ChimpChange



CHIMPCHANGE LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

CORPORATE DIRECTORY

Directors

Peter Clare
(Non-Executive Chairman)

Ashley Shilkin
(Managing Director)

Ian Leijer
(Executive Director and CFO)

Benjamin Harrison
(Non-Executive Director)

Company Secretary

Duncan Cornish

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GPO Box 2676
BRISBANE QLD 4001

Australian Company Number

150 762 351

Australian Business Number

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Auditors

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Website: www.pitcher.com.au

Share Registry

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

Website

www.chimpchange.me

ASX Code

CCA

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CHAIRMAN'S LETTER

Dear Fellow Shareholder,

It gives me great pleasure to present the 2016 Annual Report for Chimpchange Limited, our first since listing on ASX, a milestone we achieved on 30 June 2016.

ChimpChange offers consumers secure, low-cost, feature-rich mobile money bank accounts. We aim to provide ChimpChange users with a digital banking experience that is affordable, personalised, fun and frictionless.

Several years ago, the Company identified an opportunity to service the Millennial demographic in the United States – people aged between 18 to 35 years – which is a fragmented and cost-ridden banking environment. This has presented ChimpChange with a readily addressable and rapidly expanding market of customers who are demanding an easier, cheaper and more reliable way of managing their personal financial affairs.

As the Company attracts more and more customers to its platform, ChimpChange is playing its part to change the landscape of the banking sector.

The past year has been a transformational one for our Company. After four years of development, we launched our digital banking platform in the US during the first half of the year, facilitated by two successful rounds of private funding that raised A$8 million.

The second half of the year was vital to our development as we set about executing on a number of key strategies:

- Raising A$15 million (before costs) and listing on the ASX;
- Transitioning to a new experienced and innovative sponsor bank; and
- Re-negotiating transaction costs to significantly reduce our cost of goods sold and deliver a positive gross margin.

It was very pleasing that we were able to achieve all of these goals and then commence a targeted marketing campaign aimed at attracting new customers in June. I am pleased to see ChimpChange has post re-launch with our new sponsor bank continued its strong customer acquisition growth into FY2017.

Over the coming year, we expect to further bolster the ChimpChange platform and drive a new level of engagement as we introduce several new frequently-requested features. The Company's outlook for platform development and customer acquisition remains very positive.

ChimpChange has built a board and management team with strong experience in banking, technology and risk – our founder and Managing Director Ash Shilkin helped grow CO2 Australia Limited from a A$30 million company to a A$300 million one during his time as Chief Financial Officer. I bring to the Company more than 20 years of experience in the banking industry, most recently as CEO of Westpac New Zealand Limited.

I would like to thank my fellow directors and the ChimpChange management team for their contributions, as well as our staff for their efforts over the past year, particularly those involved with the Company's listing on ASX.

I would also like to thank our Shareholders for your support and belief in our ability to achieve our goals and look forward to keeping you updated on our progress over the next 12 months.



Peter Clare

Non-Executive Chairman

Chimpchange Limited

MANAGING DIRECTOR'S REPORT

Financial year 2016 was a transformational year for ChimpChange.

I founded ChimpChange to respond to the rapidly changing landscape of banking, driven by technological advancement, smartphone adoption and evolving consumer expectations and demographics.

The Company's vision is to change the way people bank by offering an innovative, feature-rich, digital banking alternative that includes both the existing functionality expected of traditional banks with the addition of new features that add value to the banking experience.

ChimpChange is leading with two core value propositions. The first is providing free or low cost transactional bank accounts to the tens of millions of Americans who are currently paying monthly fees and overdraft fees for a basic bank account. The second value proposition is to build financial technology tools to help customers understand their money and manage their money more effectively. We currently have the first value proposition in place and will have made significant progress on the second value proposition by the end of H1 FY2017.

The Company believes that current trends in the global banking sector point to an increasing adoption of alternative banking solutions. Now with 100,000 customer sign-ups ChimpChange is a credible alternative to traditional banks and their legacy practices.

