Change
Financial Limited



CHANGE FINANCIAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

CORPORATE DIRECTORY

Directors

Peter Clare
(Non-Executive Chairman)

Ashley Shilkin
(Managing Director)

Ian Leijer
(Executive Director and CFO)

Benjamin Harrison
(Non-Executive Director)

Teresa Clarke
(Non-Executive Director)

Andrew Pipolo
(Non-Executive Director)

Company Secretary

Duncan Cornish

Registered Office

Corporate Administration Services Pty Ltd
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BRISBANE QLD 4000

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Postal Address

Change Financial Limited
GPO Box 2676
BRISBANE QLD 4001

Australian Company Number

150 762 351

Australian Business Number

34 150 762 351

Auditors

Pitcher Partners
Level 38
345 Queen Street
BRISBANE QLD 4000
Telephone: +61 7 3222 8444
Fax: +61 7 3221 7779
Website: www.pitcher.com.au

Share Registry

Link Market Services Limited
Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

Website

www.changefinancial.com

ASX Code

CCA

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CHAIRMAN'S LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the 2017 Annual Report for Change Financial Limited (ASX: CCA), following our decision to change the name of our parent company from Chimpchange Limited post year-end. While we continue to be Australia's only listed digital banking platform, our name change reflects the evolution of the business and growth into new banking verticals as we pursue additional exciting and disruptive opportunities.

Change Financial's consumer banking platform (ChimpChange) provides innovative, mobile-first everyday bank accounts. In addition to the regular functionality of consumer bank accounts, ChimpChange customers benefit from low costs, high security, and valuable features including a round-up savings account, linked debit Mastercard, seamless direct deposits, photo cheque loads, and graphical personal financial management insights into spending patterns.

When our Company listed on the Australian Securities Exchange (ASX) in 2016, we aimed our products principally towards the 'millennial' market (people aged 18-35) in the US. This extremely economically valuable cohort comprises around 92 million people, many of whom are unbanked or underbanked. Millenials notoriously value zero-latency, frictionless sign-up, mobility and convenience; all of which are provided by our ChimpChange product.

Our target market has responded well to our proposition, and we achieved significant growth over the 2017 financial year in adoption of the ChimpChange product. The scale of this growth is evident by a quick comparison of activity levels. In June 2016, it took ChimpChange an entire month to record US$600,000 in deposits. On 30 June 2017, a year after listing on the ASX, the Company attracted the same scale of deposits on a single day, and that growth is continuing unabated to today.

The Company generated more than US$600,000 revenue in FY17, an increase of more than 230 per cent on the previous year. ChimpChange saw growth across all key metrics, with the biggest improvement coming in customer purchases, which at US$22 million saw annual growth of 349 per cent.

Transaction volume surged to US$73.6 million, up an impressive 328 per cent on last year's recorded $17.2 million. Deposits hit US$31.9 million, which is a 303 per cent increase on the previous year.

As activity across the ChimpChange platform ramped up, the Company began to earn more revenue relating to interchange fees, out-of-network ATM fees and cheque deposit fees. We expect this growth in revenue to gain momentum as our customer base continues to expand.

Prior to year-end, in May 2017, we completed a US$7.5 million placement to fund acceleration of customer acquisition and product development, as well as working capital. It was pleasing to receive the support of several well-respected Australian institutional fund managers and professional investors in this placement, and we welcomed Acorn Capital as a substantial shareholder. I thank all our shareholders, both new and existing, for their support of our business development throughout 2017.

In October 2016, we welcomed Teresa Clarke, former Managing Director at Goldman Sachs in New York, and member of President Obama's Advisory Council on Doing Business in Africa, as a non-executive director. Teresa has brought a wealth of experience from the US banking system and as an entrepreneur, as well as a strong network in corporate and political sectors. This has proven a great asset as our Company's market share in the US continues to grow.

Post year-end, we also welcomed former PayPal Australia and PayPal Japan Managing Director Andrew Pipolo, to the Board. During the five years Andrew directed PayPal, the Australian division was the fastest-

growing operation within the PayPal Group. Since leaving PayPal in 2011, Andrew has owned, operated and consulted for companies in the FinTech space with a focus on payments. Andrew has invaluable experience in the sector, most recently helping to develop LoopPay, which was subsequently acquired by Samsung Pay in 2015. His appointment to the Board will be ratified at our Annual General Meeting, and I expect shareholders will be just as excited as I am about him joining our Board.

I take this opportunity to thank our management and staff for their exemplary efforts over the past year, as well as my fellow Directors for their guidance, counsel and support.

The momentous effort put in by everyone has been clear in what we have been able to achieve operationally which is meeting our expectations.

We have been steadily building quarter by quarter since our listing, and I believe that with the initiatives we expect to roll out and funds at hand to make our plans happen, we can achieve new heights in 2018. I look forward to updating you on our success.



Peter Clare

Non-Executive Chairman

Change Financial Limited

MANAGING DIRECTOR'S REPORT

The 2017 financial year has been an exciting period for Change Financial. Executing our strategy has led to tangible results for customers, partners and investors.

Through our ChimpChange digital banking business, the Company focuses on delivering a better way to bank with an affordable, personalised and frictionless user experience. The strong growth we achieved in 2017, our first full year since listing on the Australian Securities Exchange in June 2016, has demonstrated that the market we are targeting is very receptive to our proposition.

When we set out to establish ChimpChange, we wanted to build a platform that met the needs of our customers, driving value to them while also creating value for our shareholders. I am pleased to report that in 2017, ChimpChange has consistently achieved new records each quarter on multiple key metrics. This gives us confidence to continue scaling our core business on solid foundations. Our goal is to significantly improve traditional banking through innovative industry disruption, building trust and offering higher margin products to a large, growing base of increasingly active customers.

Growing our customer base is at the core of our business development plan. We set out to attract 25,000 customers to the platform by the end of CY2016, and we surpassed this by reaching more than 40,000 customers. In July 2017, we signed up our 100,000th customer.

The growth of nearly 50,000 new customers in the second half of the financial year surpassed all of our expectations, but it has built a foundation for even faster growth in 2018. The key for Change Financial moving forward will be to continue to scale our operations to meet the demand we are seeing in the market. We implemented several new products and features in 2017, the most notable of these being our new round-up savings account. This highly-requested development empowers users to "round-up" when making a purchase and then deposit the rounding amount into savings. Through this product, we can encourage customers to boost their use of the ChimpChange card to grow their savings and to load more money onto the platform.

With this feature soft launched to all customers in April 2017, we set a new quarterly record for attracting customers in the June quarter, finishing with an additional 30,800 customers on our books. We hope to sign up another 30,000 new customers in the September 2018 quarter, and I am confident we can achieve this. Earlier in the year, we launched an innovative photo cheque load feature, which was also requested by many customers. Adoption of the feature grew strongly month on month, proving that ChimpChange can respond to and meet the demands of its market. We expect having this feature integrated will continue to grow the amount of money that our customers trust us to manage.

This growing trust was also demonstrated in the March quarter, when a large proportion of our customers deposited significant amounts of tax refund cash into their ChimpChange accounts. This event took Transaction Volume, Customer Deposits, Customer Spend and Revenue to new highs, and set a high bar for the Company's growth to exceed. We believe this strengthening relationship with our customers will position us for even faster growth once we begin to roll out higher-margin products to a larger customer base.

We gained validation for our efforts through the year through recognition by our banking and payments industry peers, winning Pay Awards in the US for 'Best Mobile App', 'Consumer Champion', and 'Startup of the Year'. Juried annually by Paybefore, the Pay Awards are a prestigious recognition of excellence in the global prepaid and payments technology industries, and we were proud to be nominated and honoured across these categories.

Post year-end, in August 2017, we announced a strategic partnership with Hollar, named by the *Wall Street Journal* as '*the #1 tech company to watch in 2017*'. Hollar is a fast-growing e-commerce player in the US, providing the ultimate online dollar store for new products such as toys, electronics, home, beauty and apparel. With Hollar having grown to attract more than 2 million monthly active users in the US, we are

optimistic that our partnership can drive further growth on both our platforms. We are working on other partnerships which we intend to announce through 2018.

The focus for 2018 will be leveraging the technology we have built through expanding our consumer banking offering, and launching our Business-to-Business enterprise offering. We are going through a significant transition from a single millennial focussed consumer banking product; into a diversified FinTech banking software company. This transition positions us well for growth over the coming years.

Bank customers and investors alike are showing increasing interest in millennial-focused products and companies. Having commenced FY18 with significant operational momentum, and well-funded from our recent capital raising, we intend to leverage this company and industry growth further in the year ahead. We plan to continue our marketing efforts to acquire new customers with new features and promotions, and broaden the adoption of our innovative tools which enable and encourage customers to move more of their funds into their ChimpChange spending account. Through these and other initiatives and campaigns, it will be exciting to see the growth we can achieve in satisfied customers as we expand our suite of products and services.

