RENT.COM.AU LIMITED

ABN 25 062 063 692

Financial Report

30 June 2017

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Corporate Information

This financial report includes the financial statements and notes of Rent.com.au Limited ('the Company') and its controlled entities ('the Group'). The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report on pages 2 to 18. The Directors' Report is not part of the financial report.

Directors

Dr. Garry Garside	Non-Executive Chairman
Mr. John Wood	Non-Executive Director
Mr. Sam McDonagh	Non-Executive Director
Mr. Philip Warren	Non-Executive Director

Joint Company Secretary

Mr. Jan Ferreira
Mr. Steven Wood

Registered Office

945 Wellington Street
WEST PERTH WA 6005

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Ave
WEST PERTH WA 6005
Phone: 1300 288 664

Website

http://investors.rent.com.au/

Auditors

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Bankers

Commonwealth Bank of Australia
150 St Georges Terrace
PERTH WA 6000

Solicitors

GTP Legal
68 Aberdeen Street
NORTHBRIDGE WA 6003

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000
ASX Code: RNT

Directors' Report

The Board of Directors presents the following report on Rent.com.au Limited and its controlled entities (referred to hereafter as 'the Group') for the year ended 30 June 2017.

Directors

The names of the Directors in office during the whole of the financial year and until the date of this report are as follows. All directors were in office for the entire period unless otherwise stated:

Dr. Garry Garside	Non-Executive Chairman
Mr. Philip Warren	Non-Executive Director
Mr. John Wood	Non-Executive Director
Mr. Sam McDonagh	Non-Executive Director
Mr. Mark Woschnak	Managing Director *(Resigned 22 July 2016)*

Principal Activities

The Group operates real estate websites focusing on the rental property market. The primary website operated by the Group is www.rent.com.au.

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of $8,513,631 for the year ended 30 June 2017 (for year ended 30 June 2016: $12,820,585). The net operating loss for the year ended 30 June 2017 included a non-cash share based payments expense of $2,243,418 (30 June 2016: $5,447,424) associated with performance based convertible securities issued to advisors, shareholders and employees. Earnings Before Interest, Tax, Depreciation, and Amortisation (and excluding non-cash share based payments) for the year ended 30 June 2017 was a loss of $5,822,425 (30 June 2016: $7,216,670).

During the year ended 30 June 2017 the Group took great strides towards its commercialisation goals, growing revenue by 121% over the previous year. Key to this growth has been the launch of Renter Resume, an industry leading feature which the Group launched in October 2016. Since launch on 21st October 2016, resume creation has averaged a consistent 500 resumes per day, totalling almost 130,000 Renter Resumes by 30 June 2017.

Renter Resume allows a renter to create a detailed profile which can be enhanced using some of the Group's renter products such as RentCheck and RentBond. The Group has repositioned these products, changing providers where necessary, and the process now also allows the Group to introduce other products such as RentConnect in a non-intrusive way. These changes set up future growth for the Group but have also had immediate results, with revenue from renter products growing by 160% over the prior year.

The Group has also improved its offering to third party advertisers, growing advertising revenue by 122% over the prior year despite maintaining consistent levels of unique visitors (growth of only 17%) relative to the prior year.

The Group has maintained an efficient cost base, taking opportunities to realise savings where they do not harm revenue growth. Overhead costs have been halved (fourth quarter relative to the same quarter in 2016) and marketing has also been made more efficient, with quarterly expenditure reducing by 39% while visitor numbers have remained stable.

Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial period.

Directors' Report (continued)

Significant Changes in State of Affairs

On 26 October 2016, the Group successfully completed the placement ("the Placement") of 13,000,000 shares with institutional and sophisticated investors under its Listing Rule 7.1 placement capacity. The placement was completed at an issue price of $0.10 per share, raising $1,300,000 (before costs).

On 16 November 2016, the Group successfully completed the fully underwritten, non-renounceable pro rata offer ("the Rights Issue") of 37,197,542 shares at an issue price of $0.10 per share to raise $3,719,754 (before costs), bringing the total capital raised for the year to $5,019,754 (before costs).

The capital raised via the Placement and the Rights Issue will be used to help accelerate commercialisation and the development of further key customer products and innovations similar to Renter Resume and Walk Score.

Matters Subsequent to the end of the Financial Year

No other matters or circumstances have arisen since the end of the financial period which 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 subsequent financial years.

Likely Developments and Expected Results

The Group remains focussed on its short term goal of cashflow break even, which it aims to achieve by continuing to grow its Renter Resume online rental application system and associated revenue streams whilst maintaining as lean a cost structure as is practicable.

Financial Position

The net assets of the Group have decreased from $5,217,209 at 30 June 2016 to $3,592,578 at 30 June 2017. Cash reserves decreased from $6,080,209 at 30 June 2016 to $3,254,380 at 30 June 2017.

Information on Directors

Dr. Garry Garside	–	Chairman (Non-Executive), *appointed 15 June 2015*
Age	–	60
Qualifications	–	MBA (UWA)
Experience	–	Dr. Garside has extensive corporate experience, successfully establishing and operated a variety of significant businesses. He currently manages an emerging property development company and chairs a range of unlisted investment syndicates and companies.
Special responsibilities	–	Chairman Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee.
Interest in shares & options held in Rent.com.au Limited	–	4,388,190 Ordinary shares (indirect) 111,413 Ordinary shares 581,382 Performance shares (indirect) 950,000 Employee options 222,826 Performance rights
Directorships held in other listed entities	–	None

Directors' Report (continued)

Information on Directors (cont'd)

Mr. Sam McDonagh	–	Director (Non-Executive), *appointed 15 June 2015*
Age	–	46
Qualifications	–	Chartered Accountant
Experience	–	Mr. McDonagh has over 20 years' experience in senior management roles at companies including General Manager of eBay in Southeast Asia and Chief Sales and Marketing Officer for iiNet Limited. Mr. McDonagh and is currently the Country Manager of Airbnb Australia and New Zealand
Special responsibilities	–	Member of the Audit and Risk Committee.
Interest in shares & options held in Rent.com.au Limited	–	818,237 Ordinary shares 37,606 Performance shares 1,600,000 Employee options 375,284 Performance rights
Directorships held in other listed entities	–	None

Mr. Philip Warren	–	Director (Non-Executive), *appointed 18 September 2014*
Age	–	43
Qualifications	–	B. Com, Chartered Accountant
Experience	–	Mr. Warren is the Managing Director of Grange Consulting Group Pty Ltd. He has over 20 years of experience in finance and corporate roles in Australia and Europe, establishing a number of ASX listed companies during that time.
Special responsibilities	–	Chair of the Audit and Risk Committee Member of the Nomination and Remuneration Committee
Interest in shares & options held in Rent.com.au Limited	–	157,386 Ordinary shares (indirect) 1,012,500 options (indirect)
Directorships held in other listed entities	–	Non-Executive Director of Cassini Resources Limited and Family Zone Cyber Safety Limited

Mr. John Wood	–	Director (Non-Executive) *appointed 15 June 2015*
Age	–	51
Qualifications	–	N/A
Experience	–	Mr. Wood is currently the Managing Director of National Lifestyle Villages (NLV) a company he founded in 1999. He was awarded the prestigious Telstra WA Business of the Year award in 2007 and the Rothwell's Young Entrepreneur Award and the West Australian Young Achievers Award.
Special responsibilities	–	Chair of the Nomination and Remuneration Committee.
Interest in shares & options held in Rent.com.au Limited	–	933,764 Ordinary shares 12,427,933 Ordinary shares (indirect) 6,068,082 Performance shares (indirect) 500,000 Employee options 117,276 Performance rights
Directorships held in other listed entities	–	None

Directors' Report (continued)

Information on Directors (cont'd)

Mr. Mark Woschnak	–	Managing Director, *appointed 15 June 2015, resigned 22 July 2016*
Age	–	49
Qualifications	–	BBus
Experience	–	Mr. Woschnak is the founder of RENT. He has 25 years' experience in real estate, digital publishing and classifieds services. Mr. Woschnak has maintained a real estate license for 20 years, and was a ten year Associate of the Australian Property Institute.
Interest in shares & options held in Rent.com.au Limited	–	Not applicable as no longer a director
Directorships held in other listed entities	–	None

Directors' Meetings

The number of directors' meetings held and the number of meetings attended by each of the directors of the Group for the time the director held office for the period ended 30 June 2017:

	Number of Meetings Eligible to Attend	**Number of Meetings Directors Attended**
Garry Garside	12	12
Sam McDonagh	12	10
Philip Warren	12	12
John Wood	12	11
Mark Woschnak[1]	0	0

[1] *Mark Woschnak resigned on 22 July 2016*

Company Secretary

Jan Ferreira was appointed as joint company secretary from 15 June 2015. Jan is a CPA (Australia) and has a Certificate in Governance Practice from the Governance Institute of Australia. He has more than 12 years' experience within ASX listed businesses, having previously been Chief Financial Officer and Company Secretary at ThinkSmart Limited and a Financial Controller at Alinta Limited.

