5,184,544	-	5,771,645
Acquisitions	1,311,519	-	-	-	1,311,519
Acquisitions through business combinations	-	-	16,646,727	15,161,939	31,808,666
Amortisation	(343,616)	-	(4,606,752)	-	(4,950,368)
Impairment of assets	-	-	-	-	-
Carrying amount at 30 June 2014	1,516,737	38,267	17,224,519	15,161,939	33,941,462
At 30 June 2014					
Cost	2,101,880	38,267	29,316,305	20,543,591	52,000,043
Accumulated amortisation and impairment	(585,143)	-	(12,091,786)	(5,381,652)	(18,058,581)
Carrying amount at 30 June 2014	1,516,737	38,267	17,224,519	15,161,939	33,941,462

10. Non-Current Assets – Intangible Assets (continued)

Internally Developed Software

Internally developed software represents a number of software platforms developed within the Adslot and Webfirm divisions.

During the year a net $949,624 (2014: $844,201) of innovation research & development wage costs arising from the development of the Adslot Publisher platform was capitalised. Associated R&D Grant claims of $776,965 (2014: $690,710) arising from the capitalised costs offset the gross amount of expenditure. Research and development costs of $417,778 (2014: $860,850) were recognised in profit or loss.

During the year a net $819,248 (2014: $467,318) of innovation research & development wage costs arising from the development of the Symphony platform was capitalised. Associated R&D Grant claims of $670,294 (2014: $457,656) arising from the capitalised costs offset the gross amount of expenditure. Research and development costs of $658,959 (2014: $403,185) were recognised in profit or loss.

During the year a net $232,418 (2014: nil) of innovation and research & development wage costs arising from the development of the integrated Adslot-Symphony Platform was capitalised. Associated R&D Grant claims of $190,160 (2014: nil) arising from the capitalised costs offset the gross amount of expenditure. Research and development costs of $139,917 (2014: nil) were recognised in profit or loss.

The Directors have assessed the accounting useful life of these internally developed software systems, for accounting purposes, to be five years. This assessment has given regard to the expected financial benefits of the technology.

Domain names

Domain names opening carrying value of $38,267 (2014: $38,267) relates to the various domain names held by Webfirm and Adslot. The Directors have assessed that this intellectual property has an indefinite useful life on the basis that the Directors do not believe that there is a foreseeable limit on the period over which this asset is expected to generate cash inflows for the entity.

Intellectual property

Adslot Technologies Pty Ltd (“Adslot”) holds valuable copyright and patent licences (“Licences”) in respect of Combinatorial Auction Platform Technology (“CAP” or “Core IP”) owned by Enterprise Point Pty Ltd and its controlled entities (“Enterprise”). $5,932,006 (2014: $5,932,006) of the opening balance relates to this “CAP” technology. Accumulated amortisation of this asset as at 30 June 2015 was $5,932,006 (2014: $5,190,504). This asset was fully amortised during the year.

Adimise Pty Ltd (“Adimise”) holding online ad-serving technology had $271,055 (2014: $271,055) of Ad-serving IP in the opening balance and attached to the Adslot CGU. Accumulated amortisation of this asset as at 30 June 2015 was $271,055 (2014: $216,845). This asset was fully amortised during the year.

QDC IP Technology (“QDC”) holding creative ad building and video advertising technology had licences to the Core IP valued at $6,466,517 (2014: $6,466,517) in the opening balance and attached to the Adslot CGU. Accumulated amortisation of this asset as at 30 June 2015 was $5,904,904 (2014: $4,611,601). This asset has a remaining useful life for accounting purposes of six months.

The Symphony platform technology was acquired as part of the Facilitate Digital Holdings Limited acquisition. The fair value attributable to the Symphony technology platform intellectual property was $16,191,496 (2014: $16,191,496). Accumulated amortisation of this asset at 30 June 2015 was $4,936,872 (2014: $2,013,126). This asset has a remaining useful life for accounting purposes of three and a half years.

The Facilitate for Agencies (“FFA”) platform technology was acquired as part of the Facilitate Digital Holdings Limited acquisition. The fair value attributable to the FFA technology platform intellectual property was $455,231 (2014: $455,231). Accumulated amortisation of this asset at 30 June 2015 was $173,518 (2014: $59,710). This asset has a remaining useful life for accounting purposes of two and a half years.

With the exception of FFA, the Directors have assessed the accounting useful life of all of the above technologies for accounting purposes to be five years. This assessment has given regard to the expected financial benefits of the technologies to be potentially well beyond a five year period, together with the risk that competitors could replicate these technologies and in light of the Company’s ongoing commitment to research and development of the Core IP. FFA has an accounting useful life of four years.

Goodwill

The Goodwill balance relating to the acquisition of Facilitate has an attributed fair value of $15,161,939 and has not been impaired.