I am incredibly pleased with the strong progress we accomplished in 2017, and I believe we have the foundations in place for a solid future.



Ashley Shilkin

Founder and Managing Director

Change Financial Limited

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Change Financial Limited (**Change Financial** or **Company**) consisting of Change Financial Limited and the entities it controlled at the end of or during the year ended 30 Jun 2017 (**Group**).

Directors

The following persons were Directors of Change Financial Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Peter Clare
Ashley Shilkin
Ian Leijer
Ben Harrison
Teresa Clarke (appointed 14 October 2016)
Andrew Pipolo (appointed 1 August 2017)

Principal activities

The Group's principal continuing activity during the year was providing mobile banking services through the ChimpChange mobile application.

Background on Company and Review of Operations

Change Financial Limited (**Company**) (ASX: CCA) provides access to Australia's only listed digital banking platform via its wholly owned subsidiary Chimpchange LLC. ChimpChange offers consumers secure, low-cost, feature-rich bank accounts. Based in Los Angeles, California, ChimpChange delivers a better way to bank with two key value propositions to customers.

Firstly, it makes free retail banking available to tens of millions of Americans who typically pay monthly fees and overdraft fees to have a bank account. Secondly, ChimpChange provides money management tools to help customers better understand how they spend their money, and save their money. It also offers real-time mobile cheque deposit and instant person to person payments. All funds on deposit are held with a federally regulated FDIC-insured bank in the US.

ChimpChange empowers customers to send instant mobile payments, make in-store/online purchases everywhere Mastercard is accepted, and do all their daily transactional banking from a single app.

Financial year 2017 was an incredible growth year for the Company. After completing an ASX listing in June 2016, the Company went on to deliver continuous quarter on quarter growth in the ChimpChange Platform throughout FY17 by leveraging new product features, our enhanced customer base, and increased activity of existing customers. To indicate the scale of this rapid growth, in June 2016 it took ChimpChange the entire month to achieve US$600,000 in deposits; on 30 June 2017, exactly one year after IPO, ChimpChange achieved US$600,000 in deposits in a single day.

By the end of June 2017, ChimpChange had achieved annualised total transaction value (**TTV**) run rate of US$113 million (A$149 million). This TTV run rate represents growth of 647% compared to US$15 million (A$20 million) at the same time in 2016. The tremendous growth in customer numbers and transaction value validates that the current banking product delivers on the value propositions needed in the US market. Furthermore, the table below highlights the breadth of ChimpChange's growth:

Metric (USD)	FY17	FY16	Growth
Transaction Volume	$73.6M	$17.2M	328%
Deposits	$31.9M	$7.9M	303%
Purchases	$22.0M	$4.9M	349%
Revenue from services	$409K	$178K	229%

To continue this growth, the Company was able to successfully secure a placement funding round of A$10 million (US$7.5m) in May 2017, cornerstoned by leading fund manager Acorn Capital Limited and supported by our brokers CCZ Statton Equities and Morgans.

During FY17, the Company executed on a number of key business initiatives to position Change Financial for future growth. These included:

- Development of enterprise solutions to further monetise the great technology the Company has built, by licensing and partnering with other banks and businesses (scheduled for H2 2018);
- Commenced entering into partnerships with other high growth technology companies to further monetise our customer base;
- Released mobile photo cheque deposit with 60 second cheque clearance time;
- Released ChimpChange's round up savings feature, which has been used by 9,120 customers since launch;
- Developed and released ChimpChange's predictive spending technology and auto-categorization engine;
- Re-engineering of our back-end technology stack into a highly scalable micro-services based platform, an approach similar to Netflix, Uber and other leading technology companies;
- Continued to build out key features in-house, such as automated clearing house (ACH) transfers and budgeting tools, scheduled for a H1 FY18 release;
- Finalised ChimpChange's transition to a new, experienced and innovative sponsor bank; and
- Continued to work on many other business and strategic initiatives on which the Company looks forward to updating the market at the appropriate time.

These rapid developments over FY17 saw ChimpChange win three prestigious industry awards:

1. Best Mobile App;
2. Startup of the Year; and
3. Consumer Champion.

These awards were announced at the Pay Awards 2017, and were previously won by financial services leaders and innovators including American Express, GoBank, NetSpend and other major industry players. To the Company these awards provide third-party validation and recognition that the strategy of providing Fintech tools with a user-friendly User Experience on a platform to empower ChimpChange's customers financially is working.

On the corporate front, the Company was invited to speak at the ASX Spotlight Conference in Singapore and Hong Kong (May 2017), the ASX Spotlight Conference in New York (October 2017), and the LD Micro Invitational Conference in Los Angeles (June 2017).

The Company is working to develop multiple banking products to suit consumers in other demographics, enterprise software services, and other growth opportunities within the Fintech space.

Significant changes in the state of affairs

Contributed equity increased by $7,207,000 as a result of capital raised through the year. Details of the changes in contributed equity are disclosed in note 15 to the financial statements.

Options exercised

During the year 510,595 shares were issued on 21 June 2017 pursuant to the exercise of options.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2017 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years other than as set out in Note 31 of the Financial Statements.

Likely developments and expected results of operations

Refer to the Review of Operations for further details.

Information on directors



Peter Clare (Non-Executive Chairman)

Experience and expertise

Mr Clare has been in the banking industry since 1995, including most recently as the Chief Executive Officer of Westpac New Zealand Limited, a division of Westpac Banking Corporation Limited, from 2012 to 2014.

Mr Clare has completed an MBA (Macquarie University, 1990) and a BCom in Accounting, Finance and Systems (University of New South Wales, 1986). He is a member of the Australian Institute of Company Directors and the Governance Institute of Australia, and a fellow of CPA Australia and Financial Services Institute of Australasia (FINSIA).

Other current ASX directorships

Scottish Pacific Group Limited

Former ASX directorships in last 3 years

Rubik Financial Limited
Reffind Limited

Special responsibilities

Member of the Audit & Risk Management Committee.

Interests in shares and options

200,000 shares in Change Financial Limited.
750,000 options in Change Financial Limited.



Ashley Shilkin (Managing Director)

Experience and expertise

Mr Shilkin is the founder and Managing Director of Change Financial, based in Los Angeles, California.

At 26 he was the youngest Chief Financial Officer of a A$30 million company listed on the ASX (CO2 Australia Limited). While at CO2 Group the company grew to over A$300 million in market capitalisation in a short period of time. While at CO2 Group he took on a number of Directorships. One being Director/Chief Offsetting Superhero of Yonderr.com, a fresh web-based carbon offset company. The second was an appointment to the board of CO2 New Zealand; the company that facilitated the first meaningful international expansion of CO2 Group, which resulted in millions of dollars of additional revenue for the group.

Mr Shilkin has a Masters in Commercial Law and a Bachelor of Commerce with double majors in Investment Finance and International Business Economics.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

Member of the Audit & Risk Management Committee

Interests in shares and options

11,901,965 shares in Change Financial Limited.
3,500,000 options in Change Financial Limited.



Ian Leijer (Executive Director)

Experience and expertise

Mr Leijer has been closely involved with Change Financial since its inception.

Mr Leijer is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Mr Leijer started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank.

Mr Leijer currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Mr Leijer also holds a Bachelor of Economics from the University of Sydney, Australia.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

None

Interests in shares and options

2,872,529 shares in Change Financial Limited.
250,000 options in Change Financial Limited.



Ben Harrison (Non-Executive Director)

Experience and expertise

Mr Harrison has 10 years' experience in advising and investing in companies. He spent 5 years working for a leading mid cap corporate advisory house where he executed capital market and M&A transactions. He is currently involved in the private equity and venture capital sector.

Mr Harrison has been involved at board level in a number of investee companies on behalf of investors. His experience extends beyond financing and M&A into: investment, strategy, financial management, corporate restructuring, corporate governance and general management.

Mr Harrison holds a Bachelor of Science and Masters of Applied Finance and Investment.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

Chairman of the Audit & Risk Management Committee.

Interests in shares and options

72,168 shares in Change Financial Limited.
950,000 options in Change Financial Limited.



Teresa Clarke (Non-Executive Director)

Experience and expertise

Teresa Clarke is Harvard Business School (MBA), Harvard Law School (JD) and Harvard University (Economics) Graduate. Ms Clarke had an esteemed 12-year career in investment banking at Goldman Sachs; including performing the role of Managing Director and Vice President.