Steven Wood was appointed as a company secretary effective 18 September 2014. Steven specialises in corporate advisory, company secretarial and financial management services. Steven is a Chartered Accountant and has previously been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

Performance Shares

The terms and conditions of the Performance shares have been previously outlined in the Company's prospectus dated 7 April 2015. Please refer to section 6.9 Capital Structure of the Prospectus dated 7 April 2015 for any additional information that is not outlined in this report.

Directors' Report (continued)

Performance Shares (cont'd)

Upon the achievement of the applicable performance milestone, the Performance Shares convert into Ordinary Shares at a ratio of 1 Ordinary Share for every 1 Performance Share held. No payment is necessary to exercise a Performance Share. As at the date of this report, Performance Shares on issue are as follows:

Class	Date Granted	Expiry Date	Number
B	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2018	8,160,771
C	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2019	8,160,771

The vesting conditions of the two classes of performance shares on issue are outlined below:
- Class B – will convert on achievement of greater than $10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018.
- Class C – will convert on achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.

Performance Rights

Upon the achievement of the applicable performance milestone, the Performance Rights convert into Ordinary Shares at a ratio of 1 Ordinary Share for every 1 Performance Right held. No payment is necessary to exercise a Performance Right. As at the date of this report, Performance Rights on issue are as follows:

Tranche	Date Granted	Expiry Date	Number
2	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2018.	117,277
3	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	117,277
4	13 August 2015	31 January 2019	46,667
4	22 February 2016	31 January 2019	40,000[1]
5	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2018.	678,443
5	13 August 2015	14 days after the release of the audited financial reports for the period ended 31 December 2018.	46,667
5	22 February 2016	14 days after the release of the audited financial reports for the period ended 31 December 2018.	80,000[1]
5	9 September 2016	14 days after the release of the audited financial reports for the period ended 31 December 2018.	3,283,741[2]
6	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	678,443
6	13 August 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	46,666
6	22 February 2016	14 days after the release of the audited financial reports for the period ended 31 December 2019.	80,000[1]
6	9 September 2016	14 days after the release of the audited financial reports for the period ended 31 December 2019.	3,283,741[2]

Directors' Report (continued)

Performance Rights (cont'd)

The vesting conditions of the various tranches of performance shares on issue are outlined below:

- Tranche 2 - will vest upon achievement of greater than $10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018.
- Tranche 3 – will vest upon achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.
- Tranche 4 – will vest upon achievement of greater than 500,000 unique visitors to the website www.rent.com.au in each of 3 consecutive months, on or before 31 December 2018.
- Tranche 5 – will vest upon achievement of greater than $10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018.
- Tranche 6 – will vest upon achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.

[1] Subsequent rights granted in February 2016 will vest upon continuous employment with the Group until 31 December 2017.
[2] Subsequent rights granted in September 2016 will vest upon continuous employment with the Group until 30 June 2018.

Indemnification of officers

During the financial period, the Group entered into a policy to indemnify directors and officers against certain liabilities incurred as a director or officer, including costs and expenses associated in successfully defending legal proceedings. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or an auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Group

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

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

Officers of the Group who are former partners of RSM Australia Partners

There are no officers of the Group who are former partners of RSM Australia Partners.

Auditor's independence declaration

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

Auditor

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

Directors' Report (continued)

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided by the auditor are outlined in Note 7 to the financial statements.

The Board is satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001

The Board is of the opinion that the services as disclosed in note 7 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Group and review of the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- all non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Shares under option

Unissued ordinary shares of Rent.com.au Limited under option as at 30 June 2017 are as follows:

Date Options Granted	Expiry Date	Tranche	Issue Price of Share	Number Under Option
17 June 2015	17 June 2020	Advisor	$0.30	7,000,000[1]
17 June 2015	17 June 2020	1,2,3	$0.25	19,000,000[2]
17 June 2015	17 June 2020	4	$0.30	4,728,334[2]
17 June 2015	17 June 2020	5	$0.30	4,728,334[2]
17 June 2015	17 June 2020	6	$0.30	4,728,332[3]
13 August 2015	13 August 2020	4	$0.30	133,333[2]
13 August 2015	13 August 2020	5	$0.30	133,333[2]
13 August 2015	13 August 2020	6	$0.30	133,334[3]
22 February 2016	22 February 2021	4	$0.30	610,000[4]
22 February 2016	22 February 2021	5	$0.30	610,000[4]
22 February 2016	22 February 2021	6	$0.30	610,000[4]
9 September 2016	9 September 2021	7	$0.25	1,250,000[5]
9 September 2016	9 September 2021	8	$0.35	1,250,000[5]
9 September 2016	9 September 2021	9	$0.50	1,250,000[5]
Total				**46,165,000**

1. Advisor options have vested and are exercisable.
2. Employee options have vested and are exercisable.
3. Employee options vest upon the VWAP of shares trading at greater than $0.60 over 20 consecutive trading days.
4. Employee options vest upon continuous employment with the Group until 31 December 2016 and:
   - Tranche 4 – vest upon the VWAP of shares trading at greater than $0.30 over 20 consecutive trading days.
   - Tranche 5 – vest upon the VWAP of shares trading at greater than $0.40 over 20 consecutive trading days.
   - Tranche 6 – vest upon the VWAP of shares trading at greater than $0.60 over 20 consecutive trading days.
5. Employee options. Vest upon continuous employment with the Group until 30 June 2018.

Directors' Report (continued)

Shares issued on the exercise of options

There were no ordinary shares of Rent.com.au Limited issued during the year ended 30 June 2017, and up to the date of this report, on the exercise of options.

Audited Remuneration report

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information

Voting and comments made at the Group's 2016 Annual General Meeting ('AGM')

At the 2016 AGM, 79.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

A. Principles used to determine the nature and amount of remuneration

Remuneration Governance

The Board has elected to establish a remuneration committee in accordance with its Corporate Governance Policy.

The following items are considered and discussed as deemed necessary at the remuneration committee meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for any Executive Directors;
- undertake a review of any Executive Director's performance, at least annually, including setting any Executive Director goals for the coming year and reviewing progress in achieving those goals;
- consider and report on the recommendations and remuneration of any Executive Directors; and
- develop and facilitate a process for Board and Director evaluation.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the remuneration committee.

Directors' Fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $350,000 per annum and was approved at a previous annual general meeting.

The following fees were paid since 1 July 2016:

Non-executive directors[1]:	$175,000
Managing director[2]:	$329,676

[1]Total fee paid to Garry Garside, John Wood, Sam McDonagh and Philip Warren.
[2]Fee paid to Mark Woschnak on his resignation. This included payout of accrued long service leave and accrued annual leave.

Directors' Report (continued)

Audited Remuneration report (cont'd)

A. Principles used to determine the nature and amount of remuneration (cont'd)

<u>Additional fees</u>

A director may also be paid fees or other amounts as the directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

<u>Retirement allowances for directors</u>

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements.

<u>Executive pay</u>

The executive pay and reward framework has the following components:

- base pay and benefits, including superannuation;
- car allowance;
- short-term incentives; and
- long-term incentives through participation in the Long Term Incentive Plan.

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

<u>Base pay</u>

The employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executives' pay is competitive with the market. An executive's pay is also reviewed every 12 months and may increase every 12 months.

<u>Benefits</u>

No benefits other than noted above are paid to directors or management except as incurred in normal operations of the business.

<u>Long term incentives</u>

Long term incentives have been provided to directors and employees through the issue of performance shares, employee options and performance rights.

At the annual general meeting of the Group, the Long Term Incentive Plan ('LTIP') was approved by shareholders. The LTIP allows the Group to provide incentives which promote the long term performance, growth and support of the Group.

The LTIP provides for the issuance of:

- Performance Rights which, upon a determination by the Board that the performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary Share in the Group for each Performance Right; and

Directors' Report (continued)

Audited Remuneration report (cont'd)

A. Principles used to determine the nature and amount of remuneration (cont'd)

- Plan Options which, upon a determination by the Board that the vesting conditions attached to the Plan Options have been met, will result in the Plan Options vesting and being able to be exercised into Shares by payment of the exercise price.

To achieve its corporate objectives, the Group needs to attract and retain its key staff. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Group's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Group to recruit, incentivise and retain Key Management Personnel and other eligible Employees needed to achieve the Group's business objectives;

(b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Group;

(c) align the financial interest of participants of the Plan with those of Shareholders; and

(d) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

The key features of the Plan are as follows:

(a) The Board will determine the number of Performance Rights and Plan Options (Plan Securities) to be granted to Eligible Employees (or their Affiliates) and the vesting conditions, expiry date of the Plan Securities and the exercise price of the Plan Options in its sole discretion.

(b) The Plan Securities are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.

(c) Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of Plan Securities, the Board will have the power to amend the Plan as it sees fit.