(a) Cash Generating Units (CGUs)

The goodwill has been allocated to the Adslot-Symphony Integration CGU as this is the area of operation in which opportunities for deriving revenue synergies from the acquisition exist. A summary of the carrying amount of goodwill and intangible assets with indefinite useful lives is detailed below:

	2015		2014	
CGU	Goodwill $	Intangible assets with indefinite useful lives $	Goodwill $	Intangible assets with indefinite useful lives $
Adslot-Symphony Integration	**15,161,939**	-	15,161,939	-

(b) Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment in accordance with the Group's accounting policies. The recoverable amounts of assets and CGUs have been determined using a value-in-use approach based on discounted cash flows projections.

The most significant judgement relates to the forecast cash flows within the impairment model, in particular the forecast revenue growth. As the Adslot-Symphony Integration is a relatively new innovation for the Group, the lack of historical revenues across this platform has required the Group to make significant estimations of the revenue growth that can be expected across the forecast period.

The cash flow projections have been derived from management forecasts based on the 2016 budget as approved by the Board of Directors, with assumptions relating to growth in revenues and expenses being made across the remaining forecast period. The revenue growth rates observed for the first two years are significantly higher than the remainder of the model reflecting the initial adoption of the integrated Adslot-Symphony Platform post launch.

In determining the budget for 2016, assumptions were made in relation to the following key areas:

- The proportion of the market share captured by the Integration platform from existing customers;
- Expected growth from new customers;
- Average service fees received from each customer; and
- The costs that will be incurred to support the growth of the revenue.

Other key assumptions

	Valuation method	Years of projected cash flows	Post-tax discount rate %
Adslot-Symphony Integration	Discounted cash flow	7	14

A forecast period of greater than 5 years has been adopted without the use of a terminal value. This is considered appropriate given the expected timeframe upon which the current version of the integrated product will be able to generate revenues. Revenue growth forecast in the final two periods of the model are lower than the average growth forecast within the model.

(c) Sensitivity analysis

Future net cash flows of CGUs are based on the key assumptions noted above, which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amounts exceeding their recoverable amounts.

11. Trade and Other Payables

	2015 $	2014 $
Trade creditors	**214,195**	311,703
Publisher creditors (i)	**1,024,316**	213,206
Other creditors	**1,614,499**	1,897,179
	2,853,010	2,422,088

(i) Refer to Note 1(p) for further information on publisher creditors.

12. Other Liabilities

	2015 $	2014 $
Current:		
Unearned revenue (i)	**683,148**	667,707
	683,148	667,707

(i) Unearned revenue relates to website development and hosting invoices that are rendered based on full contract terms at the contracts' inception, however performed over stages which straddle the reporting date, and advertising campaigns that have been purchased but whose delivery will occur after the reporting date.

13. Provisions

	2015 $	2014 $
Current:		
Employee benefits	**507,747**	462,287
Non-current:		
Employee benefits	**242,671**	232,494

14. Contributed equity

	2015 Number	2014 Number	2015 $	2014 $
Ordinary Shares – Fully Paid	**1,041,695,054**	969,952,370	**115,100,833**	108,515,858

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the numbers of shares.

At the shareholders meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Movements in Paid-Up Capital

Date	Details	Number of shares	Issue price	Capital raising costs	Value
		Number	$	$	$
30-Jun-13	**Balance (including Treasury shares)**	703,741,287		(933,903)	77,461,855
24-Sep-2013	Issue of shares – employee ESOP	3,828,691	0.059	-	225,893
23-Dec-2013	Scheme consideration – Facilitate Digital acquisition	273,730,778	0.115	-	31,479,039
23-Dec-2013	Issue of shares – employee ESOP	6,250,000	0.115	-	718,750
16-Jun-2014	Issue of shares – employee ESOP	1,000,000	0.105	-	105,000
30-Jun-14		**988,550,756**		**(933,903)**	**109,990,537**
	Less: Treasury shares	(18,598,386)		-	(1,474,679)
30-Jun14	**Balance**	**969,952,370**		**(933,903)**	**108,515,858**
01-Jul-14	**Balance**	**988,550,756**		**(933,903)**	**109,990,537**
10-Jul-2014	Share Placement	65,000,000	$0.10	(316,665)	6,183,335
25-Sep-2014	Exercise of Options	200,000	$0.116	(1,654)	21,546
01-May-2015	Issue of shares – employee ESOP	3,000,000	$0.09		270,000
30-Jun-15		**1,056,750,756**		**(1,252,222)**	**116,465,418**
	Less: Treasury shares	(15,055,702)			(1,364,585)
30-Jun15	**Balance**	**1,041,695,054**		**(1,252,222)**	**115,100,833**

14. Contributed equity (continued)

Treasury Shares

Treasury shares are shares in Adslot Ltd that are held by the Adslot Employee Share Trust, which administers the Adslot Employee Share Ownership Plan (ESOP). This Trust has been consolidated in accordance with Note 1(c). Shares held by the Trust on behalf of eligible employees are shown as treasury shares in the financial statements. Shares issued under this scheme will, subject to the provision of the Trust deed, rank equally in all respects and will have the same rights and entitlements as ordinary shares under the Constitution of the Company.