One of her major contributions was to play a key role in launching the firm's Global Markets Institute. She later moved back into the investment banking division where she led mergers and acquisitions, and corporate finance transactions for Fortune 500 companies in the US and Europe.

Ms Clarke is a California native who now spends her time between New York and South Africa; working on eCommerce website Africa.com, which she Founded in 2010.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Interests in shares and options

250,000 options in Change Financial Limited.



Andrew Pipolo (Non-Executive Director)

Experience and expertise

Andrew Pipolo was Managing Director of both PayPal Australia and then PayPal Japan during their international expansion. Andrew was the first PayPal employee in the Asia Pacific region and during his time Andrew successfully scaled PayPal to the point of being one of the most widely used payment systems in both countries.

During the five years Andrew was growing PayPal, PayPal Australia was the fastest growing operation within the PayPal Group.

Since leaving PayPal in 2011 Andrew has owned, operated and consulted for companies in the FinTech space, with a particular focus on payments. Most recently Andrew was a key member of LoopPay, a unique mobile wallet solution. LoopPay was ultimately acquired by Samsung Pay in 2015.

Prior to PayPal Andrew was at Mastercard in the position of Head of eCommerce, Acceptance and Cross Border Acquiring. During his seven years at Mastercard Andrew was responsible for establishing and then expanding eCommerce and Merchant Acceptance Divisions throughout continental Europe and the UK.

Other current ASX directorships

None

Former ASX directorships in last 3 years

BPS Technology Ltd

Interests in shares and options

250,000 options in Change Financial Limited.

Company secretary

The Company secretary is Mr Duncan Cornish. Mr Cornish was appointed to the position of Company secretary on 2 July 2015. Mr Cornish has many years' commercial and finance experience, providing company secretarial services to publicly listed companies.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 Jun 2017, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Audit & Risk Committee meetings	
	A	B	A	B
Peter Clare	10	11	2	2
Ashely Shilkin	11	11	2	2
Ian Leijer [1]	11	11	2	2
Ben Harrison	11	11	2	2
Teresa Clarke [1]	8	8	1	1
Andrew Pipolo	0	0	0	0

[1] Mr Leijer and Ms Clarke attended the Audit & Risk Committee meeting by invitation
A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year

Remuneration report (audited)

The Directors are pleased to present your Company's 2017 remuneration report which sets out remuneration information for Change Financial Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Change Financial Limited on 11 August 2015 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, an increase in the maximum aggregate annual non-executive directors' fees to $500,000, with such fees to be allocated to the non-executive directors as the board of directors may determine.

Executive remuneration policy and framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward.

The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- performance linkage / alignment of executive compensation;
- transparent;
- acceptable to shareholders;
- alignment to shareholders' interests;
- attracts and retains high calibre executives;
- alignment to program participants' interests;
- rewards capability and experience; and
- provides recognition for contribution.

The executive remuneration and reward framework has two components:

- base pay and benefits, including superannuation; and
- long term incentives.

(a) Elements of remuneration Base pay and benefits

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 executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

(b) Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) of Change Financial Limited and the Group are set out in the following tables.

The key management personnel of Change Financial Limited includes the directors as listed below:

- Peter Clare (Chairman)
- Ashley Shilkin (Managing Director)
- Ian Leijer (Executive Director & CFO)
- Ben Harrison (Non-Executive Director)
- Teresa Clarke (Non-Executive Director) (appointed 14 October 2016)

In addition to the directors the following executives that report directly to the Board are key management personnel:

- Clayton Fossett (Chief Operating Officer)
- Young Lee (Chief Financial Officer)
- Nick Roberts (Chief Marketing Officer)

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2017

Name	Short Term Benefits			Post Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees	Cash Bonus	Non Monetary Benefits				
	US$	US$	US$	US$	US$	US$	US$
Non-executive directors							
Peter Clare	52,795	-	-	-	-	-	52,795
Ben Harrison	60,956	-	-	-	-	-	60,956
Teresa Clarke	40,208	-	-	-	-	27,495	67,703
Subtotal	**153,959**	**-**	**-**	**-**	**-**	**27,495**	**181,454**
Executive directors							
Ashley Shilkin	183,461	-	10,000	13,077	-	130,365	336,903
Ian Leijer	63,348	-	-	-	-	-	63,348
Subtotal	**246,809**	**-**	**10,000**	**13,077**	-	130,365	**400,251**
Key Management							
Clayton Fossett	163,137	-	-	-	-	25,026	188,163
Young Lee	142,885	-	-	-	-	38,537	181,422
Nick Roberts	134,685	-	-	-	-	62,917	197,602
Subtotal	**440,707**	**-**	**-**	**-**	**-**	**126,480**	**567,187**
Total	**841,475**	**-**	**10,000**	**13,077**	**-**	**284,340**	**1,148,892**

The amount for share based payments represents the expense recognised in the current financial year for options granted as remuneration in the current and prior years. Of the total amount of $284,520, $223,080 is the expense related to options granted in prior period and $61,440 relates to options granted in the current period. Set out below in section d(i) are the details of options issued as remuneration in the current financial year. It also noted that the amount paid to Mr Clare has increased due to full year impact of the higher amount paid to Mr Clare in his role as Chairman which took effect from January 2016.

2016

Name	Short Term Benefits			Post Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees	Cash Bonus	Non Monetary Benefits				
	US$	US$	US$	US$	US$	US$	US$
Non-executive directors							
Peter Clare	40,144	-	-	-	-	115,055	155,199
Ben Harrison	86,324	-	-	-	-	63,919	150,243
Subtotal	126,468	-	-	-	-	178,974	305,442
Executive directors							
Ashley Shilkin	180,769	596,000	10,000	5,000	-	455,418	1,247,187
Ian Leijer	35,114	89,460	-		-	100,978	225,552
Subtotal	**215,883**	**685,460**	**10,000**	**5,000**	**-**	556,396	1,472,739
Key Management							
Clayton Fossett	154,616	-	-	-	-	55,037	209,653
Nick Roberts	150,994	-	-	-	-	15,870	166,864
Subtotal	305,610	-	-	-	-	70,907	376,517
Total	**647,961**	**685,460**	**10,000**	**5,000**	**-**	**806,277**	**2,154,698**

(c) Service agreements

Peter Clare (Non-Executive Chairman)

- Services provided through Shared Runway Pty Ltd (**Shared Runway**);
- Term of agreement – no fixed term;
- Shared Runway receives an annual fee of A$70,000 for services provided by Mr Clare payable monthly on pro rata basis; and
- Shared Runway is entitled to reimbursement of specified expenses incurred in providing services.

Ashely Shilkin (Managing Director)

- Term of agreement – no fixed term;
- Base salary is $180,000 per annum reviewed annually;
- Annual $10,000 superannuation and $10,000 car allowance;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving six month's notice in writing; and
- Mr Shilkin is employed under the laws of the State of California, US.

Ian Leijer (Executive Director and CFO)

- Services provided through Unimain Pty Ltd (**Unimain**);
- Term of agreement – 6 months unless terminated given one month's notice, automatically extended for additional periods of one month each until terminated or a new agreement is entered into. Unimain receives a consulting fee of A$2,000 per day for services provided by Mr Leijer; and
- Unimain is entitled to reimbursement of specified expenses incurred in providing services.

Ben Harrison (Non-Executive Director)

- Serviced provided through Riverfire Capital Ventures Pty Ltd (**Riverfire**);
- Term of agreement – 12 months unless terminated given one month's notice, automatically extended for additional periods of one month each until terminated or a new agreement is entered into;
- Riverfire receives receives an annual fee of A$40,000 for services provided by Mr Harrison payable monthly on pro rata basis, which took effect from January 2017. Prior to that Riverfire received a consulting fee of $1,500 per day.; and
- Riverfire is entitled to reimbursement of specified expenses incurred in providing services.

Teresa Clarke (Non-Executive Director) appointed 14 August 2016

- Term of agreement – no fixed term;
- Annual fee of US$40,000 payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role.

Andrew Pipolo (Non-Executive Director) appointed 1 September 2017

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role.

Clayton Fossett (COO)

- Term of agreement – no fixed term;
- Base salary is reviewed annually;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving one month's notice in writing; and
- Mr Fossett is employed under the laws of the State of California, US.

Young Lee (CFO)

- Term of agreement – no fixed term;
- Base salary is reviewed annually;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving one month's notice in writing; and
- Mr Lee is employed under the laws of the State of California, US.

Nick Roberts (CMO)

- Term of agreement – no fixed term;
- Base salary is reviewed annually;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving two month's notice in writing;
- If Mr Roberts employment is terminated within the first 12 months of employment without cause, the company must give Mr Roberts three months' notice (or payment in lieu) and allow 50,000 options to vest; and
- Mr Roberts is employed under the laws of the State of California, US.