B. Details of remuneration

<u>Amounts of remuneration</u>

Details of the remuneration of the directors and the key management personnel of the Group are found below:

Director	Appointed	Resigned
Dr. Garry Garside	15 June 2015	-
Mr. Sam McDonagh	15 June 2015	-
Mr. Philip Warren	18 September 2014	-
Mr. John Wood	15 June 2015	-
Mr. Mark Woschnak	15 June 2015	22 July 2016

Directors' Report (continued)

Audited Remuneration report (cont'd)

B. Details of remuneration (cont'd)

KMP	Commencement Date	Cessation Date
Mr. Greg Bader	23 August 2016	-
Mr. Jan Ferreira	28 April 2014	-
Ms. Maya William[1]	21 September 2015	12 August 2016
Mr. Scott Waters[1]	14 September 2015	12 August 2016

1. Ms William and Mr Waters ceased to be a KMP upon restructure of the business on 12 August 2016.

Key Management personnel and other executives of the Group

Details of remuneration for the year ended 30 June 2017

KMP	Base Fee $	Super-annuation $	Long Service Leave $	Performance Rights $	Options[1] $	Total $
Garry Garside	55,000	-	-	22,594	43,557	121,151
Sam McDonagh	40,000	-	-	38,053	21,749	99,802
Phillip Warren	40,000	-	-	-	-	40,000
John Wood	40,000	-	-	11,891	21,808	73,699
Mark Woschnak[2]	255,913	28,602	45,161	656,748	921,032	1,907,456
Greg Bader	232,692	22,106	-	9,176	83,960	347,934
Jan Ferreira	225,000	21,375	-	24,426	10,874	281,675
Maya William[3]	23,562	2,238	-	144	801	26,745
Scott Waters[3]	21,205	2,015	-	144	801	24,165
Total	**933,372**	**76,336**	**45,161**	**763,176**	**1,104,582**	**2,922,627**

1. Options include both share based payments and advisor options.
2. Mr Woschnak resigned as Managing Director on 22 July 2016.
3. Ms William and Mr Waters ceased to be a KMP upon restructure of the business on 12 August 2016.

Details of remuneration for the year ended 30 June 2016

KMP	Base Fee $	Super-annuation $	Long Service Leave $	Performance Rights $	Options[1] $	Total $
Philip Warren	40,000	-	-	-	-	40,000
Garry Garside	55,000	-	-	6,227	79,965	141,192
Mark Woschnak	319,819	30,334	-	183,518	2,374,666	2,908,337
John Wood	40,000	-	-	3,277	43,380	86,657
Sam McDonagh	40,000	-	-	10,487	130,080	180,567
Jan Ferreira	225,000	21,414	-	5,899	73,170	325,483
Maya William	155,384	14,764	-	507	12,918	183,573
Scott Waters	143,308	13,866	-	507	12,918	170,599
David Berridge[2]	25,385	2,412	-	-	-	27,797
Rupert Quekett[2]	26,923	2,558	-	-	-	29,481
Total	**1,070,819**	**85,348**	**-**	**210,422**	**2,727,097**	**4,093,686**

1. Options include both share based payments and advisor options.
2. Ceased to be KMP upon establishment of Executive Team following commencement of Ms. William and Mr. Waters.

Directors' Report (continued)

Audited Remuneration report (cont'd)

B. Details of remuneration (cont'd)

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

Name	Fixed remuneration 2017	Fixed remuneration 2016	At risk - STI 2017	At risk - STI 2016	At risk - LTI 2017	At risk - LTI 2016
Non-Executive Directors:						
Garry Garside	100%	100%	-	-	54.60%	56.73%
Sam McDonagh	100%	100%	-	-	59.92%	72.16%
Phillip Warren	100%	100%	-	-	-	-
John Wood	100%	100%	-	-	45.73%	50.14%
Executive Directors:						
Mark Woschnak[1]	100%	100%	-	-	82.72%	81.78%
Other Key Management Personnel:						
Greg Bader	100%	100%	-	-	26.77%	-
Jan Ferreira	100%	100%	-	-	12.53%	22.52%
Maya William[2]	100%	100%	-	-	3.53%	7.05%
Scott Waters[2]	100%	100%	-	-	3.91%	7.58%

1. Mr Woschnak resigned as Managing Director on 22 July 2016 and ceased to be key management personnel in this financial year.
2. Ms William and Mr Waters ceased to be a KMP upon restructure of the business on 12 August 2016.

Share based compensation

Performance Rights granted as part of remuneration for the year ended 30 June 2017.

KMP	Grant Date	Number Granted	Number vested at year end	Average fair value per performance right at grant date	Maximum total of grant yet to vest	Expiry date
Greg Bader	9 September 2016	3,283,741	-	$0.001	3,283,741	31 December 2018
Greg Bader	9 September 2016	3,283,741	-	$0.001	3,283,741	31 December 2019
Total		**6,567,482**			**6,567,482**	

Options (share based payments) granted as compensation to KMP for the year ended 30 June 2017.

KMP	Grant Date	Number Granted	Vesting date	Expiry Date	Exercise price	Fair value per option at grant date
Greg Bader	9 September 2016	1,250,000	30 June 2018	9 September 2021	$0.250	$0.056
Greg Bader	9 September 2016	1,250,000	30 June 2018	9 September 2021	$0.350	$0.050
Greg Bader	9 September 2016	1,250,000	30 June 2018	9 September 2021	$0.500	$0.044
Total		**3,750,000**				

Directors' Report (continued)

Audited Remuneration report (cont'd)

C. Service agreements

Remuneration and other terms of employment for the Chief Executive Officer and other Key Management Personnel are formalised in employment contracts. Other major provisions of the agreements relating to remuneration are set out below:

Greg Bader, Chief Executive Officer

- Mr. Bader's Executive Services Agreement for the position of Chief Executive Officer has no fixed period and may be terminated by provision of six months' prior written notice by either party.
- Mr. Bader receives a base salary of $250,000 per annum, plus statutory superannuation entitlements.
- Mr. Bader is eligible to participate in the Long Term Incentive Plan and was issued 3,750,000 Employee Options and 6,567,482 Performance Rights.
- Mr. Bader will also be eligible to participate in a short term incentive scheme which the Group is proposing to implement. The Board will determine a percentage of base salary that may be payable to Mr. Bader on the achievement of key performance indicators to be set having regard to the financial position and performance of the Group.

Jan Ferreira, Chief Financial Officer and Joint Company Secretary

- Mr. Ferreira's Executive Services Agreement for the position of Chief Financial Officer and Company Secretary has no fixed period and may be terminated by provision of six months' prior written notice by either party.
- Mr. Ferreira receives a base salary of $225,000 per annum, plus statutory superannuation entitlements.
- Mr. Ferreira is eligible to participate in the Long Term Incentive Plan and was issued 900,000 Employee Options and 316,647 Performance Rights.
- Mr. Ferreira will also be eligible to participate in a short term incentive scheme which the Group is proposing to implement. The Board will determine a percentage of base salary that may be payable to Mr. Ferreira on the achievement of key performance indicators to be set having regard to the financial position and performance of the Group.

Scott Waters, General Manager – Products & Services *(ceased to be a KMP on 12 August 2016)*

- Mr. Waters' Executive Services Agreement for the position of General Manager – Products & Services has no fixed period and may be terminated by provision of three months' prior written notice by either party.
- Mr. Waters receives a base salary of $180,000 per annum, plus statutory superannuation entitlements.
- Mr. Waters is eligible to participate in the Long Term Incentive Plan and was issued 500,000 Employee Options and 100,000 Performance Rights.
- Mr. Waters will also be eligible to participate in a short term incentive scheme which the Group is proposing to implement. The Board will determine a percentage of base salary that may be payable to Mr. Waters on the achievement of key performance indicators to be set having regard to the financial position and performance of the Group.

Maya William, General Manager – Marketing *(ceased to be a KMP on 12 August 2016)*:

- Ms. William's Executive Services Agreement had no fixed period and could be terminated by provision of three months' prior written notice by either party.
- Ms. William received a base salary of $200,000 per annum, plus statutory superannuation entitlements.
- Ms. William was eligible to participate in the Long Term Incentive Plan and was issued 500,000 Employee Options and 100,000 Performance Rights which she continues to hold subject to the relevant performance vesting conditions.
- Ms. William was eligible to participate in a short term incentive scheme which RENT is proposing to implement.

Directors' Report (continued)

Audited Remuneration report (cont'd)

C. Service agreements (cont'd)

Mark Woschnak, Managing Director *(resigned 22 July 2016)*:

- Mr. Woschnak stepped down from his role on 22 July 2016 and is no longer a KMP of the Group.
- Mr. Woschnak's Executive Services Agreement had no fixed period and could be terminated by provision of six months' prior written notice by either party.
- Mr. Woschnak received a base salary of $300,000 per annum, plus statutory superannuation entitlements.
- Mr. Woschnak received a car allowance of $20,000 per annum.
- Mr. Woschnak was eligible to participate in the Long Term Incentive Plan and was issued 28,000,000 Employee Options and 9,851,223 Performance Rights.

The non-executive directors are subject to service agreements which cover relevant provisions including term, fees, independence, re-election and the role requirements.

D. Share-based compensation

Other than outlined above, Rent.com.au Limited paid no share-based compensation during the year.