Treasury Shares movements during the financial year are summarised below:

Issue Type	Issue or Acquisition Date	Issue Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Transfers during the year (Number)	Balance at end of the year (Number)
Employee ESOP	14/09/12	0.046	6,019,695	-	(5,042,684)	977,011
Employee ESOP	10/10/12	0.059	1,500,000	-	(1,500,000)	-
Employee ESOP	24/09/14	0.059	3,828,691	-	-	3,828,691
Employee ESOP	23/12/14	0.115	6,250,000	-	-	6,250,000
Employee ESOP	16/06/14	0.105	1,000,000	-	-	1,000,000
Employee ESOP	1/05/15	0.090	-	3,000,000	-	3,000,000
			18,598,386	**3,000,000**	**(6,542,684)**	**15,055,702**

Options movements during the financial year are summarised below:

Issue Type	Expiry Date	Exercise Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Expired during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)
Ordinary options	08/07/14	0.151	2,000,000	-	(2,000,000)	-	-
Ordinary options	30/09/14	0.116	2,000,000	-	(1,800,000)	(200,000)	-
Ordinary options	30/09/14	0.190	300,000	-	(300,000)	-	-
			4,300,000	**-**	**(4,100,000)**	**(200,000)**	**-**

Rights over shares movements during the financial year are summarised below:

Issue Type	Required VWAP Price $	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired during the year (Number)	Vested during the year (Number)	Balance at the end of the year (Number)
Rights over shares	0.200	3,000,000	-	-	-	3,000,000
Rights over shares	0.300	4,000,000	-	-	-	4,000,000
Rights over shares	0.400	5,000,000	-	-	-	5,000,000
Rights over shares	0.500	5,000,000	-	-	-	5,000,000
		17,000,000	**-**	**-**	**-**	**17,000,000**

Performance rights movements during the financial year are summarised below:

Issue Type	Issue or Acquisition Date	Issue Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Transfers during the year (Number)	Balance at end of the year (Number)
Performance Rights	26/11/14	Nil	-	10,750,000	-	10,750,000
			-	**10,750,000**	**-**	**10,750,000**

15. Reserves

	2015 $	2014 $
Reserves		
Share–based payments reserve	**1,069,631**	1,177,083
Available for sale investment reserve	**-**	-
Foreign currency translation reserve	**118,357**	65,292
	1,187,988	1,242,375
Share–based payments reserve		
Opening balance	**1,177,083**	902,927
Reclassification of lapsed options	**(430,164)**	(120,480)
Reclassification vested ESOP	**(380,094)**	(165,671)
Share based payment expense	**702,806**	560,307
Closing balance	**1,069,631**	1,177,083
Available for sale investment reserve		
Opening balance	**-**	106,335
Decrease in available for sale investment reserve	**-**	(106,335)
Closing balance	**-**	-
Foreign currency translation reserve		
Opening balance	**65,292**	29,777
Movement on currency translation	**53,065**	35,515
Closing balance	**118,357**	65,292

The share-based payments reserve is used to record the value of options accounted for in accordance with AASB2: *Share Based Payments.*

The available-for sale investment reserve is used to record net gain/loss arising on revaluation of available-for sale financial assets in accordance with AASB 139: *Financial Instruments: Recognition and Measurement*.

The foreign currency translation reserve is used to record the value of aggregate movements in the translation of foreign currency in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates.*

16. Earnings Per Share

	2015 Cents	2014 Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Company	(0.89)	(1.20)

(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Company	(0.89)	(1.20)

	2015 $	2014 $
(c) Reconciliation of earnings used on calculating earnings per share (i)		
Loss from continuing operations attributable to the members of the Company used on calculating basic and diluted earnings per share	(9,205,521)	(10,095,562)

	2015 Number	2014 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares on issue used in the calculation of basic EPS	1,038,969,447	844,352,084

	2015 Number	2014 Number
(e) Weighted average number of shares used as the denominator		
Weighted average number of shares on issue used in the calculation of diluted EPS	1,038,969,447	844,352,084

(i) During 2015 and 2014 there were no discontinued operations or values attributable to minority interests.

	2015 Number	2014 Number
Weighted average number of options that could potentially dilute basic earnings per share in the future, but are not included in the calculation of diluted EPS because they are anti-dilutive for the period presented.	29,320,440	32,490,393

17. Discontinued Operations

There were no discontinued operations during the year ended 30 June 2015.

18. Business Combinations

There were no business combinations during the year ended 30 June 2015.

19. Contingencies

No contingent assets or liabilities are noted.

20. Commitments

	2015 $	2014 $
Operating lease commitments		
Total operating lease expenditure contracted for at reporting date but not capitalised in the financial statements payable:		
Within 1 year	**608,550**	640,432
Between 1 and 5 years	**299,561**	788,260
	908,111	1,428,692

The lease commitments detailed above relate to rental premises and lease rental of printer/copier.