(d) Equity instrument disclosures relating to key management personnel

(i) Options issued to Key Management Personnel as remuneration

The following options were issued as long term incentives to Key Management Personnel as remuneration during the financial period. All options are exercisable upon vesting until the expiry date.

Name	Number	Grant Date	Strike Price	Expiry Date[2]	Fair Value at Grant Date $	Total Number Vested	Vested %	Total Number Exercised	Vesting Conditions
Directors									
Teresa Clarke	250,000	18 Nov 16	A$1.00	31 Dec 18	27,495	250,000	100%	-	Nil
Key management									
Clayton Fossett	250,000	10 Jan 17	A$0.657	31 Jan 20	48,494	41,667	16.67%	-	Note 1
Young Lee	250,000	10 Jan 17	A$0.657	31 Jan 20	49,494	41,667	16.67%	-	Note 1
Nick Roberts	200,000	10 Jan 17	A$0.657	31 Jan 20	38,795	33,333	16.67%	-	Note 1

Note 1 The options vest as follows:
16.67% Vest Immediately
16.67% Vest on 31 December 2017
33.33% Vest on 31 December 2018
33.33% Vest on 31 December 2019

Note 2 Options may expire earlier than the Expiry date if a person ceases to be a director or an employee of the Company.

(ii) Option Holdings

The numbers of options in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2017

Name	Balance at the start of the period	Granted during the year	Exercised during the year	Balance at the end of the period	Total Vested at 30 Jun 17	Exercisable at 30 June 17	Unexercis-able at 30 June 2017
Directors							
Peter Clare	750,000	-	-	750,000	750,000	750,000	-
Ashley Shilkin	3,500,000	-	-	3,500,000	1,000,000	1,000,000	2,500,000
Ian Leijer	250,000	-	-	250,000	250,000	250,000	-
Ben Harrison	950,000	-	-	950,000	950,000	950,000	-
Teresa Clarke	-	250,000	-	250,000	250,000	250,000	-
Key management							
Clayton Fossett	400,000	250,000	-	650,000	341,667	341,667	308,333
Young Lee	250,000	250,000	-	500,000	91,667	91,667	408,333
Nick Roberts	600,000	200,000	-	800,000	133,333	133,333	666,667

2016

Name	Balance at the start of the period	Granted during the year	Exercised during the year	Balance at the end of the period	Total Vested at 30 Jun 16	Exercisable at 30 June 16	Unexercis-able at 30 June 2016
Directors							
Peter Clare	300,000	450,000	-	750,000	750,000	750,000	-
Ashley Shilkin	6,183,303	3,500,000	6,183,303	3,500,000	1,000,000	1,000,000	2,500,000
Ian Leijer	1,322,440	250,000	1,322,440	250,000	250,000	250,000	-
Ben Harrison	700,000	250,000	-	950,000	950,000	950,000	-
Key management							
Clayton Fossett	300,000	100,000	-	400,000	200,000	200,000	200,000
Nick Roberts	-	600,000	-	600,000	-	-	600,000

No option holder (Key Management Personnel or otherwise) has any right under the options to participate in new issues of securities in the Company made by the Company to its shareholders generally. In the event of a reconstruction of the capital of the Company or an issue of Bonus shares the option strike price and/or the number of options will be adjusted such that no benefit is gained or lost by option holders as a result of that reconstruction or bonus share issue.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Year to 30 June 2017	Balance at the start of the period	Received during the year on exercise of options	Other changes during the period	Balance at the end of the period
Directors of Change Financial Limited				
Peter Clare	200,000	-	-	200,000
Ashley Shilkin	11,901,965	-	-	11,901,965
Ian Leijer	2,872,529	-	-	2,872,529
Ben Harrison	43,668	-	28,500	72,168
Teresa Clarke	-	-	-	-
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-
Young Lee	-	-	-	-
Nick Roberts	-	-	-	-

Year to 30 June 2016	Balance at the start of the period	Received during the year on exercise of options	Other changes during the period	Balance at the end of the period
Directors of Change Financial Limited				
Peter Clare	100,000	-	100,000	200,000
Ashley Shilkin	5,718,662	6,183,303		11,901,965
Ian Leijer	1,450,089	1,322,440	100,000	2,872,529
Ben Harrison	43,668	-	-	43,668
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-
Nick Roberts	-	-	-	-

End of Remuneration Report

Shares under option

Grant Date	Expiry	Strike Price	Vesting Conditions	Number
1 Dec 2014	1 Dec 2017	A$0.49	No	1,487,136
31 Dec 2014	31 Dec 2019	A$0.40	No	1,500,000
1 Apr 2015	1 Apr 2018	A$0.49	No	50,000
1 Apr 2015	20 Oct 2018	A$0.49	Yes	50,000
1 Apr 2015	20 Oct 2019	A$0.49	Yes	100,000
1 Apr 2015	20 Oct 2020	A$0.49	Yes	100,000
18 Apr 2016	31 Dec 2018	A$1.00	No	2,100,000
18 Apr 2016	18 Apr 2021	A$1.50	No	1,000,000
18 Apr 2016	18 Apr 2021	A$2.35	No	1,500,000
18 Apr 2016	18 Apr 2019	A$1.00	Yes	1,870,000
20 Apr 2016	20 Apr 2019	A$1.00	No	1,500,000
15 Dec 2016	31 Dec 2018	A$1.00	No	250,000
18 Jan 2017	20 Jan 2018	A$0.657	Yes	1,890,000
TOTAL				**13,397,136**

Indemnity and Insurance of officers

Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 27 to the financial statements. Based on advice provided by the Audit and Risk Management Committee, the Directors have formed the view that the provision of non-audit services is compatible with the general standard of independence for auditors, and that the nature of non-audit services means that auditor independence was not compromised.

Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise indicated.

Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the year ending 30 Jun 2017 (2016: Nil).

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 on page 22.

Auditor

Pitcher Partners continues in office in accordance with section 327 of the Corporations Act 2001.
This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the Corporations Act 2001.

Dated 30 September 2017



Ashley Shilkin
Founder and Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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345 Queen Street
Brisbane
Queensland 4000

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Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

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NIGEL FISCHER
TERESA HOOPER
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PETER CAMENZULI
JASON EVANS
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN
JEREMY JONES

The Directors
Change Financial Limited
C/- 110 S Fairfax Avenue
#A11-177
Los Angeles CA 90036

Auditor's Independence Declaration

As lead auditor for the audit of Change Financial Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants.*

This declaration is in respect of Change Financial Limited and the entities it controlled during the period.

PITCHER PARTNERS

J. J. EVANS
Partner

Brisbane, Queensland
30 September 2017

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing and maintaining good corporate governance policies.

Change Financial Limited's Corporate Governance Statement has been adopted and structured with reference to the Australian Securities Exchange (**ASX**) Corporate Governance Council - Corporate Governance Principles and Recommendations, 3rd Edition (**CGC Recommendations**).

The Company's practices are largely consistent with the CGC recommendations, and the Board has made appropriate statements reporting on the adoption of the recommendations. Where the Company's corporate governance practices do not correlate with the practices recommended by the CGC, the Company is working towards compliance; however, it does not consider that all practices are currently appropriate for the Company due to the size and scale of its operations. The Board has offered full disclosure and reasons for the adoption of Company practices and these are summarised in this Corporate Governance Statement.

The Board is of the view that with the exception of the departures from the ASX Guidelines noted below it otherwise complies with all of the ASX Guidelines.

The information in this statement is current as at 30 September 2017 and has been approved by the Board.

Principle 1 – Lay solid foundations for management and oversight

Functions, powers & responsibilities of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs. Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.
Without limiting those matters, the Board expressly considers itself responsible for the following:

- ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all other relevant laws;
- providing leadership and developing, implementing and monitoring strategic operational and financial objectives for the Company and the overall performance of the Company;
- appointing appropriate staff, consultants and experts to assist in the Company's operations;
- ensuring appropriate financial and risk management controls are implemented;
- setting, monitoring and ensuring appropriate accountability and a framework for remuneration of Directors and executive officers;
- establishing and overseeing the Company's process for making timely and balanced disclosure of all material information in accordance with the ASX Listing Rules;
- implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- implementing and overseeing the Compa*ny's risk management framework* to enable risk to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within;
- appointing the Chairperson;
- appointing and removing the Chief Executive Officer and Company Secretary;
- approving the appointment and, where appropriate, removal of members of Management;
- contributing to and approving Management's development of corporate strategy and performance objectives;
- monitoring Management's implementation of strategy and performance generally, and ensuring appropriate resources are available to Management;

- monitoring the effectiveness of the Company's governance practices;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving the annual budget;
- liaising with the Company's external auditors;
- approving and monitoring financial and other reporting systems of the Company (including external audit) and the integrity of these systems; and
- appointing and overseeing Committees where appropriate to assist in the above functions and powers.