E. Additional Information

Equity instruments held by Key Management Personnel

1. Shareholdings

The number of ordinary shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2017 is as follows:

30 June 2017	Balance at beginning of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at 30 June 2017
Garry Garside	2,422,356	-	-	2,077,247	4,499,603
Sam McDonagh	188,042	-	-	630,195	818,237
Philip Warren	125,909	-	-	31,477	157,386
John Wood	11,770,363	-	-	1,591,334	13,361,697
Mark Woschnak[1]	12,761,578	-	-	(12,761,578)	-
Greg Bader	-	-	-	5,686,693	5,686,693
Jan Ferreira	4,538	-	-	101,011	105,549
Total	**27,272,786**	**-**	**-**	**(2,643,621)**	**24,629,165**

1. Mr Woschnak resigned on 22 July 2016 and ceased to be key management personnel in this financial year.

Directors' Report (continued)

Audited Remuneration report (cont'd)

Equity instruments held by Key Management Personnel (cont'd)

2. Options

The number of options over ordinary shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2017 is as follows:

30 June 2017	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at 30 June 2017
Garry Garside	950,000	-	-	-	950,000
Sam McDonagh	1,600,000	-	-	-	1,600,000
Philip Warren	1,050,001	-	-	(37,501)	1,012,500
John Wood	500,000	-	-	-	500,000
Mark Woschnak[1]	28,000,000	-	-	(28,000,000)	-
Greg Bader	-	3,750,000	-	-	3,750,000
Jan Ferreira	900,000	-	-	-	900,000
Maya William[2]	500,000	-	-	(500,000)	-
Scott Waters[2]	500,000	-	-	(500,000)	-
Total	**34,000,001**	**3,750,000**	**-**	**(29,037,501)**	**8,712,500**

1. Mr Woschnak resigned on 22 July 2016 and ceased to be KMP in this financial year
2. Ms William and Mr Waters ceased to be a KMP upon restructure of the business on 12 August 2016.

3. Performance Rights

The number of performance rights in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2017 is as follows:

30 June 2017	Balance at start of the year	Received as Remuneration	Performance Rights Converted	Other Movements	Balance at 30 June 2017	Vested and Exercisable at 30 June 2017	Unvested at 30 June 2017
Garry Garside	334,239	-	(111,413)	-	222,826	-	222,826
Sam McDonagh	562,926	-	(187,642)	-	375,284	-	375,284
John Wood	175,914	-	(58,638)	-	117,276	-	117,276
Mark Woschnak[1]	9,851,223	-	-	(9,851,223)	-	-	-
Greg Bader	-	6,567,482	-	-	6,567,482	-	6,567,482
Jan Ferreira	316,647	-	(105,549)	-	211,098	-	211,098
Maya William[2]	100,000	-	-	(100,000)	-	-	-
Scott Waters[2]	100,000	-	-	(100,000)	-	-	-
Total	**11,440,949**	**6,567,482**	**(463,242)**	**(10,051,223)**	**7,493,966**	**-**	**7,493,966**

1. Mr Woschnak resigned on 22 July 2016 and ceased to be key management personnel in this financial year.
2. Ms William and Mr Waters ceased to be a KMP upon restructure of the business on 12 August 2016.

Directors' Report (continued)

Audited Remuneration report (cont'd)

Equity instruments held by Key Management Personnel (cont'd)

4. Performance Shares

Performance shares were issued as consideration to the shareholders of Rent.com.au (Operations) Pty Ltd who were shareholders prior to the acquisition by Select Exploration Limited (renamed Rent.com.au Limited). The number of performance shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2017 is as follows:

30 June 2017	Balance at start of the year	Received as Remuneration	Performance Shares Converted	Other Movements	Balance at 30 June 2017	Vested and Exercisable at 30 June 2017	Unvested at 30 June 2017
Garry Garside	581,382	-	-	-	581,382	-	581,382
Sam McDonagh	37,606	-	-	-	37,606	-	37,606
John Wood	6,068,082	-	-	-	6,068,082	-	6,068,082
Mark Woschnak[1]	1,985,892	-	-	(1,985,892)	-	-	-
Jan Ferreira	9,077	-	-	-	9,077	-	9,077
Total	**8,682,039**	**-**	**-**	**(1,985,892)**	**6,696,147**	**-**	**6,696,146**

1. Mr Woschnak resigned on 22 July 2016 and ceased to be key management personnel in this financial year.

Other KMP Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

Transactions:	**2017 $**
Company secretarial fee - Grange Consulting Group[1]	6,300
Advisory and capital issue costs – Grange Capital Partners[2]	335,037
Other revenue [3]	15,000

[1] Philip Warren is a director and shareholder of Grange Consulting Group Pty Ltd.
[2] Grange Capital Partners Pty Ltd is an entity associated with Grange Consulting Group Pty Ltd, although Mr Warren is not a shareholder or director of Grange Capital Partners Pty Ltd.
[3] Greg Bader is a director of Trident Subsea Cable Pty Ltd.

There were no balance outstanding as at 30 June 2017. All transactions were made on normal commercial terms and conditions and at market rates.

Directors' Report (continued)

Audited Remuneration report (cont'd)

E. Additional Information (cont'd)

The earnings of the Group for the five years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015† $	2014* $	2013* $
Sales revenue	1,654,395	748,495	171,197	454,289	50,484
EBITDA**	(5,822,425)	(7,216,670)	(927,249)	(1,442,099)	(9,878,470)
Loss after income tax	(8,513,631)	(12,820,585)	(3,655,771)	(1,647,509)	(9,878,470)

* relates to Select Exploration Ltd. On 15 June 2015, Select Exploration Ltd completed the acquisition of 100% of Rent.com.au (Operations) Pty Ltd and was subsequently renamed to Rent.com.au Ltd and changed the scale and nature of its activities.
** excluding non-cash share based payments.
† The 2015 financial year was an abridged, 6 month financial year.

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

	2017	2016	2015	2014*	2013*
Share price at financial year end ($)	0.065	0.160	0.180	0.010	0.010
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(4.72)	(12.42)	(6.62)	(3.75)	(0.14)

* relates to Select Exploration Ltd. On 15 June 2015, Select Exploration Ltd completed the acquisition of 100% of Rent.com.au (Operations) Pty Ltd and was subsequently renamed to Rent.com.au Ltd and changed the scale and nature of its activities.

[This concludes the remuneration report, which has been audited]

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

On behalf of the directors

Dr. Garry Garside
Non-executive Chairman
22 August 2017

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rent.com.au Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 22 August 2017

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RENT.COM.AU LIMITED

Opinion

We have audited the financial report of Rent.com.au Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue
Refer to Note 1 and 3 in the financial statements</td></tr>
<tr><td>The Group earns revenue through its role as an operator of a real estate website focusing on the rental property market. The major revenue streams are:
- Agent fees;
- Private listing fees;
- Product and service fees; and
- Advertising and referral fees.

Revenue was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income and the process of revenue recognition is complex due to multiple revenue streams for services rendered. Furthermore, the revenue transactions are high volume and of low value. The revenue recognition of each revenue stream is subject to management judgements. These include:
• Determination of the Group's accounting policy in relation to each revenue stream; and
• Determining the amount of revenue that can be measured reliably and whether it is probable that the economic benefits associated with the transaction will flow to the Group.</td><td>Our audit procedures in relation to revenue recognition included:
• Obtained a detailed understanding of each of the revenue streams and the process for calculating and recording revenue;
• Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards;
• Performing substantive testing on each revenue stream on a sample basis. The substantive testing included agreeing transactions to approved pricing used by the Group, agreeing the receipt of cash to bank statements and agreeing the delivery of services to source documentation;
• Reviewing the deferred revenue calculation for agent listing fees received in advance by the Group; and
• Review of sales transactions before and after year-end to ensure that revenue is recognised in the correct period.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Rent.com.au Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 22 August 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue	3	1,654,395	748,495
Other Income		71,377	123,049
		1,725,772	871,544
Administration charges		(843,565)	(1,289,396)
Consulting and business development costs		(74,787)	(102,940)
Depreciation and amortisation	16, 17	(447,433)	(248,249)
Employee benefits expense		(3,748,562)	(3,780,807)
Finance charges		(6,731)	(31,291)
Share based payment expense	25	(2,243,418)	(5,447,424)
Others	4	(2,874,907)	(2,792,022)
Loss before income tax		(8,513,631)	(12,820,585)
Income tax expense	5	-	-
Loss after income tax		(8,513,631)	(12,820,585)
Other comprehensive income		-	-
Total comprehensive (loss) attributable to owners of Rent.com.au Limited		(8,513,631)	(12,820,585)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Group:			
Basic and diluted (loss) per share (cents per share)	8	(4.72)	(12.42)

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 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	3,254,380	6,080,209
Trade and other receivables	10	246,049	170,430
TOTAL CURRENT ASSETS		**3,500,429**	**6,250,639**
NON-CURRENT ASSETS			
Plant and equipment	16	72,028	122,060
Intangible assets	17	993,186	754,799
TOTAL NON-CURRENT ASSETS		**1,065,214**	**876,859**
TOTAL ASSETS		**4,565,643**	**7,127,498**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	675,685	1,405,399
Borrowings	20	48,226	41,542
Employee benefits	18	227,548	363,912
TOTAL CURRENT LIABILITIES		**951,459**	**1,810,853**
NON-CURRENT LIABILITIES			
Trade and other payables	13	-	36,086
Borrowings	20	21,606	63,350
TOTAL NON-CURRENT LIABILITIES		**21,606**	**99,436**
TOTAL LIABILITIES		**973,065**	**1,910,289**
NET ASSETS		**3,592,578**	**5,217,209**
EQUITY			
Issued capital	14	32,239,412	26,777,938
Reserve	12	6,250,779	4,823,253
Accumulated losses	19	(34,897,613)	(26,383,982)
TOTAL EQUITY		**3,592,578**	**5,217,209**