We have over the last 12 months implemented a number of improvements from a strategic, operational and technology platform standpoint. All these initiatives place the Company in a strong position as it continues its customer growth in FY 2017 and beyond.

One of our strategic initiatives completed during the financial year was our IPO on the ASX. The IPO provided us with capacity to continue executing on growth objectives, underpinned by A$15 million of new capital and the support of new, high quality investors added to the register.

The IPO provided a clear channel to attract new investors as the business expands on the back of new feature releases, execution of marketing programs and transaction spending from a growing customer base. We have already had the fortune of being able to update shareholders more recently on our solid progress so far in FY2017.

While equity markets for Australia technology companies have recently been soft, the seismic shift in consumer and investor demand for digital banking products has not changed course. A number of our international comparables have been the subject of large corporate transactions. In June 2016, European based digital bank, Number26, raised US$40 million privately. Number26 has grown to 200,000 customers after launching in 2015. In addition, two European digital banks (Holvi and Fidor) were acquired by large traditional banks. Fidor, the more recent, was only acquired in August of this year by France's second largest bank BPCE. I continue to believe that the digital banking sector will experience corporate activity as traditional banks look to acquire digital platforms and investors look at ways to gain exposure to this exciting space.

In closing, I believe the Company has never been in a better position. We are well funded, have a great team in place, gross margin positive and are poised to add significant shareholder value. I look forward to providing you all with updates over the next 12 months.



Ashley Shilkin

Founder and Managing Director

Chimpchange Limited

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Chimpchange Limited (**ChimpChange** or **Company**) consisting of Chimpchange Limited and the entities it controlled at the end of or during the year ended 30 Jun 2016 (**Group**).

Directors

The following persons were Directors of Chimpchange 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

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

Overview

ChimpChange currently operates in the US banking and financial services market. Unlike the Australian banking landscape, which centres around a small number of financial institutions with readily adopted online payment methods, the US market is highly fragmented, expensive and remains heavily reliant on cheque-based transactions.

Electronic payment methods, facilitated by smartphones and other wireless technologies, are gaining global market acceptance. This is largely driven by advancements in technology coupled with changes in demographic and social behaviours.

Digital disruption in the banking and financial services market within the US and across the world will evolve as digital banking products like ChimpChange's platform become commonplace and supersede traditional banking products and service offerings from incumbent retail institutions.

While the Company's current geographic footprint only encompasses the US market, the ChimpChange platform has potential application to other global jurisdictions, particularly those markets which are supportive of digital disruption.

Banking is Prime for Disruption

The adoption of digital – including mobile, social media, web and wearables – is increasing. In the last few years technology has rapidly evolved, with big data, cloud computing, smartphones and high bandwidth all now commonplace. As a consequence of these rapid developments, the retail banking and financial services landscape is going through a transformation in the form of a digital disruption whereby low-cost digital entrants are taking market share by responding to customer needs and banking behaviours.

Technological advances have enabled banking to be largely conducted online, and customers' expectations are evolving in tandem. Customers generally want to transact at their convenience, with information and advice at their fingertips.

This trend is posing a significant challenge to lagging banking practices, as disruptive new technology companies are altering the traditional value chain to provide customer-centric innovation and revamped alternative product offerings.

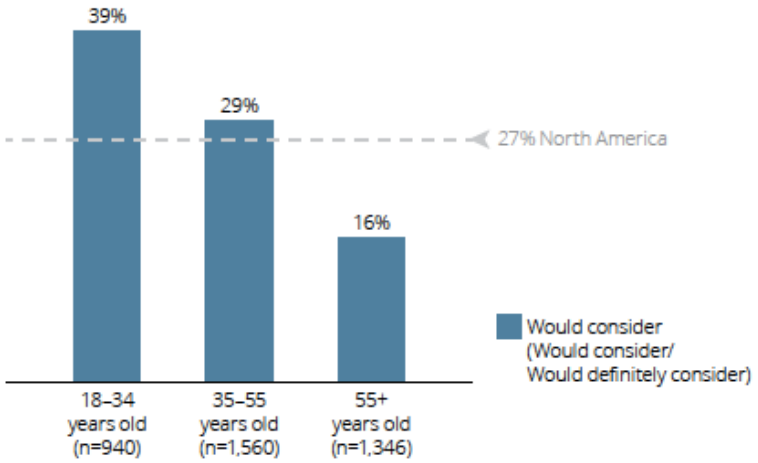
Customers are Transitioning to Digital Banking