The Board has delegated to the Managing Director day to day responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. The Board also delegates to senior management the responsibilities for the day-to-day activities leading toward achievement of the Company's strategic direction within agreed boundaries and authority limitations.

Structure of the Board

The policy and procedures for the selection and appointment of new Directors is that candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, and credibility within the Company's scope of activities. Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders.

At each Annual General Meeting the following Directors automatically retire and are eligible for re-appointment:

- any Director who has been elected in the office for a period in excess of three consecutive years or until the third annual general meeting following her/his appointment, whichever is longer, without submitting him/herself for re-election;
- any Director who was appointed by the Directors during the year to fill a casual vacancy or as an addition to the existing Directors;
- one-third of the Directors or, if their number is not a multiple of three, then the greatest of one or the number nearest to but not exceeding one-third.

Director and senior executive agreements

New Directors receive the letter of their appointment and a deed of indemnity, insurance and access. Non-executive Directors are not appointed for fixed terms. Executive Directors have written agreements, which set out the material terms of engagement, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Each senior executive enters into an agreement which sets out the material terms of engagement, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of senior executives, which are key management personnel, are summarized in the Remuneration Report in the Annual Report.

Company Secretary

The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A copy of the Constitution is available on the Company website under Corporate Governance and the details of the Company Secretary are set out in the Directors' Report contained within the Annual Report.

Diversity

The Board has not adopted a formal Diversity Policy at this stage. The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measurable objectives, having regard to the nature and scale of its activities.

Board reviews

The Board did not conduct a performance evaluation during the last 12 months and has not adopted a performance evaluation policy.

The Company believes that the small size of the Board and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.

Management reviews

The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.

The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Nomination committee

The Board has not formally established a Nominations Committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate Nomination Committee and in doing so, the Board will be guided by the Charter which is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

Skills and experience

Details of the current Directors, their skills, experience and qualifications plus a record of attendance at meetings is included in the Directors' Report within the Annual Report. At this stage of the Company's development the Board believes there is an appropriate mix of skills, experience and diversity on the Board. However the Board will continue to monitor its composition with a view to ensuring is has an appropriate mix of skills and diversity.

Independence and length of service

The Company's Board is comprised of Peter Clare, Benjamin Harrison, Teresa Clarke, Andrew Pipolo Ashley Shilkin and Ian Leijer.

The length of service of each Director is set out below and can be found in the Directors' Report within the Annual Report.

Name	Appointment date	Length of service
Peter Clare	16 April 2015	31 months
Benjamin Harrison	16 January 2015	34 months
Ian Leijer	16 January 2015	34 months
Ashley Shilkin	6 May 2011	6 years and 6 months
Teresa Clarke	14 October 2016	12 months
Andrew Pipolo	1 August 2017	2 months

Presently under the ASX Guidelines it is considered that there are three independent Directors, being Mr Clare, Ms Clarke and Mr Pipolo. The table below details the reasons why the remaining Directors are not considered to be independent:

Name	Position	Reason for non-compliance
Benjamin Harrison	Non-Executive Director	Director was employed in an executive capacity in the lead up to the Company's IPO (i.e. within the last three years)
Ian Leijer	Finance Director	Director is employed in an executive capacity
Ashley Shilkin	Managing Director	Director is employed in an executive capacity and is a substantial security holder of the Company

Based on ASX Guidelines the Board is of the view that the Chairman, Mr Clare is independent. However, the Board is of the view that it does not consist of a majority of independent Directors. The Company believes that given the size and scale of its operations, non-compliance by the Company with this recommendation will not be detrimental to the Company or its shareholders.

Principle 3 – Act ethically and responsibly

Code of conduct

The Company has established a Corporate Code of Conduct and Corporate Ethics Policy for the Board, management and employees of the Company. The Codes require that Directors, management and employees maintain high standards of integrity by ensuring that all business activities are conducted legally and ethically in compliance with the letter and spirit of both the law and Company policies. The Code of Conduct and Ethics Policy is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Audit Committee

The Board has established an Audit and Risk Management Committee. The Committee is:

- Mr Benjamin Harrison – Non-Executive Director (Chairman of the Committee)
- Mr Peter Clare – Non-Executive (Independent) Director
- Mr Ashley Shilkin – Managing Director

CGC recommendation 4.1 states that the audit committee should consist of a majority of independent Directors and all be non-executive Directors. Messrs Harrison and Shilkin are not considered to be independent as detailed in section 2.3 and Mr Shilkin is an Executive Director. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.

The experience and qualifications of members of the Audit and Risk Management Committee are detailed in the Annual Report. Details of Committee members' attendance at Audit and Risk Management Committee meetings will also be able to be accessed in the Directors' Report within the Annual Report.

The Company has adopted an Audit and Risk Management Committee Charter setting out the Committee as well as reporting requirements. The Charter will be reviewed annually to determine whether any changes are necessary. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Audit and Risk Management Committee with respect to audit are to:

- review and make recommendations to the Board in relation to whether the Company's financial statements reflect the understanding of the members of the Committee, and otherwise provide a true and fair view of the financial position and performance of the Company;
- review and make recommendations to the Board in relation to the appropriateness of the accounting judgments or choices exercised by Management in preparing the Company's financial statements;
- ensure that the quality of financial controls is appropriate for the business of the Company;
- review the scope, results and adequacy of external and internal audits;
- require the external auditors to report to the Committee;
- monitor corporate conduct and business ethics and ongoing compliance with laws and regulations;
- maintain open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged;
- review matters of significance affecting the financial welfare of the Company;
- ensure that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate and making recommendations in this regard;
- review the Company's internal financial control system;
- consider and make recommendations regarding the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor; and
- develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and make recommendations on any proposal by the external auditor to provide non-audit services.

External auditor

Pitcher Partners was appointed as the Company's external auditor by shareholders at a General Meeting held on 30 November 2015. Pitcher Partners has advised the Company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

Representatives of Pitcher Partners attend the Annual General Meeting and are available to answer shareholder questions regarding the audit or the individual statements.

Managing Director and Finance Director certification of financial statements.

Prior to the approval of the Group's financial statements each year, the Managing Director and the Finance Director confirm in writing to the Board that the financial reports of the Company for the financial year:

- present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 5 – Make timely and balanced disclosure

Disclosure and Communications Policy

The Company has adopted a Continuous Disclosure Policy within its Corporate Governance Charter to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*. The policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, Senior Executives and staff to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner and that all information provided to the ASX is posted on the Company's website as soon as possible after its disclosure to ASX.

The Company Secretary will manage the Company's compliance with its continuous disclosure obligations and is responsible for communications with, and coordinating disclosure of information to the ASX.

Directors will receive copies of all announcements released to the ASX and copies of announcements, including related information, such as financial statements and public presentations, and are aware of and accountable for the Company's compliance with regard to continuous disclosure.

Respect the rights of security holders

Shareholder Communication

The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:

- The annual report which is distributed, or otherwise made available, to all shareholders;
- The quarterly activities report;
- The half-year financial report;
- The Annual General Meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate;
- Company announcements; and
- All of the information available on the Company's website www.changefinancial.com

The Company welcomes questions from shareholders at any time and these are answered promptly unless the information requested is market sensitive and not in the public domain. All announcements to be made by the Company to the ASX (except disclosures of a routine compliance or administrative nature) will be posted to the Company's website.

Information about the Company and its operations including information about the Company's corporate governance policies is located at: www.changefinancial.com

Facilitate participation at meetings of security holders.

The Company encourages shareholder participation at its AGMs including by making notices of meetings available on its website. Change Financial's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the audit report.

Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy.

Principle 7 – Recognise and manage risk

Risk committee

The Board has established an Audit and Risk Management Committee the members of which are set in the Audit section under Principal 4 and the responsibilities of which are set out in the Audit and Risk Management Committee Charter. The Charter will be reviewed annually to determine whether any changes are necessary. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Audit and Risk Management Committee with respect to risk are to:

- review and make recommendations to the Board in relation to the adequacy of the Company's processes for managing risks, including:
  - (a) in relation to any incident involving fraud or other break down of the Company's internal controls;
  - (b) in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with the business;
- ensure the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems and to oversee this framework;
- define and periodically review risk management as it applies to the Company and clearly identifying all stakeholders;
- ensure the Committee clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;
- ensure that the Board and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
- review methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;
- make informed decisions regarding business risk management, internal control systems, business policies and practices and disclosures; and
- consider capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management under the guidance of the Committee.