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 2017

	Issued Capital	Share based payment reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2016	**26,777,938**	**4,823,253**	**(26,383,982)**	**5,217,209**
Loss for the year	-	-	(8,513,631)	(8,513,631)
Total comprehensive (loss) for the year	**-**	**-**	**(8,513,631)**	**(8,513,631)**
Transaction with owners in their capacity as owners:				
Shares issued	5,835,646	-	-	5,835,646
Share based payments	-	1,427,526	-	1,427,526
Share issue costs	(374,172)	-	-	(374,172)
Balance at 30 June 2017	**32,239,412**	**6,250,779**	**(34,897,613)**	**3,592,578**

For the year ended 30 June 2016

	Issued Capital	Share based payment reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2015	**16,773,963**	**1,007,983**	**(13,563,397)**	**4,218,549**
Loss for the year	-	-	(12,820,585)	(12,820,585)
Total comprehensive (loss) for the year	**-**	**-**	**(12,820,585)**	**(12,820,585)**
Transaction with owners in their capacity as owners:				
Shares issued	10,776,210	-	-	10,776,210
Share based payments	-	3,815,270	-	3,815,270
Share issue costs	(772,235)	-	-	(772,235)
Balance at 30 June 2016	**26,777,938**	**4,823,253**	**(26,383,982)**	**5,217,209**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		1,736,000	765,136
Payments to suppliers and employees (inclusive of GST)		(8,557,827)	(7,148,050)
Interest received		31,339	56,506
Interest paid		(6,731)	(31,292)
Other income		25,039	66,544
Net cash used in operating activities	24	**(6,772,180)**	**(6,291,156)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(19,016)	(15,070)
Payments for development costs		(766,082)	(491,179)
Receipt from R&D grant		110,810	74,839
Net cash used in investing activities		**(674,288)**	**(431,410)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		5,019,754	9,145,237
Repayment of borrowings		(35,063)	(23,531)
Share issue costs		(364,052)	(772,235)
Net cash provided by financing activities		**4,620,639**	**8,349,471**
Net (decrease)/increase in cash held		(2,825,829)	1,626,905
Cash and cash equivalents at beginning of financial year		6,080,209	4,453,304
Cash and cash equivalents at end of financial year		**3,254,380**	**6,080,209**

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

Notes to the Consolidated Financial Statements

This financial report of Rent.com.au Limited ('the Company') and its controlled entities ('the Group') for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 22 August 2017.

Rent.com.au Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

1. Significant Accounting Policies

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

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

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

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed within these financial statements.

The presentation currency is Australian dollars.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rent.com.au Limited as at 30 June 2017 and the results of all subsidiaries for the year then ended.

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

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

Operating segments

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Rent.com.au Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Revenue Recognition

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

Subscription services
Subscription revenues are recognised on a straight-line basis over the contract period.

Listing fees
Listing fees are recognised when the Group has an enforceable claim against the customer arising from a property listing advertisement. Listing fees arise either from the completion of the online rental application process (renter placement/SmartPlan), or from the customer purchasing one of the Group's paid for advertising products.

Products and services revenue
Products and services revenue is recognised at the point of sale. Amounts disclosed are net of returns and discounts.

Advertising revenue
Revenues from site display advertising are recognised when the advertisements are displayed. Where the Group has utilised the services of an external sales agency to sell advertising services on behalf of the Group, the revenues and the sales commissions paid to the sales agency are recorded separately. Revenues from referrals and database advertising are recognised when the obligations under the relevant contract are fulfilled.

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

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

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

Income Tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Income Tax (cont'd)

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Rent.com.au Limited and its wholly-owned Australian subsidiaries have formed an income tax Group under the tax consolidation regime. The head entity and each subsidiary in the tax Group continue to account for their own current and deferred tax amounts. The tax Group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax Group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax Group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and Other Receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Plant and equipment

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

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Plant and equipment (cont'd)

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

Computer equipment	2-4 years
Furniture and fittings	4 years

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

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

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

These intangible assets have finite lives and are subject to amortisation on a straight line basis. The useful lives for these assets are as follows:

Software	4 years

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Intangible assets (cont'd)

Research and development
Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved services) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of direct overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight line basis over its useful life of 4 years.

Impairment of non-financial assets

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

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

Trade and Other Payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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

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

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

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Employee benefits (cont'd)

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

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

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

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

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

Fair value measurement

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Issued capital (cont'd)

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

Business Combination

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

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree.

For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

Notes to the Consolidated Financial Statements (continued)

1. Significant Accounting Policies (cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted (cont'd)

AASB 15 Revenue from Contracts with Customers

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

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but there is no material impact to the Group.

Notes to the Consolidated Financial Statements (continued)

2. Critical accounting judgements, estimates and assumptions

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

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

3. Revenue

	Consolidated	
	2017	**2016**
	$	**$**
Revenue		
Agent fees	363,362	178,795
Private listing fees	43,519	36,305
Product and service fees	521,536	201,699
Advertising and referral fees	725,978	331,696
Total Revenue	**1,654,395**	**748,495**

4. Expenses

	Consolidated	
	2017	**2016**
	$	**$**
Information technology costs	(390,401)	(337,159)
Other cost of sales	(196,624)	(112,141)
Sales and marketing	(2,287,882)	(2,342,722)
Total	**(2,874,907)**	**(2,792,022)**

Notes to the Consolidated Financial Statements (continued)

5. Income Tax

		Consolidated 2017 $	Consolidated 2016 $
a)	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
	Total	-	-
b)	The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (30 June 2016: 28.5%)	(2,341,249)	(3,653,867)
	Tax effect of:		
	Share based payments	616,940	1,552,516
	Tax losses not recognised	1,900,790	2,151,076
	Timing differences not recognised	(165,518)	(14,626)
	Other	(10,963)	(35,099)
	Total	-	-
	The applicable weighted average effective tax rates are as follows:	0%	0%
c)	Deferred tax assets at 30 June 2017 not brought to account are:		
	Carried forward losses	3,866,010	2,151,076
	Others	390,588	394,168
	Total	4,256,598	2,545,244

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the losses are transferred to an eligible entity in the Group; and
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the consolidated in realising the benefit from the deduction for the losses.

Notes to the Consolidated Financial Statements (continued)

6. Interests of Key Management Personnel (KMP)

Compensation of Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the period ended 30 June 2017.

The aggregate compensation made to key management personnel of the economic and Parent Entity is set out below:

	Consolidated	
	2017	2016
	$	$
Short-term employee benefits	978,533	1,070,819
Post-employment benefits	76,336	85,348
Share based payments	1,867,758	2,937,519
	2,922,627	**4,093,686**

7. Auditor's Remuneration

	Consolidated	
	2017	2016
	$	$
Remuneration of the auditor of the entity:		
▪ Auditing or reviewing of the financial report		
– RSM Australia Partners	41,500	44,000
▪ Taxation and corporate services		
– RSM Australia Pty Ltd	18,050	9,590
Total	**59,550**	**53,590**

8. Earnings per Share

	Consolidated	
	2017	2016
	$	$
Basic and diluted (loss) per share	(4.72)	(12.42)
a) Reconciliation of loss to profit or loss		
Net loss	(8,513,631)	(12,820,585)
Loss used in the calculation of basic loss per share	(8,513,631)	(12,820,585)
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	180,245,365	103,261,837

Options have not been included in the calculation of dilutive loss per share as the options are anti-dilutive.

Notes to the Consolidated Financial Statements (continued)

9. Cash and Cash Equivalents

	Consolidated	
Current	2017 $	2016 $
Cash at bank and in hand	3,050,298	5,876,127
Term Deposit*	204,082	204,082
	3,254,380	6,080,209

Cash at bank and in hand earns interest at floating rates based on daily bank rates.

*The effective interest rate on short-term bank deposits was 1.5% (2016:2.6%). Commonwealth Bank of Australia has a charge over this term deposit as security for a bank guarantee that it has provided on behalf of Rent.com.au (Operations) Pty Ltd, to Amelia Correia Holdings the lessor under the lease for the office at Level 2, 7 Ventnor Avenue West Perth.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3,254,380	6,080,209

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

10. Trade and Other Receivables

	Consolidated	
	2017 $	2016 $
Current		
Trade debtors	166,317	103,257
Prepayment	70,043	47,575
GST receivable	9,689	19,598
	246,049	170,430

Impairment of receivables

The Group has recognised a loss of $5,000 (2016: nil) in profit or loss in respect of impairment of receivables for the year ended 30 June 2017.