Capital commitments

The Group and the Company have not entered any capital expenditure contracts at reporting date that are not recognised as liabilities on the Statement of Financial Position.

21. Remuneration of auditors

	2015 $	2014 $
During the year the following fees were paid/payable to the auditor of the Company:		
Audit services		
Audit and review of financial reports	**105,000**	115,500
During the year the following fees were paid/payable to a related entity of the auditor of the company:		
Other services		
Taxation compliance and Research & Development grant advice	**40,250**	-
	145,250	115,500

22. Key Management Personnel Disclosures

Directors

The following persons were directors of the Company during the financial year:

Mr Andrew Barlow (Non-Executive Chairman)

Mr Adrian Giles (Non-Executive Director)

Mr Ian Lowe (Executive Director & CEO)

Mr Ben Dixon (Executive Director)

Mr Geoff Dixon (Non-Executive Director)

Mr Quentin George (Non-Executive Director)

Ms Sarah Morgan (Non-Executive Director) (from 27 January 2015)

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position
Mr Brendan Maher	Chief Financial Officer and Company Secretary
Mr Tom Peacock	Group Commercial Director

Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	**1,245,625**	1,103,295
Post-employment benefits	**89,038**	60,048
Other long-term employee benefits	**20,486**	3,444
Termination benefits	**-**	-
Share based payments	**400,864**	332,633
Total compensation (a)	**1,756,013**	1,499,420

a) There were 9 key management personnel throughout 2015, some of whom have a part year of service (2014: 10).

Business Acquisitions:

There were no related party transactions during the year ended 30 June 2015.

Transactions with Directors and their personally related entities:

During the year digital marketing services to the value of $2,175 were provided to entities related to two Directors on normal commercial terms and conditions.

During the year advertising inventory to the value of $905 was traded on the Adslot platform by an entity related to two Directors on normal commercial terms and conditions.

23. Share Based Payments

Employee Option Plan

Between 2009 and October 2010 the Company operated an options based scheme for executives and senior employees of the Group. Each share option converted into one ordinary share of Adslot Ltd on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry, subject to the individual remaining an employee of the Company. The plan rules allow departed employees to retain their options for a period of time based on the length of their service with the Company and the nature of their separation from the Company. The board considered these conditions appropriate to ensure the objective of maintaining key staff within the Company. The issue of share options are not subject to performance conditions.

There were no options granted during the years ended 30 June 2015 and 30 June 2014. Options for the reporting period were:

2015

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
28/07/10	08/07/14	0.151	2,000,000	-	-	2,000,000	-	-	-
14/10/10	30/09/14	0.116	2,000,000	-	200,000	1,800,000	-	-	-
14/10/10	30/09/14	0.190	300,000	-	-	300,000	-	-	-
Total			**4,300,000**	**-**	**200,000**	**4,100,000**	**-**	**-**	**-**
Weighted average exercise price			**$0.137**	**-**	**$0.116**	**$0.138**	**-**	**-**	**-**

Options analysis for the prior period were:

2014

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
28/07/10	08/07/14	0.151	2,000,000	-	-	-	-	2,000,000	2,000,000
14/10/10	30/09/14	0.116	3,000,000	-	-	-	(1,000,000)	2,000,000	2,000,000
14/10/10	30/09/14	0.190	300,000	-	-	-	-	300,000	200,000
Total			**5,300,000**	**-**	**-**	**-**	**(1,000,000)**	**4,300,000**	**4,200,000**
Weighted average exercise price			**$0.133**	**-**	**-**	**-**	**$0.116**	**$0.137**	**$0.137**

Weighted average remaining contractual life at 30 June 2014 (days)	53

Employee Share Ownership Plan (ESOP)

In November 2012 the Company gained approval to establish an employee incentive scheme comprising the Adslot Limited Share Option Plan and the Adslot Employee Share Trust.

Awards of rights to shares are available to be issued to eligible employees based on the performance against agreed key performance indicators. Any rights awarded are subject to a two-year service period and if this service period is not met, the rights to shares will be forfeited by the eligible employee. Shares held by the Trust under the scheme will have voting and dividend rights, and the right to participate in further issues pro-rata to all ordinary shareholders.

The following table shows grants of share-based compensation to employees under the ESOP for the current financial year:

2015

Grant Date	Escrow End Date	Valuation Price $	Balance at start of the year (Number)	Granted during the year (Number)	Transferred during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested at the end of the year (Number)
14/09/12	13/09/14	0.046	5,042,685	-	5,042,685	-	-	-
10/10/12	09/10/14	0.059	1,500,000	-	1,500,000	-	-	-
09/07/13	09/07/15	0.042	666,667	-	-	-	666,667	-
05/09/13	05/09/15	0.061	2,902,935	-	-	-	2,902,935	-
24/12/13	24/12/15	Converted Right	3,000,000	-	-	-	3,000,000	-
28/01/14	24/01/16	0.120	176,928	-	-	-	176,928	-
06/03/14	04/03/16	0.090	7,845,045	-	-	3,000,000	4,845,045	-
15/06/14	15/06/15	0.105	250,000	-	-	-	250,000	250,000
15/06/14	2015-2018	0.105	750,000	-	-	-	750,000	-
10/07/14	08/07/16	0.100	-	666,667	-	-	666,667	-
08/09/14	07/09/16	0.155	-	96,523	-	-	96,523	-
01/05/15	01/05/16	0.090	-	1,000,000	-	1,000,000	-	-
01/05/15	01/05/17	0.090	-	1,000,000	-	1,000,000	-	-
01/05/15	01/05/18	0.090	-	1,000,000	-	1,000,000	-	-
Total			**22,134,260**	**3,763,190**	**6,542,685**	**6,000,000**	**13,354,765**	**250,000**
Weighted average share price			**$0.061**	**$0.093**	**$0.049**	**$0.090**	**$0.064**	
Weighted average remaining contractual life at 30 June 2015 (days)								200

23. Share Based Payments (continued)

2014

Grant Date	Escrow End Date	Valuation Price $	Balance at start of the year (Number)	Granted during the year (Number)	Transferred during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested at the end of the year (Number)
01/12/11	30/11/13	0.053	413,511	-	(413,511)	-	-	-
13/12/11	12/12/13	0.064	833,333	-	(833,333)	-	-	-
19/01/12	18/01/14	0.060	833,333	-	(833,333)	-	-	-
14/09/12	13/09/14	0.046	6,229,054	-	(209,359)	(977,010)	5,042,685	-
10/10/12	09/10/13	0.059	1,500,000	-	(1,500,000)	-	-	-
10/10/12	09/10/14	0.059	1,500,000	-	-	-	1,500,000	-
09/07/13	09/07/15	0.042	-	666,667	-	-	666,667	-
05/09/13	05/09/15	0.061	-	3,580,744		(677,809)	2,902,935	-
24/12/13	24/12/15	Converted Right	-	3,000,000	-	-	3,000,000	-
28/01/14	24/01/16	0.120	-	176,928	-	-	176,928	-
06/03/14	04/03/16	0.090	-	7,845,045	-	-	7,845,045	-
15/06/14	15/06/15	0.105	-	250,000	-	-	250,000	-
15/06/14	2015-2018	0.105	-	750,000	-	-	750,000	-
Total			**11,309,231**	**16,269,384**	**(3,789,536)**	**(1,654,819)**	**22,134,260**	**-**
Weighted average share price			**$0.052**	**$0.081**	**$0.060**	**$0.052**	**$0.061**	
Weighted average remaining contractual life at 30 June 2014 (days)								416

The model inputs for ESOP rights to shares granted during the year ended 30 June 2015 included:

Model Input	**ESOP #15-1**	**ESOP #15-2**	**ESOP #15-3**	**ESOP #15-4**	**ESOP #15-5**
Grant Date	10/07/14	8/09/14	1/05/15	1/05/15	1/05/15
Escrow End Date	8/07/16	7/09/16	1/05/16	1/05/17	1/05/18
Exercise Price	-	-	-	-	-
Price at Grant Date	$0.010	$0.155	$0.090	$0.090	$0.090

The model inputs for ESOP rights to shares granted during the year ended 30 June 2014 included:

Model Input	ESOP #14-1	ESOP #14-2	ESOP #14-3	ESOP #14-4	ESOP #14-5	ESOP #14-6
Grant Date	9/07/13	5/09/13	28/01/14	06/03/14	15/06/14	15/06/14
Escrow End Date	9/07/15	5/09/15	28/01/16	04/03/16	15/06/15	2015-2018
Exercise Price	-	-	-	-	-	-
Price at Grant Date	$0.042	$0.061	$0.120	$0.090	$0.105	$0.105

ESOP rights to shares are valued using the Binomial option-pricing model.

The volatility calculation is based upon historical share price information for the same period as the option life to the date that the options were granted.

Performance Rights over Shares

Shareholders approved at the November 2014 Annual General Meeting the creation of Performance Rights over Shares which enables the Board to offer eligible employees the right to Performance Rights which convert to shares subject to the employee's performance against certain performance criteria. No amounts are paid or payable by the recipient on receipt of the right. The rights carry no voting rights. All rights are subject to service periods which require the employees remain an employee of the Company.

The following table shows grants of share-based compensation to employees under the Performance Rights Plan during the current financial year:

Grant Date	Assessment period	Valuation Price $	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested at the end of the year (Number)
26/11/14	2 years	0.105	-	10,750,000	-	10,750,000	-
Total			-	10,750,000	-	10,750,000	-

There were no Performance Rights over Shares issued in 2014.