Internal audit

The Company does not have an internal audit function due to its current size. The Audit and Risk Management Committee gains sufficient assurance from management undertaking ongoing evaluation of the Company's internal control and risk management processes.

Sustainability risks

As a digital banking company, Change Financial faces inherent risks in its activities, primarily financial, operating and system risks but also including economic, environmental and social sustainability risks. The Board does not consider that it has material exposure to economic, environmental and social sustainability risks other than its exposure to general economic conditions in the markets in which it operates.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management.

Review of risk management framework

The Audit & Risk Management Committee was established in April 2016 did not conduct a formal review of the Company's risk management framework in the 2016 financial year. During the 2016 financial year the identification and evaluation of risks and the development and implementation of risk mitigation plans was undertaken by management with oversight from the Board.

Principle 8 – Remunerate fairly and responsibly

Remuneration committee.

The Board has not formally established a Remuneration Committee as the Board considers that the Company is not of a size nor are its affairs of such complexity as to justify the formation of this Committee.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Disclosure of Executive and Non-Executive Director Remuneration policy

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be paid as to a fixed amount for each Director. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. All Directors have the opportunity to qualify for participation in the Company's share option plan, subject to the approval of shareholders.

Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors and senior Executives including fee rates are set out in the Remuneration Report in the Annual Report.

Share Trading Policy.

The Company's Share Trading Policy specifically prohibits Directors and senior Executives from engaging in short-term trading in the Company's securities. The Policy also stipulates that Directors and senior Executives and closely related parties not enter into transactions which limit the economic risk relating to unvested options held by Director and Senior Executives. The Share Trading Policy is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

FINANCIAL REPORT

These financial statements are the consolidated financial statements of the consolidated entity consisting of Change Financial Limited and its subsidiaries.

The financial statements are presented in the United States currency.

Change Financial Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Corporate Administration Services Pty Ltd
Level 10, 110 Mary Street
BRISBANE QLD 4000

Its principal place of business is:

Chimpchange LLC
6922 Hollywood Blvd, Suite 922,
Hollywood, CA 90028

A summary of the Group's operations and its principal activities is included in the directors' report on page 8, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 September 2017. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.changefinancial.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2017 US$000s	2016 US$000s
Revenue	4	602	180
Employee benefits expense		(3,048)	(2,840)
Advertising & marketing expense		(2,846)	(1,129)
Program expenses		(1,192)	(983)
Consulting & professional fees		(551)	(1,459)
Technology expense		(297)	(165)
Travel expense		(179)	(126)
Depreciation & amortisation expense	5	(426)	(275)
Legal expenses		(76)	(332)
Insurance		(72)	(82)
Other expense		(681)	(444)
Profit (loss) before tax		(8,766)	(7,655)
Income tax expense	6	-	-
Total comprehensive profit (loss) from continuing operations		**(8,766)**	**(7,655)**
Basic loss per share (US cents per share)	18	(13.5)	(22.9)
Diluted loss per share (US cents per share)	18	(13.5)	(22.9)

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017 US$000s	2016 US$000s
Loss of the year	(8,766)	(7,655)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences on translation of parent operations	210	50
Profit (loss) from continuing operations	**(8,556)**	**(7,605)**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2017	2016
		US$000s	US$000s
Current assets			
Cash	7	9,468	10,878
Other receivables	8	85	107
Other current assets	9	85	15
Total current assets		**9,638**	**11,000**
Non-current assets			
Property, plant & equipment	10	105	31
Intangible assets	11	1,171	811
Total non-current assets		**1,276**	**842**
TOTAL ASSETS		**10,914**	**11,842**
Current liabilities			
Trade and other payables	12	235	359
Provisions	13	179	101
Other current liabilities	14	123	22
Total current liabilities		**537**	**482**
NET ASSETS		**10,377**	**11,360**
Equity			
Contributed equity	15	25,921	18,714
Reserves	16	3,866	3,290
Retained earnings		(19,410)	(10,644)
TOTAL EQUITY		**10,377**	**11,360**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity US$000s	Reserves US$000s	Retained Earnings US$000s	Total Equity US$000s
Balance at 30 June 2015	1,914	1,671	(2,989)	596
Profit (loss) for the year			(7,655)	(7,655)
Exchange differences on translation of the parent operation		50		50
Total comprehensive income for the year	**-**	**50**	**(7,655)**	**(7,065)**
Transactions with owners in their capacity as owners				
Options issued		1,569		1,569
Contributions	16,800			16,800
Total	**16,800**	**1,569**	**-**	**18,369**
Balance at 30 June 2016	**18,714**	**3,290**	**(10,644)**	**11,360**
Balance at 30 June 2016	18,714	3,290	(10,644)	11,360
Profit (loss) for the year	-	-	(8,766)	(8,766)
Exchange differences on translation of the parent operation	-	210	-	210
Total comprehensive income for the year	**-**	**210**	**(8,766)**	**(8,556)**
Transactions with owners in their capacity as owner				
Options issued	-	366	-	366
Contributions	7,207	-	-	7,207
Total	**7,207**	**366**	**-**	**7,573**
Balance at 30 June 2017	**25,921**	**3,866**	**(19,410)**	**10,377**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2017 US$000s	2016 US$000s
Cash flow from operating activities			
Receipts from customers		409	178
Payments to suppliers and employees		(8,491)	(5,457)
Interest received		113	2
Net cash used in operating activities	**17**	**(7,969)**	**(5,277)**
Cash flow from investing activities			
Payment for property, plant & equipment		(97)	(24)
Payment for software development		(761)	(394)
Net cash used in investing activities		**(858)**	**(418)**
Cash flow from financing activities			
Proceeds from share issue		7,207	15,825
Net cash provided by financing activities		**7,207**	**15,825**
Net increase (decrease) in cash held		**(1,620)**	**10,130**
Reconciliation of cash			
Cash at the beginning of the financial year		10,878	753
Net increase (decrease) in cash held		(1,620)	10,130
Foreign exchange difference on cash holding		210	(5)
Cash at the end of the financial year	**7**	**9,468**	**10,878**

The consolidated statements above should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

These consolidated financial statements relate to Change Financial Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017 and have been prepared in accordance with rule 4.3A of the ASX Listing Rules (Appendix 4E).

The principal accounting policies adopted in preparing the financial report of the Company and its consolidated entities (Consolidated Entity or Group) for the year ended 30 June 2017 are stated to assist in a general understanding of the financial report. For the purposes of preparing the financial report the Company is a for profit entity.

Change Financial Limited is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange.

(a) Compliance with IFRS

The Consolidated Financial Report of Change Financial Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Historical Cost Convention

The Consolidated Financial Report of Change Financial Limited has been prepared under the historical cost convention with the exception of the share based payments reserve that is measured at fair value.

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(d) Foreign Currency Translations and Balances

Presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re- statement are recognised as revenues and expenses for the financial year.

- Current assets and liabilities are translated at the closing rate on reporting date;
- Non-current assets are translated at historical cost
- Income and expenses are translated at actual exchange rates or average exchange rates for the period where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(e) Revenue

Providing services

Revenue is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is derived from earning a share of interchange revenue derived from purchases made using the ChimpChange branded prepaid cards and from earning fees charged to customers.

Interest income

Interest revenue is recognised on a proportional basis using the effective interest method taking into account the interest rates applicable to the financial assets.

(f) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

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

(g) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(h) Property, plant & equipment

Plant and equipment

Plant and equipment Is carried at cost less accumulated depreciation and, where applicable, any accumulated impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	**Depreciation rates**	**Depreciation basis**
Motor vehicles under lease	12.5%	Straight line
Office equipment	25%	Straight line
Computer equipment	25%	Straight line

(i) Software development

Software development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the software will generate probable future economic benefits; the entity has sufficient resource and intent to complete the development and its costs can be measured reliably.

Capitalised software development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over three years. The asset carrying value is reviewed for impairment annually and amounts are written off to the extent that realisable future benefits are considered to be no longer probable.

(j) Impairment of non-financial assets

Intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(k) Employee benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short- term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled wholly within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets in Australia 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 consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise indicated.

(n) Cash and cash equivalents

For cash-flow presentation purposes, 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.

(o) Standards and Interpretations on Issue Not Yet Adopted

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(p) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

2. Critical Accounting Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of intangible assets and other non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of those assets. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the Group and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Share- based payments transactions

The Group measures the cost of equity settled transactions 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 Black-Scholes or Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss or equity.

3. Operating Segments

The Group is organised into a single operating segment being the provision of mobile banking services through the ChimpChange mobile application developed by the Company.