The ageing of the impaired receivables provided for the above are as follows:

	Consolidated	
	2017 $	2016 $
0 to 3 months overdue	-	-
3 to 6 months overdue	-	-
Over 6 months overdue	5,000	-
	5,000	-

Notes to the Consolidated Financial Statements (continued)

Movement in the provision for impairment of receivables are as follows:

	Consolidated	
	2017	2016
	$	$
Opening balance	-	-
Additional provisions recognised	5,000	-
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Closing balance	5,000	-

As at 30 June 2017 there were no customers with balances past due but without provision for impairment.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party other than Australian Taxation Office. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

All trade and other receivables are within initial trade terms and considered to be of high credit quality.

11. Controlled Entities

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial year end of the controlled entity is the same as that of the parent entity, being 30 June.

	Country of Incorporation	Principal Activity	Percentage Owned (%)	
			2017	2016
Parent Entity				
Rent.com.au Limited	Australia	Investment/Parent		
Name of controlled entity				
Rent.com.au (Operations) Pty Ltd	Australia	Information Technology	100	100
Interest in Associate:				
Time Finance and Homeloans Pty Ltd	Australia	Dormant	25	25

Investment in associate- Accounted for using the equity method

	Consolidated	
	2017	2016
	$	$
Investment in associate	200,000	200,000
Impairment	(200,000)	(200,000)
	-	-

Notes to the Consolidated Financial Statements (continued)

11. Controlled Entities (cont'd)

	Consolidated 2017 $	Consolidated 2016 $
Movement:		
Beginning of period	-	-
End of period	**-**	**-**

Summarised financial information for the investment in associate is not disclosed as the entity is dormant during the year.

12. Reserves

	Consolidated 2017 $	Consolidated 2016 $
Share Based Payment Reserve	**6,250,779**	**4,823,253**

Share Based Payment Reserve

The option reserve recognises options, performance rights/shares issued as share based payments.

13. Trade and Other Payables

	Consolidated 2017 $	Consolidated 2016 $
Current		
Trade creditors*	352,717	764,649
Other payables	322,968	640,750
	675,685	1,405,399
Non-current		
Other payables	-	36,086
Total	675,685	1,441,485

Trade payables are non-interest bearing and are normally settled on 60 day terms.

*As at 30 June 2016 $343,037 owing to Prime Health Group is included in trade creditors. Interest of 8.5%p.a. was payable on this balance and as at 30 June 2016 there was $52,575 in interest outstanding on this balance. The balance was fully repaid in July 2016.

14. Issued Capital

	Consolidated 2017 $	Consolidated 2016 $
Ordinary shares fully paid	32,239,412	26,777,938

Notes to the Consolidated Financial Statements (continued)

14. Issued Capital (cont'd)

Movements in ordinary share capital

	2017		2016	
	No. of shares	**$**	**No. of shares**	**$**
a) Ordinary Shares				
At the beginning of the reporting period	145,506,427	26,777,938	87,799,174	16,773,963
- Capital raising	50,197,542	5,019,754	49,546,482	9,144,056
- Conversion of Class A shares to ordinary shares	-	-	8,160,771	1,632,154
- Conversion of Tranche 1 performance rights shares to ordinary shares	3,283,741	656,748	-	-
- Conversion of Tranche 4 performance rights shares to ordinary shares	795,720	159,144	-	-
Transaction costs relating to share issues	-	(374,172)	-	(772,235)
At the end of the reporting period	199,783,430	32,239,412	145,506,427	26,777,938

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

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

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

b) Capital Management

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

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

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

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

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

The capital risk management policy remains unchanged from the 30 June 2016 Annual Report.

Notes to the Consolidated Financial Statements (continued)

15. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

16. Plant and equipment

	Consolidated	
	2017 $	2016 $
Plant and equipment	232,205	213,190
Less: Accumulated depreciation	(160,177)	(91,130)
Balance at the end of the year	72,028	122,060
Movement:		
Balance at the beginning of the year	122,060	15,685
Additions	19,016	143,495
Depreciation	(69,048)	(37,120)
Disposal	-	-
Balance at the end of the year	72,028	122,060

17. Intangible assets

	Consolidated	
	2017 $	2016 $
Software and development – at cost	3,244,597	2,627,825
Less: Accumulated amortisation	(2,251,411)	(1,873,026)
	993,186	754,799
Movement:		
Balance at the beginning of the year	754,799	549,587
Additions	616,772	416,340
Amortisation	(378,385)	(211,128)
Balance at the end of the year	993,186	754,799

18. Employee benefits

	Consolidated	
	2017 $	2016 $
Employee benefits	227,548	363,912

The following amounts reflect leave that is not expected to be taken within the next 12 months:

Employee benefits obligation expected to be settled after 12 months	113,774	181,956

Notes to the Consolidated Financial Statements (continued)

19. Equity – accumulated losses

	Consolidated	
	2017 $	2016 $
Accumulated losses at the beginning of the financial year	**(26,383,982)**	**(13,563,397)**
(Loss) after income tax for the year	(8,513,631)	(12,820,585)
Accumulated losses at the end of the financial year	**(34,897,613)**	**(26,383,982)**

20. Borrowings

	Consolidated	
	2017 $	2016 $
Lease Liability - Current	48,226	41,542
Lease Liability – Non current	21,606	63,350

These are finance leases for computer equipment with an average outstanding term of 1 year

21. Commitments

Operating lease commitments

Future minimum rentals payable under non-cancellable office leases are as follows:

	Consolidated	
	2017 $	2016 $
Within one year	78,163	371,600
After one year but not more than five years	-	154,833
	78,163	526,433

The property lease is a non-cancellable lease with a remaining term of 2.5 months, with rent payable monthly in advance and will not be renewed.

Lease commitments - finance

	Consolidated	
	2017 $	2016 $
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	51,515	48,273
One to five years	22,061	67,094
Total commitment	73,575	115,367
Less: Future finance charges	(3,744)	(10,475)
Net commitment recognised as liabilities	69,832	104,892

Notes to the Consolidated Financial Statements (continued)

21. Commitments (cont'd)

Finance lease commitments includes contracted amounts for various plant and equipment with a written down value of $48,112 (2016: $101,819) secured under finance leases expiring within one to five years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

22. Contingent Liabilities

There are no contingent liabilities (30 June 2016: nil).

23. Operating Segments

Identification of reportable operating segments
The Group operates as a single operating segment with different revenue streams. The Board (the Chief Operating Decision Makers ('CODM') of the business) reviews performance of the Group as a whole.

The Board evaluates Group performance by reference to revenue and profit and loss which are measured consistently with these consolidated financial statements. In addition, the Board evaluates EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

24. Cash Flow Information

		Consolidated	
		2017	**2016**
		$	**$**
a)	**Reconciliation of Cash Flow from Operations with Loss after Income Tax**		
	Loss after income tax	(8,513,631)	(12,820,585)
	- Share based payments	2,243,418	5,447,424
	- Depreciation and amortisation	447,433	248,249
	- Provision for doubtful debts	5,000	-
	Changes in assets and liabilities		
	- trade and other receivables	(80,619)	(13,467)
	- trade payables and accruals	(737,417)	739,917
	- employee benefits	(136,364)	107,306
	Cash flows used in operations	**(6,772,180)**	**(6,291,156)**

b) **Non-cash investing activities**

	2017	2016
Acquisition of plant and equipment by means of finance leases	9,721	128,425

25. Share Based Payments

The Group established the Rent.com.au Limited Long Term Incentive Plan ("LTIP") as approved by shareholders on 20 May 2015. All employees, directors and consultants are eligible to participate in the LTIP.

Notes to the Consolidated Financial Statements (continued)

25. Share Based Payments (cont'd)

The LTIP provides for the issuance of:

(a) Performance Rights which, upon a determination by the Board that the performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary Share in the Company for each Performance Right; and

(b) Plan Options which, upon a determination by the Board that the vesting conditions attached to the Plan Options have been met, will result in the Plan Options vesting and being able to be exercised into Shares by payment of the exercise price.

To achieve its corporate objectives, the Group needs to attract and retain its key staff. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Group's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Group to recruit, incentive and retain Key Management Personnel and other eligible Employees needed to achieve the Group's business objectives;

(b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Group;

(c) align the financial interest of participants of the Plan with those of shareholders; and

(d) provide incentives to participants of the Plan to focus on superior performance that creates shareholder value.

The key features of the Plan are as follows:

(a) The Board will determine the number of Performance Rights and Plan Options (Plan Securities) to be granted to Eligible Employees (or their Affiliates) and the vesting conditions, expiry date of the Plan Securities and the exercise price of the Plan Options in its sole discretion.

(b) The Plan Securities are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.