The model inputs for Performance Rights to shares grated during the year ended 30 June 2015 included:

Model Input	PR # 15-1	PR # 15-2	PR # 15-3	PR # 15-4
Grant Date	26/11/14	26/11/14	26/11/14	26/11/14
Assessment Period	2 years	2 years	2 years	2 years
Exercise Price	-	-	-	-
Probability of Conversion to Shares	10%	25%	50%	75%
Price at Grant Date	$0.105	$0.105	$0.105	$0.105

23. Share Based Payments (continued)

Rights over Shares

No Rights over Shares were issued in 2015. The following table shows movement in the Rights over Shares for the current financial year:

2015

Issue Date	Required VWAP Price $	Escrow Required from award	Valuation Price $	Balance at start of the year (Number)	Granted during the year (Number)	Vested during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)
8-Oct-2012	0.20	2 years	64,500	3,000,000	-	-	-	3,000,000
8-Oct-2012	0.30	-	66,000	4,000,000	-	-	-	4,000,000
8-Oct-2012	0.40	-	73,000	5,000,000	-	-	-	5,000,000
8-Oct-2012	0.50	-	63,500	5,000,000	-	-	-	5,000,000
Total			**267,000**	**17,000,000**	**-**	**-**	**-**	**17,000,000**

2014

Issue Date	Required VWAP Price $	Escrow Required from award	Valuation Price $	Balance at start of the year (Number)	Granted during the year (Number)	Vested during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)
8-Oct-2012	0.10	2 years	93,000	3,000,000	-	(3,000,000)	-	-
8-Oct-2012	0.20	2 years	64,500	3,000,000	-	-	-	3,000,000
8-Oct-2012	0.30	-	66,000	4,000,000	-	-	-	4,000,000
8-Oct-2012	0.40	-	73,000	5,000,000	-	-	-	5,000,000
8-Oct-2012	0.50	-	63,500	5,000,000	-	-	-	5,000,000
Total			**360,000**	**20,000,000**	**-**	**(3,000,000)**	**-**	**17,000,000**

24. Cash Flow reconciliation

	2015 $	2014 $
Reconciliation of Net Cash Flows from Operating Activities to Loss for the year		
Loss for the year after income tax	**(9,205,521)**	(10,095,562)
Depreciation and amortisation	**5,731,779**	5,025,021
Share based payment	**702,806**	560,307
Impairment of receivables	**(37,440)**	3,145
(Profit) / Loss on asset write off	**-**	(32)
Unrealised foreign currency loss / (gain)	**(60,352)**	42,089
Movements in receivables relating to investing activities	**39,253**	(547,238)
Changes in assets and liabilities (net of effects of acquisition and disposal of entities)		
(Increase)/Decrease in receivables	**(848,201)**	419,632
(Increase)/Decrease in deferred taxes	**-**	(39,677)
(Decrease)/Increase in payables and other provisions	**502,000**	(974,276)
Net cash outflow from operating activities	**(3,175,676)**	(5,606,591)

25. Financial Risk Management

The Group's operations expose it to various financial risks including market, credit, liquidity and cash flow risks. Risk management programmes and policies are employed to mitigate the potential adverse effects of these exposures on the results of the Group.

Financial risk management is carried out by the Chief Financial Officer with oversight provided by the Audit & Risk Committee and Board.

(a) Market risks

Market risks include foreign exchange risk, interest rate risk and other price risk. The Group's activities expose it to the financial risks of changes in foreign currency, interest rate risk relating to interest earned on cash and cash equivalents.

Disclosures relating to foreign currency risks are covered in Note 25(d) and interest rate risk is covered in Note 25(e). The Group does not have formal policies that address the risks associated with changes in interest rates or changes in fair values on available-for-sale financial assets.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets, other than investments, of the Group which have been recognised in the Consolidated Statement of Financial Position is the carrying amount net of any provision for doubtful debts.

The Group has no significant concentrations of credit risk. As disclosed in Note 8(a), 'Impairment of receivables', the Group has policies in place to ensure that sales of services are made to customers with appropriate credit history. Before accepting any new customers, the Group internally reviews the potential customer's credit quality. A substantial deposit on contract in website development and hosting segment of the Group mitigates initial credit risk.

25. Financial Risk Management (continued)

The Group held the following financial assets with potential credit risk exposure:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	**4,441,226**	3,354,051
Trade and other receivables	**4,488,830**	3,785,415
	8,930,056	7,139,466

(c) Liquidity risk

Financial liabilities		
Trade and other payables	**2,853,010**	2,422,088

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying business, the Board aims at maintaining flexibility in funding by keeping committed credit lines and sufficient cash available.

All financial liabilities are expected to be settled within 12 months of the reporting date, per the contractual terms of the obligations.

(d) Foreign currency risk

Most of the Group's transactions are carried out in Australian Dollars (AUD). Exposures to currency exchange rates arise from the Group's overseas operations which are primarily denominated in US dollars (USD), Pound Sterling (GBP), Euros (EUR), New Zealand dollars (NZD), Chinese Yuan (CNY) and Malaysian Ringgit (MYR).