4. Revenue

	2017 US$000	2016 US$000
Revenue from services	409	178
Interest income	113	2
Research & development tax refund	80	-
Total revenue	602	180

5. Expenses

	2017 US$000	2016 US$000
Loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	24	10
Amortisation of software development costs	402	265
Share based payments		
Options issued to directors, company secretary & employees	409	970
Options issued to service providers	(43)	599
Shares issued to an advisor	-	207
Employee benefits		
Employee benefits superannuation/retirement plan	20	17

6. Income Tax Expense

	2017 US$'000	2016 US$'000
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(8,766)	(7,655)
Tax at the Australian tax rate of 30% (2015: 30%)	(2,630)	(2,296)
Differences in overseas tax rates	(736)	(468)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Share based payments expense	110	471
Other	(3)	26
Current year tax losses not recognised	3,259	2,267
Income tax expense	**-**	**-**

Deferred tax assets of $6,143,000 (2016: $2,884,000) in respect of temporary differences and tax losses have not been recognized.

7. Current assets - Cash and cash equivalents

	2017 US$000s	2016 US$000s
Cash at Bank	9,468	10,878

8. Current assets – Receivables

	2017 US$000s	2016 US$000s
Other receivables	85	107

9. Current assets – Other assets

	2017 US$000	2016 US$000
Prepayments	68	13
Other current assets	17	2
Total other current assets	85	15

10. Property, plant and equipment

	2017 US$000s	2016 US$000s
Motors vehicles under lease	6	6
Accumulated depreciation	(1)	-
Closing carrying value	**5**	**6**
Office fit-out at cost	52	-
Accumulated depreciation	(3)	-
Closing carrying value	**49**	**-**
Office equipment at cost	83	38
Accumulated depreciation	(32)	(12)
Closing carrying value	**51**	**26**
Total property, plant & equipment	**105**	**31**

Reconciliation of movement

Reconciliation of the carrying amounts of property, plant & equipment at the beginning and end of the financial year

	Motor vehicle under lease US$000s	Office Fit Out US$000s	Office Equipment US$000s	Total US$000s
2016				
Opening carrying amount	6	-	26	31
Additions	-	52	45	97
Depreciation expense	(1)	(3)	(20)	(24)
Closing carrying amount	**5**	**49**	**51**	**105**
2015				
Opening carrying amount	5	-	12	17
Additions	1	-	23	24
Depreciation expense	(1)	-	(9)	(10)
Closing carrying amount	**5**	**-**	**26**	**31**

11. Intangible assets

	2017 US$000	2016 US$000
Software development at cost	1,838	1,076
Accumulated amortisation and impairment	(667)	(265)
Total software development	**1,171**	**811**
Movements in carrying amounts		
Opening carrying amount	811	626
Additions	761	394
Amortisation expense	(402)	(265)
Net foreign currency movement	1	56
Closing carrying amount	**1,171**	**811**

12. Trade and other payables

	2017 US$000	2016 US$000
Unsecured liabilities		
Accounts payable	235	359

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

13. Provisions

	2017 US$000s	2016 US$000s
Employee leave provisions	179	101

14. Other current liabilities

	2017 US$000	2016 US$000
Other liabilities	123	22
Total other current liabilities	**123**	**22**

15. Issued capital

(i) Share Capital

	2017 US$000	2016 US$000
71,844,410 fully paid ordinary shares[1] (30 June 2016 57,330,640)	25,921	18,714

[1] This amount excludes 6,036,457 (2016: 6,150,743) shares issued under the Loan Funded Share Plan (LFSP). These shares will be recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid. Total fully paid shares on issue is 77,880,867 (2016: 63,481,383).

(ii) Movements in ordinary share capital

	Number	US$000
Balance at 30 June 2015	**23,415,530**	**1,914**
Share placement A$0.55 per share – 31 July 2015	5,559,926	2,265
Share placement A$0.70 per share – 21 December 2015	7,890,184	4,033
Exercise of options at A$0.35 per share – 1 February 2016	1,355,000	337
Issue of shares for advisory services at A$0.75 per shares – 20 April 2016	360,000	207
Shares issued pursuant to an initial public offering at A$0.80 per share – 30 June 2016	18,750,000	11,139
Transaction fees		(1,181)
Balance at 30 June 2016[1]	**57,330,640**	**18,714**
Shares issued pursuant to a placement at A$0.72 per share – May 2017	13,888,889	7,450
Transaction fees in respect of the placement – May 2017	-	(447)
Exercise of options – June 2017	510,595	204
Shares recognised under the Loan Funded Share Plan – June 2017	114,286	-
Balance at 30 June 2017[1]	**71,844,410**	**25,921**

[1] Excludes shares issued under the Loan Funded Share Plan (LFSP). These shares are recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid. At 30 June 2017 6,036,457 such shares were excluded (2016: 6,150,743). Total fully paid shares on issue at 30 June 2017 was 77,880,867 (2016: 63,481,383).

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each is share is entitled to one vote.

Capital Management

Management controls the capital of the Company in order to ensure the Company can fund its operations and continue as a going concern.

16. Reserves

	2017 US$000	2016 US$000
Share based payments reserve	3,657	3,291
Foreign currency translation reserve	209	(1)
Closing carrying amount	**3,866**	**3,290**

(a) Movement in Share based payment reserve

Opening balance	3,291	1,722
Options issued	409	1,568
Options cancelled	(43)	-
Balance at 30 June 2016	**3,657**	**3,291**

(b) Movement in Foreign currency translation reserve

Opening balance	(1)	(51)
Exchange differences arising on translation of parent operation	210	50
Balance at 30 June 2016	**209**	**(1)**

Share based payment reserve

The reserve is used to recognise the value of options issued to employers, directors and other parties as part of their remuneration of as part of their compensation for services provided to the Group.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of the holding company to United States dollars.

17. Reconciliation of profit after income tax to net cash inflow from operating activities

	2017 US$000	2016 US$000
Loss for the year	(8,766)	(7,655)
Depreciation and amortisation	426	275
Share based payments	366	1,776
Decrease (increase) in current receivables	(45)	(84)
Increase (decrease) in current liabilities	50	411
Net cash used in operating activities	**(7,969)**	**(5,277)**

18. Earnings per share

	2017 US$000	2016 US$000
Loss attributable to ordinary equity holders of Change Financial Limited	(8,766)	(7,655)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per shares	64,862,437	33,424,881
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator in calculating diluted earnings per share	64,862,437	33,424,881

19. Dividend

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

20. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affects the operations of the consolidated group, the results of those operations of the state of affairs of the consolidated group going forward.

21. Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as direction in specific areas.

The carrying amounts 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:

	2017 US$000	2016 US$000
Financial assets		
Cash and cash equivalents	9,468	10,878
Loans and receivables	85	107
Total financial assets	**9,553**	**10,985**
Financial liabilities		
Trade and other payables	235	359
Total financial liabilties	**235**	**359**

Due to their short term nature, the carrying amounts of all financial instruments are considered a reasonable approximation of their fair values.

Market Risk

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from transactions by the Group in currencies other than the functional currency.

At balance date, the Group had the following exposures to Australian dollars (A$) that are not designated cash flow hedges.

As at 30 June	2017 A$000	2016 A$000
Cash at bank	1,958	14,006
Current assets	79	94
Current liabilities	(164)	(335)
Net monetary assets / liabilities designated in AUD	1,873	13,765

Interest rate risk

Interest rate risk is considered immaterial as the Group's only exposure to interest rate risk is cash at bank.

Price risk

The Group is not exposed to any significant price risk.

Credit Risk

Credit risk refers to the risk that a counterparty will default on it contractual obligations resulting in a financial loss to the Group. The Group deemed its credit risk to be minimal as its financial assets are mainly cash held at BankWest which is a subsidiary of Commonwealth Bank of Australia. No financial assets are past due are impaired.

Liquidity Risk

The Group manages liquidity risk by maintaining adequate cash balances and by continuously monitoring forecasts and actual cash flows matching maturity profiles of financial assets and liabilities.

Financing arrangements

The Group does not have access to any undrawn borrowing facilities at the end of the reporting period.

Maturities of financial liabilities

At period end the Group had accounts payable of $359,000 (2015: $48,000) all of which have a maturity of less than 6 months. The Group has no other financial liabilities.

22. Share-based payments

Director & Employee options

1,890,000 options were issued to employees during the financial year pursuant to the Employee Share Option Plan. These options have a strike prices of A$0.657 and expire on 31 January 2020. 16.67% (one sixth) of the options vest immediately with the remainder vesting based on length of service.

250,000 options were issued to a new director, Teresa Clarke. These options have a strike price of $1.00 and expire on 31 December 2018. The options vested immediately.
For the purpose of valuing the options issued the following additional inputs were used.