(c) Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of Plan Securities, the Board will have the power to amend the Plan as it sees fit.

a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated	
	2017 **$**	**2016** **$**
Performance shares/rights issued/(reverse) to employees	(215,329)	240,198
Performance shares/rights issued to shareholders	815,892	1,632,154
Option issued under employee option plan	1,642,855	2,900,915
Advisor fee	-	674,157
	2,243,418	**5,447,424**

Notes to the Consolidated Financial Statements (continued)

25. Share Based Payments (cont'd)

b) Options

All options granted to key employees, consultants and advisors of the Group are for ordinary shares in Rent.com.au Limited which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2017								
17 Jun 2015	17 Jun 2020	$0.25	19,000,000	-	-	-	19,000,000	14,500,000
17 Jun 2015	17 Jun 2020	$0.30	14,185,000	-		-	14,185,000	9,456,668
23 Jun 2015	22 Jun 2020	$0.30	7,000,000	-	-	-	7,000,000	7,000,000
13 Aug 2015	13 Aug 2020	$0.30	400,000	-	-	-	400,000	266,666
22 Feb 2016	22 Feb 2021	$0.30	2,100,000	-	-	(270,000)	1,830,000	-
19 May 2016	19 Aug 2016	$0.15	10,000,000	-	-	(10,000,000)	-	-
09 Sep 2016	09 Sep 2021	$0.25	-	1,250,000	-	-	1,250,000	-
09 Sep 2016	09 Sep 2021	$0.35	-	1,250,000	-	-	1,250,000	-
09 Sep 2016	09 Sep 2021	$0.50	-	1,250,000	-	-	1,250,000	-
			52,685,000	**3,750,000**	-	**(10,270,000)**	**46,165,000**	**31,223,334**

The following table sets out the assumptions made in determining the fair value of the options granted during the financial year:

	Options Granted 9 September 2016	Options Granted 9 September 2016	Options Granted 9 September 2016
Expected volatility (%)	90	90	90
Risk free interest rate (%)	1.49	1.49	1.49
Weighted average expected life of options (years)	5	5	5
Expected dividends	Nil	Nil	Nil
Option exercise price (cents)	25	35	50
Share price at grant date (cents)	10.3	10.3	10.3
Fair value of option (cents)	5.6	5.0	4.4
Number of options*	1,250,000	1,250,000	1,250,000
Expiry date	9 September 2021	9 September 2021	9 September 2021
Grant date	9 September 2016	9 September 2016	9 September 2016

* Employee options:
Vest upon continuous employment with the Group until 30 June 2018.

The weighted average remaining contractual life of options outstanding at year-end was 3 years. The exercise price of outstanding shares at the end of the reporting period was $0.28.

Notes to the Consolidated Financial Statements (continued)

25. Share Based Payments (cont'd)

b) Options

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2016								
24 Oct 2012	30 Jun 2016	$0.36	60,007	-	-	(60,007)	-	-
24 Oct 2012	30 Sep 2015	$0.35	200,002	-	-	(200,002)	-	-
31 Jan 2013	30 Jun 2016	$0.36	30,000	-	-	(30,000)	-	-
26 Feb 2013	30 Jun 2016	$0.36	22,500	-	-	(22,500)	-	-
26 Feb 2013	30 Jun 2016	$0.35	623,538	-	-	(623,538)	-	-
3 May 2013	30 Jun 2016	$0.36	3,000	-	-	(3,000)	-	-
15 Jun 2015	17 Jun 2020	$0.25	19,000,000	-	-	-	19,000,000	-
15 Jun 2015	17 Jun 2020	$0.30	14,460,000	-		(275,000)	14,185,000	-
23 Jun 2015	22 Jun 2020	$0.30	7,000,000	-	-	-	7,000,000	7,000,000
13 Aug 2015	30 Jun 2017	$0.30	-	400,000	-	-	400,000	-
22 Feb 2016	31 Dec 2017	$0.30	-	2,100,000	-	-	2,100,000	-
19 May 2016	19 Aug 2016	$0.15		10,000,000	-	-	10,000,000	10,000,000
			41,399,047	**12,500,000**	**-**	**(1,214,047)**	**52,685,000**	**17,000,000**

c) Performance shares/rights

Performance shares and performance rights do not have an exercise price. Upon satisfaction of the relevant performance vesting condition they convert to ordinary shares in the ratio of one ordinary share for every one performance share / performance right.

Grant Date	Expiry Date	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
		Number	Number	Number	Number	Number	Number
2017							
15 Jun 2015**	31 Dec 2018	8,160,771	-	-	-	8,160,771	-
15 Jun 2015***	31 Dec 2019	8,160,771	-	-	-	8,160,771	-
15 Jun 2015*	31 Dec 2018	4,079,461	-	(4,079,461)	-	-	-
15 Jun 2015**	31 Dec 2018	4,079,461	-	-	(3,283,741)	795,720	-
15 Jun 2015***	31 Dec 2019	4,079,461	-	-	(3,283,741)	795,720	-
13 Aug 2015*	31 Jan 2019	46,667	-	-	-	46,667	46,667
13 Aug 2015**	31 Dec 2018 ****	46,667	-	-	-	46,667	-
13 Aug 2015***	31 Dec 2019 *****	46,666	-	-	-	46,666	-
22 Feb 2016*	31 Jan 2019	40,000	-	-	-	40,000	-
22 Feb 2016**	31 Dec 2018 ****	80,000	-	-	-	80,000	-
22 Feb 2016***	31 Dec 2019 *****	80,000	-	-	-	80,000	-
9 Sep 2016**	31 Dec 2018****	-	3,283,741	-	-	3,283,741	-
9 Sep 2016***	31 Dec 2019*****	-	3,283,741	-	-	3,283,741	-
		28,899,925	**6,567,482**	**(4,079,461)**	**(6,567,482)**	**24,820,464**	**46,667**

Notes to the Consolidated Financial Statements (continued)

25. Share Based Payments (cont'd)

c) Performance shares/rights (cont'd)

*	Class A Performance Shares/rights – these performance shares will vest on the achievement of greater than 500,000 unique visitors to the website, Rent.com.au in each of 3 consecutive months on or before 31 December 2018.
**	Class B Performance Shares/rights – these performance shares will vest on the achievement of greater than $10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018.
***	Class C Performance Shares/rights – these performance shares will vest upon the achievement of greater than $3,000,000 in EBITDA by the Group in any 12 month period on or before 31 December 2019.
****	14 days after the release of the audited financial report for the period ended 31 December 2018.
*****	14 days after the release of the audited financial report for the period ended 31 December 2019.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Number of performance rights	Share price at grant date	Fair value at grant date
9 September 2016	6,567,482	$0.103	$676,451

Type	Shares/rights (No.)	Underlying share price	Probability %*	Value ($)
Class B	3,283,741	$0.103	2%	6,765
Class C	3,283,741	$0.103	0%	-
	6,567,482	$0.103	-	6,765

* The probability estimated by the management is over the expiry date of the performance shares/rights.

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Exercised during the period	Expired/ forfeited/ other	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number	Number
2016							
15 Jun 2015*	31 Dec 2018	8,160,771		(8,160,771)	-	-	-
15 Jun 2015**	31 Dec 2018	8,160,771		-	-	8,160,771	-
15 Jun 2015***	31 Dec 2019	8,160,771		-	-	8,160,771	-
15 Jun 2015*	31 Dec 2018	4,111,812		-	(32,351)	4,079,461	-
15 Jun 2015**	31 Dec 2018	4,111,812		-	(32,351)	4,079,461	-
15 Jun 2015***	31 Dec 2019	4,111,812		-	(32,351)	4,079,461	-
13 Aug 2015*	31 Jan 2019	-	46,667	-	-	46,667	-
13 Aug 2015**	31 Dec 2018 ****	-	46,667	-	-	46,667	-
13 Aug 2015***	31 Dec 2019 *****	-	46,666	-	-	46,666	-
22 Feb 2016*	31 Jan 2019	-	40,000	-	-	40,000	-
22 Feb 2016**	31 Dec 2018 ****	-	80,000	-	-	80,000	-
22 Feb 2016***	31 Dec 2019 *****	-	80,000	-	-	80,000	-
		36,817,749	**340,000**	**(8,160,771)**	**(97,053)**	**28,899,925**	**-**

Notes to the Consolidated Financial Statements (continued)

26. Events After The Reporting Period

No other matters or circumstances have arisen since the end of the financial period which 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 subsequent financial years.

27. Related Party Transactions

Related Parties

a. The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*

The ultimate parent entity that exercises control over the Group is Rent.com.au Limited, which is incorporated in Australia.

(ii) *Key management personnel:*

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

For details of disclosures relating to key management personnel, refer to Note 6.

(iii) *Entities subject to significant influence by the Group:*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(iv) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2017 $	2016 $
Transactions:		
Company secretarial fee - Grange Consulting[1]	6,300	73,066
Advisory and capital issue costs - Grange Capital Partners[1]	335,037	47,905
Rental expense - Prime Health Group Property Trust[2]	-	43,048
Interest expense - Prime Health Group Property Trust[2]	-	31,069
Other expenses[2]	-	4,007
Other revenue[3]	15,000	-
Balances:		
Amount due to Prime Health Group Property Trust[2]	-	343,037

[1] Philip Warren is a director and shareholder of Grange Consulting Group Pty Ltd.
[2] Grange Capital Partners Pty Ltd is an entity associated with Grange Consulting Group Pty Ltd, although Mr Warren is not a shareholder or director of Grange Capital Partners Pty Ltd.
[3] Garry Garside is a director of Sealcrest Pty Ltd atf Prime Health Group Property Trust
[4] Greg Bader is a director of Trident Subsea Cable Pty Ltd

Notes to the Consolidated Financial Statements (continued)

27. Related Party Transactions (cont'd)

Time Finance and Homeloans Pty Ltd is a company owned 25% by the Group and 75% by an entity controlled by Mr. Mark Woschnak. Time Finance and Homeloans Pty Ltd is a licenced finance and mortgage broking business that was intended to provide the Group a 'white label' service through which renters were able to obtain information about various finance products and submit enquiries to be contacted by brokers, with the Group receiving a referral fee of 30% of the commission payable to Time Finance (less specified fees). Time Finance and Homeloans Pty Ltd was dormant during the financial periods. Mr Mark Woschnak resigned on 25 July 2016 and Time Finance and Homeloans Pty Ltd ceased to be a related party from that time onwards.

28. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated	
		2017 $	2016 $
Financial Assets			
Cash and cash equivalents	9	3,254,380	6,080,209
Trade and other receivables	10	236,360	150,832
Total Financial Assets		**3,490,740**	**6,231,041**
Financial Liabilities			
Trade and other payables	13	675,685	1,441,485
Borrowings	20	69,832	104,892
Total Financial Liabilities		**745,517**	**1,546,377**

Financial Risk Management Policies

The Board of Directors is responsible for monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and approves financial transactions. It also reviews the effectiveness of internal controls relating to counterparty credit risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

Notes to the Consolidated Financial Statements (continued)

28. Financial Risk Management (cont'd)

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties, except the Australian Taxation Office.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the board in accordance with approved board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	Consolidated	
		2017 $	2016 $
Cash and cash equivalents			
- AA- Rated		3,254,380	6,080,209
- A+ Rated		-	-
Unrated		-	-
	9	**3,254,380**	**6,080,209**

Notes to the Consolidated Financial Statements (continued)

28. Financial Risk Management (cont'd)

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

		Within 1 year		1 to 5 Years		Total	
	Weighted average effective interest rate	2017	2016	2017	2016	2017	2016
	%	$	$	$	$	$	$
Financial liabilities due for payment							
Trade and other payables (excluding GST. annual leave)	-	675,685	1,098,448	-	-	675,685	1,098,448
Trade payables	-%	-	343,037	-	-	-	343,037
Borrowings	7.04%	48,226	41,542	21,606	63,350	69,832	104,892
Financial assets — cash flows realisable							
Cash and cash equivalents	1.5%	3,254,380	6,080,209	-	-	3,254,380	6,080,209
Trade and other receivables (excluding GST)	-	236,360	150,832	-	-	236,360	150,832

Notes to the Consolidated Financial Statements (continued)

28. Financial Risk Management (cont'd)

c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group does not have material exposure to interest rate risk at reporting date.

ii. Price risk

The Group's currently has no exposure to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as fair value through profit or loss.

iii. Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group does not have any foreign currency exposure.

d) Fair value measurement

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

29. Parent Information

The following information has been extracted from the book and records of the parent and has been prepared in accordance with the accounting standards.

	2017 $	2016 $
Statement of profit and loss and other comprehensive income		
(Loss) for the year	(435,960)	(15,535,530)
Total comprehensive loss for the year	(435,960)	(15,535,530)
Statement of Financial Position		
Assets		
Current assets	-	61
Non-current assets	3,632,417	5,243,070
Total assets	**3,632,417**	**5,243,131**
Liabilities		
Current liabilities	(39,839)	(25,923)
Total liabilities	**(39,839)**	**(25,923)**
Equity		
Issued capital	70,243,651	64,782,176
Share-Based Payment Reserve	9,637,616	8,210,090
Accumulated losses	(76,288,689)	(67,775,058)
Total equity	**3,592,578**	**5,217,208**

Notes to the Consolidated Financial Statements (continued)

Contingent Liabilities and Capital expenditure

There are no contingent liabilities for the parent entity for both financial periods ended 30 June 2017 and 30 June 2016.

The parent entity did not have capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for.

Guarantees

During the reporting period, Rent.com.au Limited had not entered into any guarantees in relation to the debts of its subsidiaries.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Directors’ Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Dr. Garry Garside
Non-Executive Chairman
22 August 2017

Corporate Governance

Corporate Governance Statement

The Company's corporate governance statement can be found at the following URL:
http://investors.rent.com.au/irm/content/governance.aspx

The Board of Directors ("the Board") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with the 2014 Amendments 3rd edition unless otherwise stated.

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Holdings

The issued capital of the Company as at 10 October 2017 includes the following securities:

Equity Class	Number of holders	Total on issue
Fully paid ordinary shares	1,172	199,850,097
Unlisted Options ($0.30, 23 June 2020)	20	7,000,000
Performance Shares	138	16,321,542
Performance Rights	13	8,432,255
Employee Options	24	39,165,000

All issued fully paid ordinary shares carry one vote per share.

2. Distribution of Ordinary Shares as at 10 October 2017

Range	Holders	Units	%
1-1,000	107	6,504	0.00
1,001-5,000	35	112,309	0.06
5,001-10,000	184	1,560,339	0.78
10,001-100,000	600	24,004,797	12.01
100,001-and over	246	174,166,148	87.15
Total	1,172	199,850,097	100.00

There were 103 holders of less than a marketable parcel of ordinary share, and 22 holders from overseas holding 1,789,173 shares.

ASX Additional Information (continued)

3. Top 20 Largest Holders of Ordinary Shares as at 10 October 2017

	Name	Number	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,982,622	5.50
2	MARK WOSCHNAK	10,205,698	5.11
3	RENT INVESTMENT PTY LTD <RENT INVESTMENT UNIT A/C>	9,624,450	4.82
4	AUSTCORP NO 214 PTY LTD <WILLIAM J MOSS S/F A/C>	6,531,036	3.27
5	MR JASON ALAN CARROLL	6,307,315	3.16
6	BADER SMSF PTY LTD <BADER SUPER S/F A/C>	5,987,000	3.00
7	TEFIG PTY LTD <A J ABERCROMBIE S/FUND A/C>	5,779,544	2.89
8	ZERO NOMINEES PTY LTD	4,692,820	2.35
9	NEPEAN GI NO 3 PTY LTD <THE GREHAN FAMILY A/C>	4,075,185	2.04
10	MARTIN PENNY PTY LIMITED <GREHAN SPRING S/F A/C>	3,617,041	1.81
11	KERIMI INVESTMENTS PTY LTD	3,595,287	1.80
12	MR MARK DANIEL NEEDHAM & MRS PIENGJAI NEEDHAM	3,300,000	1.65
13	MARKIT SYSTEMS PTY LTD <WOSCHNAK FAMILY A/C>	3,283,741	1.64
14	BT PORTFOLIO SERVICES LIMITED <PILLAR INVESTMENT FUND A/C>	3,056,348	1.53
15	CORNELA PTY LTD <MACLIVER FAMILY FUND A/C>	2,240,195	1.12
16	GARRY DESMOND & FRANCES GARSIDE <THE PRIME SUPER FUND A/C>	2,160,228	1.08
17	TREASURE ISLAND HIRE BOAT COMPANY PT LTD <STAFF SUPER FUND ACCOUNT>	2,048,315	1.02
18	DR MARTIN JAMES GREHAN & DR PENELOPE JANE SPRING	1,800,601	0.90
19	RLS SUPER INVESTMENTS PTY LTD <THE R L SHIRLEY SUPER A/C>	1,750,000	0.88
20	DR GARRY DESMOND GARSIDE & MRS FRANCIS SAMBRAILO GARSIDE <PRIME SUPER FUND A/C>	1,662,744	0.83
	Total Top 20	**92,700,170**	**46.38**
	Others	107,149,927	53.62
	Total Ordinary Shares on Issue	199,850,097	100.00

4. Voting Rights

See note 14 of the financial statements.

5. Substantial shareholder notice lodged with the Company

Name	Number	%
MARK WOSCHNAK	12,761,578	6.78
MR JOHN WOOD	12,803,059	6.43

ASX Additional Information (continued)

6. Unquoted Securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

	Unlisted Options $0.30 23 June 2020	Performance Shares	Performance Rights	Employee Options
GMP Securities Australia	2,000,000	-	-	-
Mr Greg Bader	-	-	6,567,482	-
Rent Investment Pty Ltd ATF Rent Investment Unit Account	-	5,874,900	-	-
Markit Systems Pty Ltd	-	-	-	28,000,000
Total other holders	5,000,000	10,446,642	1,864,773	3,050,000
Total	7,000,000	16,321,542	8,432,255	31,050,000
Total holdings over 20%	1	1	1	1
Other holders	19	68	12	23

7. Restricted securities subject to escrow period

There are currently no securities that are subject to escrow period.

8. On-market buy back

There is currently no on-market buyback program for any of Rent.com.au Limited's listed securities.

9. Group cash and assets

In accordance with Listing Rule 4.10.19 the Company confirms that it has been using the cash and assets it had acquired at the time of re-instatement and for the year ended 30 June 2017 in a way that is consistent with its business objectives and strategy.