Foreign currency exposure is monitored by the Board on a monthly basis.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

30 June 2015	USD A$	GBP A$	EUR A$	NZD A$	CNY A$	MYR A$
Financial Assets	1,102,446	161,270	161,097	188,063	39,913	4,245
Financial Liabilities	(783,412)	(356,742)	(41,333)	(47,936)	(30,456)	-
Total Exposure	**319,034**	**(195,472)**	**119,764**	**140,127**	**9,457**	**4,245**
30 June 2014						
Financial Assets	511,862	69,656	136,906	203,710	1,319	-
Financial Liabilities	(157,338)	(112,051)	(102,306)	(39,313)	(7,256)	-
Total Exposure	**354,524**	**(42,395)**	**34,600**	**164,397**	**(5,937)**	**-**

The following table illustrates the sensitivity of profit in regards to the Group's financial assets and financial liabilities and the USD/AUD exchange rate, GBP/AUD exchange rate, EUR/AUD exchange rate, NZD/AUD exchange rate and CNY/AUD exchange rate 'all other things being equal'. It assumes a +/- 10% change of the following exchange rates for the year ended 30 June 2015 (30 June 2014:10%).

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. There is no Equity exposure to foreign currency risk.

	+10%						
	USD A$	**GBP A$**	**EUR A$**	**NZD A$**	**CNY A$**	**MYR A$**	**Total A$**
30 June 2015	**(29,003)**	**17,770**	**(10,888)**	**(12,739)**	**(860)**	**(386)**	**(36,106)**
30 June 2014	(32,229)	3,854	(3,145)	(14,945)	540	-	(45,925)

	-10%						
	USD A$	**GBP A$**	**EUR A$**	**NZD A$**	**CNY A$**	**MYR A$**	**Total A$**
30 June 2015	**35,448**	**(21,719)**	**13,307**	**15,570**	**1,051**	**472**	**44,129**
30 June 2014	39,391	(4,711)	3,844	18,266	(660)	-	56,130

(e) Cash flow and interest rate risk

As the Group has no significant interest-bearing assets or liabilities (except cash), the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on exposure to interest rates on interest bearing bank balances throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates (also comparable to movement in interest rates during the reporting year).

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's net profit would:

	+1% $	**-1% $**
30 June 2015	64,035	(62,093)
30 June 2014	68,693	(61,810)

This is mainly attributable to the Group's exposure to interest rate on its bank balances bearing interest.

(f) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and other short-term financial assets and financial liabilities of the Group approximates their carrying value.

The net fair value of other financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

26. Parent Entity Information

The following details of information are related to the parent entity, Adslot Ltd, at 30 June 2015. This information has been prepared using consistent accounting policies as presented in Note 1.

	2015 $	2014 $
Current assets	**3,638,842**	2,794,138
Non-current assets	**45,285,866**	45,363,941
Total assets	**48,924,708**	48,158,079
Current liabilities	**163,707**	154,127
Non-current liabilities	**-**	-
Total liabilities	**163,707**	154,127
Contributed equity	**116,465,418**	109,990,537
Share-based payments reserve	**1,069,631**	1,177,084
Retained losses	**(68,774,048)**	(63,163,669)
Total equity	**48,761,001**	48,003,952
Loss for the year	**(6,040,543)**	(7,330,213)
Total comprehensive loss for the year	**(6,040,543)**	(7,330,213)

The Commitments Note 20 includes commitments incurred by the parent entity related to leases of the head office premises at 85 Coventry Street, South Melbourne for an amount of $330,658 (2014: $330,999).

27. Related Party Transactions

Other than the transactions disclosed in Note 22 relating to key management personnel, there have been no related party transactions that have occurred during the current or prior financial year.

28. Events Subsequent to Reporting Date

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

29. Consolidated Entities

Name	Country of Incorporation	Ordinary Share Consolidated Equity Interest	
		2015	**2014**
Parent entity		**%**	**%**
Adslot Ltd	Australia		
Controlled entities			
Adslot Technologies Pty Ltd	Australia	**100**	100
Ansearch.com.au Pty Ltd	Australia	**100**	100
Ansearch Group Services Pty Ltd	Australia	**100**	100
Webfirm Pty Ltd	Australia	**100**	100
Adimise Pty Ltd	Australia	**100**	100
Full Circle Online Pty Ltd	Australia	**100**	100
QDC IP Technologies Pty Ltd	Australia	**100**	100
Webfirm Media Pty Ltd (a)	Australia	**-**	100
Searchworld Pty Ltd (a)	Australia	**-**	100
Adslot UK Limited	United Kingdom	**100**	100
Adslot Inc.	United States	**100**	100
Symphony International Solutions Limited (b)	Australia	**100**	100
Symphony Workflow Pty Ltd (c)	Australia	**100**	100
Symphony Media Pty Ltd	Australia	**100**	100
Facilitate Digital (Shanghai) Software Services Co. Ltd	China	**100**	100
Facilitate Digital Limited	New Zealand	**100**	100
Facilitate Digital Trust	New Zealand	**100**	100
Facilitate Digital, LLC	United States	**100**	100
Facilitate Digital UK Limited	United Kingdom	**100**	100
Facilitate Digital Deutschland GmbH	Germany	**100**	100
Facilitate Digital Europe Marketing Technology Ltd	Republic of Ireland	**100**	100

(a) Deregistered 23 February 2015.
(b) Formerly Facilitate Digital Holdings Limited. This name change occurred on 30 April 2015.
(c) Formerly Facilitate Digital Pty Ltd. This name change occurred on 30 April 2015.