(i) Share price at grant date – employee options $0.63;

(ii) Volatility – 50%

(iii) Risk free rate – 2.9%

(iv) Expected dividend yield – 0%

The total expense for the 2017 financial year for options issued to employees and directors was $409,278 and is included within the Employee Benefits and Consultants expense classifications within the Statement of Profit and Loss. An amount of $43,126 was a credited to option expense for the cancellation of options issued to a supplier and this is included in the 'Other' expense category.

23. Subsidiaries

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Type	Holding 2017 %	Holding 2015 %
Chimpchange LLC	US	Membership units	100	100
Change Labs NZ Pty Ltd	Australia	Ordinary Shares	100	-

24. Accumulated Losses

As at 30 June	2017 US$000	2016 US$000
Opening balance of accumulated losses	(10,644)	(2,989)
Loss for the period	(8,766)	(7,655)
Closing balance of accumulated losses	(19,410)	(10,644)

25. Parent entity financial information

The individual financial statements for the Parent entity show the following aggregate amounts:

As at 30 June	2017 A$000	2016 A$000
Current assets	7,730	10,471
Non-current assets	16,155	7,137
Total assets	23,885	17,608
Current liabilities	126	249
Total liabilities	126	249
Net Assets	**23,759**	**17,359**
Shareholders' equity		
Issued Capital	25,921	18,714
Reserves	3,866	3,290
Retained Earnings	(6,028)	(4,645)
Total shareholders' equity	**23,759**	**17,359**
Loss for the period	(1,375)	(2,977)
Total comprehensive loss	(1,375)	(2,927)

26. Key management personnel disclosures

Directors

The following persons were directors of Change Financial Limited during the financial year:

Non-executive directors
Peter Clare – Chairman
Ben Harrison
Teresa Clarke (appointed 14 October 2016)

Executive Directors
Ashley Shilkin – Managing Director
Ian Leijer – Chief Financial Officer

Other key management personnel

The following persons also had responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. They are employed by Chimpchange LLC

Clayton Fossett - Chief Operating Officer
Young Lee – Chief Financial Officer
Nick Roberts – Chief Marketing Officer

Key management personnel compensation

	2017 US$000	2016 US$000
Short term employee benefits	851	1,344
Post employment benefits	13	5
Share based payments	285	806
Total	1,149	2,155

Detailed remuneration disclosures are provided in the remuneration report.

27. Remuneration of auditors

The auditor of Change Financial Limited is Pitcher Partners

As at 30 June	2017 US$	2016 US$
Amounts received or due and receivable for current auditors:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	56,589	43,632
Other services in relation to the entity and any other entity in the consolidated group – tax compliance, tax structuring, independent expert report for the initial public offering	14,064	38,224
Total	70,653	81,856

28. Related Party Transactions

Transactions with related parties

Compensation paid to some directors were paid to director related entities with further details set out in the Remuneration Report. In addition, the following transactions occurred with related parties.

	2017 US$	2016 US$
Loans to (Repayments by) Directors and their related entities		
LFSP[1] loan to Mr Shilkin	-	1,301,708
LFSP[1] to entity associated with Mr Leijer	(30,768)	296,932

[1] Loan Funded Share Plans

Other transactions

Options issued to directors and director related entities	157,869	735,370
Subscriptions for new ordinary shares by directors as a result of exercise of options and settled with cash	-	336,730

29. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2017.

30. Capital and Leasing Commitments

The Group has a property lease commitment relating to the occupancy of the group's current premise. This lease was entered into on 1 August 2016 for a 65 month term. The group has future lease payments which are contracted but not capitalized in the financial statements.

	2017 US$000	2016 US$000
Non cancellable operating lease contracted for but not recognised in the financial statements:		
Not later than 12 months	150	-
Later than 12 months but not later than five years	580	-
Later than years	-	-

31. Post Balance Date Events

On 4 September 2017, the Company formally changed its name from Chimpchange Limited to Change Financial Limited to reflect the evolution of the business and growth into new banking verticals.

In August 2017, the Company entered into a strategic partnership with Hollar, a fast growing e-commerce business named by the *Wall Street Journal* as '*the #1 tech company to watch in 2017*'.

DIRECTORS DECLARATION

In the opinion of the directors:

(a) the financial statements and notes set out on pages 32 to 53 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  (ii) giving 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; and

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

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the managing director and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Managing Director

Los Angeles, California
30 September 2017

INDEPENDENT AUDITORS REPORT

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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Pitcher Partners is an association of independent firms
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NIGEL FISCHER
TERESA HOOPER
MARK NICHOLSON
PETER CAMENZULI
JASON EVANS
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN
JEREMY JONES

Independent Auditor's Report to the Members of Change Financial Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Change Financial Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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:

(a) 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

(b) 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.

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Key audit matter	How our audit addressed the matter
Carrying Value of Intangible Assets ***Refer to Note 11: Intangible Assets***	
The impairment assessment in relation to intangible assets is a key audit matter as the carrying value represents 11% of total assets; the Group remains in a growth phase with significantly less revenue than operating expenditure, which increased the uncertainty of forecast cash flows used in the valuation models; and a significant level of judgement was required when considering management's assessment of impairment.	Our testing of Intangible Asset carrying value included: • testing increases in the carrying value of software development expenditure, attributable to additional capitalised expenditure, to assess evidence of source, reasonableness of capitalisation assumptions and accuracy of figures; • reviewing the Group's amortisation policy for duration and application to determine linkage to revenue forecasts and profit generation; • focussing on the Group's valuation methodologies and the key inputs such as forecast cash flows, customer growth, and transaction volume; • critically assessing and challenging the assumptions and methodology used by the Group in their forecast and impairment assessment; and • comparing the Group's assumptions to our own assessments of key inputs such as projected customer growth, transaction volume and assessed sensitivities, as well as performing break-even analysis on key assumptions.
Share-Based Payments ***Refer to Note 16: Reserves***	
Share-based payments are a key audit matter due to the number of share-based remuneration transactions entered into by the Group in the current and recent periods; the accounting recognition requirements in relation to share-based payments in both the granting and subsequent periods; the valuation aspect of share-based payment transactions; and the impact of modifications on prior period share-based payment transactions.	Our testing of Share-Based Payments included: • identifying all potential share-based payment transactions during the reporting period and assessing compliance with Accounting Standard AASB 2 Share-based Payment; • assessing the Group's fair value calculations in relation to all share-based payment transactions; • recalculating the fair value calculations for all share-based payment transactions with reference to our own independently-sourced and determined variables, such as volatility and risk-free rates; • checking the current period accounting effects of share-based payment transactions that had occurred in prior periods; and • determining compliance with independent accounting advice in relation to modified share-based payments and assessing the current year accounting treatment of modifications to share-based payment transactions.

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 our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 21 of the directors' report for the year ended 30 June 2017. In our opinion, the Remuneration Report of Change Financial 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.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
30 September 2017

ASX ADDITIONAL DISCLOSURE

Top 20 Shareholders

Rank	Name	Number of Shares	% of Issued Capital
1	ASHLEY SHILKIN	11,901,965	15.3%
2	AVATAR INDUSTRIES PTY LTD	10,312,463	13.2%
3	BOND STREET CUSTODIANS LIMITED	3,333,750	4.3%
4	BART PROPERTIES PTY LTD	3,052,143	3.9%
5	NAREENEN PTY LTD	2,672,529	3.4%
6	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,567,717	3.3%
7	BNP PARIBAS NOMS PTY LTD	1,826,862	2.3%
8	CITICORP NOMINEES PTY LIMITED	1,784,448	2.3%
9	MR ROSS ALLEN MC DONALD	783,239	1.0%
10	CSWSG PTY LTD	685,297	0.9%
11	FALCASTLE PTY LTD	683,500	0.9%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	639,709	0.8%
13	ALBURY'S OWN PTY LTD	620,245	0.8%
14	WS DOBSON PTY LTD	556,753	0.7%
15	PAX PASHA PTY LTD	540,386	0.7%
16	MR DAVID FREDERICK OAKLEY	515,000	0.7%
17	PINNACLE SUPERANNUATION PTY LIMITED	500,000	0.6%
18	MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD	435,000	0.6%
19	BLUEFLAG INVESTMENTS PTY LTD	428,571	0.6%
20	MR HARLEY DALTON & MRS PRUDENCE DALTON	417,696	0.5%
	Top 20 Total	**44,257,273**	**56.80%**
	Total Shares on Issue	**77,880,867**	

Shareholding Distribution

Range	Securities	Number of Holders
1 to 1,000	151,493	193
1,001 to 5,000	1,385,371	493
5,001 to 10,000	1,969,488	245
10,001 to 50,000	9,687,257	384
50,001 to 100,000	6,718,072	89
100,001 and Over	57,969,186	94
Total	77,880,867	1,498

Unmarketable Parcels	32,506	65