Equity interests in all controlled entities are by way of ordinary shares.

Directors' Declaration

The directors declare that the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes, as set out on pages 20 to 61 are in accordance with the *Corporations Act 2001* and:

(a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements in Australia;

(b) give a true and fair view of the group's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(c) the company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

In the directors' opinion:

(a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(b) the audited remuneration disclosures set out on pages 11 to 18 of the Directors' Report comply with section 300A of the *Corporations Act 2001*.

The directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Andrew Barlow
Chairman
Adslot Ltd

26 August 2015

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Independent Auditor's Report
To the Members of Adslot Ltd

Report on the financial report

We have audited the accompanying financial report of Adslot Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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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 which require us to 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of Adslot 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 2015 and of its performance for the year ended on that date; and

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

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in pages 13 to 21 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Adslot Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 26 August 2015

Corporate Governance Statement

In accordance with Listing Rule 4.10.3 Adslot's Corporate Governance Statement can be found at http://www.adslot.com/investor-relations/corporate-governance/

Shareholder Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 24 August 2015.

Distribution of equity securities	Ordinary Shares Number of Holders	Ordinary Shares Number of Shares
The number of shareholders by size of shareholding are:		
1 – 1,000	184	19,640
1,001 – 5,000	460	1,654,509
5,001 – 10,000	796	6,552,334
10,001 – 100,000	2,129	86,962,676
100,001 +	1,044	961,561,597
TOTAL	**4,613**	**1,056,750,756**
The number of shareholders holding less than a marketable parcel of shares (6,250 shares):	811	2,632,155

Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares Number of Shares	Listed Ordinary Shares % of Shares
1	DAWNIE DIXON PTY LTD <DIXON FAMILY SUPER FUND A/C>	72,452,688	6.86
2	FINICO PTY LTD	55,148,796	5.22
3	VENTURIAN PTY LTD <MAVERICK INNOVATION A/C>	45,803,769	4.33
4	NATIONAL NOMINEES LIMITED	45,673,985	4.32
5	AMBLESIDE VENTURES PTY LTD <AMBLESIDE INVESTMENTS A/C>	31,607,563	2.99
6	ANDAMA HOLDINGS PTY LTD <J & M BARLOW PENSION A/C>	25,500,000	2.41
7	CITICORP NOMINEES PTY LIMITED	22,491,411	2.13
8	ZERO NOMINEES PTY LTD	21,500,000	2.03
9	J P MORGAN NOMINEES AUSTRALIA LIMITED	15,935,978	1.51
10	ANSEARCH COM AU PTY LTD	14,389,035	1.36
11	G & D DIXON INVESTMENTS PTY LTD	12,302,184	1.16
12	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	10,329,340	0.98
13	COTU INVESTMENTS PTY LTD <COTU SUPER FUND A/C>	9,200,000	0.87
14	FINICO PTY LIMITED <MORRIS SUPER FUND A/C>	9,179,849	0.87
15	CAPITAL ACCRETION PTY LTD <THE FORTIFIED VALUE A/C>	8,000,000	0.76
16	IAN LOWE + BEN DIXON <THE BIG GREEN A/C>	6,938,729	0.66
17	SISUG PTY LTD <SISU SUPERANNUATION FUND A/C>	6,194,236	0.59
18	MR PETER JOHN DIAMOND + MRS DIANA ELIZABETH DIAMOND <PETER&DIANA DIAMOND S/F A/C>	6,000,000	0.57
19	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT>	6,000,000	0.57
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,866,283	0.56
Total Top 20 holders of Ordinary Shares		**430,513,846**	**40.74**
Remaining holders balance		**626,236,910**	**59.26**

Classes of Shares - Adslot Ltd has only one class of share on issue, being fully paid ordinary shares.

Substantial Shareholders

	Shares	% Shares
Geoff Dixon	86,252,015	8.16%
Chris Morris	70,410,696	6.66%
Andrew Barlow	57,803,769	5.47%

Voting Rights - All ordinary shares carry one vote per share without restrictions.

Corporate Directory

Directors
Mr Andrew Barlow – Chairman
Mr Ian Lowe – Executive Director
Mr Ben Dixon – Executive Director
Mr Adrian Giles – Non-Executive Director
Mr Geoff Dixon – Non-Executive Director
Mr Quentin George – Non Executive Director
Ms Sarah Morgan – Non Executive Director

Chief Executive Officer
Mr Ian Lowe

Company Secretary
Mr Brendan Maher

Auditors
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National Australia Bank Limited
424 St Kilda Road
St Kilda VIC 3004

Share Register
Computershare Registry Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, VIC 3001

Home Stock Exchange
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