As technology enables every aspect of banking to go mobile, and as cash as a payment mechanism declines, high fixed-cost traditional banking models are coming under increasing pressure from independent online offerings. Banking's long-standing barriers to entry (including personal relationships with customers, location scale economies and a reputation for

security) are increasingly losing their value. Increasing smartphone adoption means competitive reach is no longer determined solely by 'brick and mortar' branch networks.

One recent survey found that more than one in four customers would likely consider a branchless digital bank if they were to switch from their current bank (see fig below). This is particularly true among younger customers, who are less interested in convenient branch locations and more interested in accessing digital services at the time and place of their choosing. It has been estimated that mobile-only users make up about 15% of a typical financial institution's mobile banking user base. In addition, a further survey found that over 70% of Millennials surveyed would likely bank with a company that they currently do business with but do not currently offer banking services, with examples being trusted digital brands.

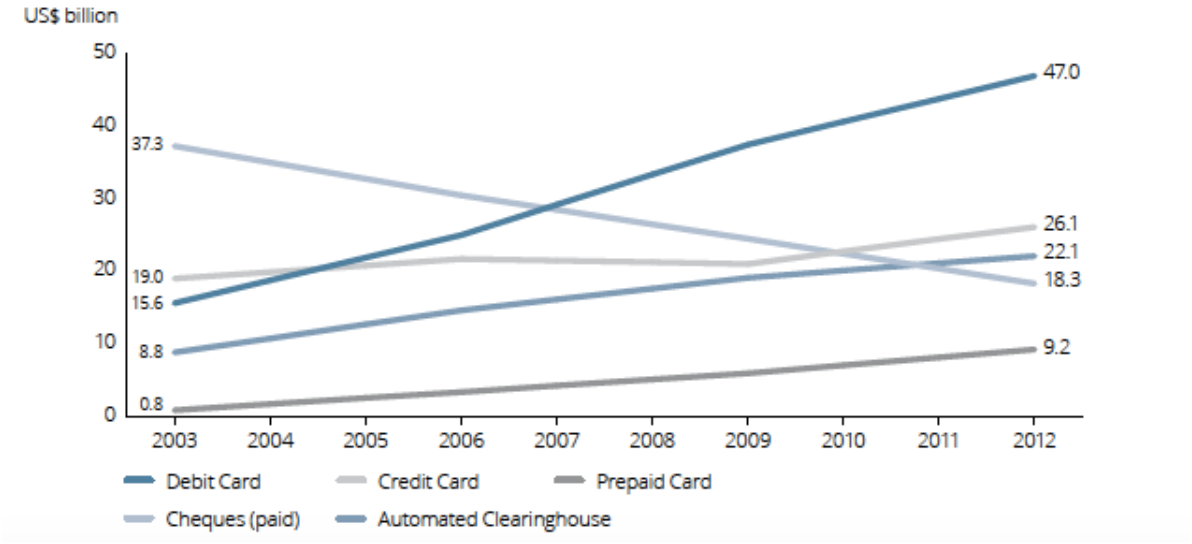
Distribution of people willing to switch to a bank without branch locations



There is additional evidence that digital usage (via smart mobile apps, tablet apps or online tools) for affluent customers in the US correlates closely with customer loyalty.

Digital and self-service channels – including mobile banking – have accordingly risen in popularity for consumers looking to conduct routine financial transactions on their smartphone, such as checking their account balances, paying bills or finding a convenient location to withdraw cash. For these transactions, speed, convenience and ease of use are the primary consumer considerations.

Following that trend, recent years have been characterised by the rise of contactless payments, the consequent decline in cash and cheques, growth in debit card usage, and the emergence of mobile and digital payments (refer fig below).



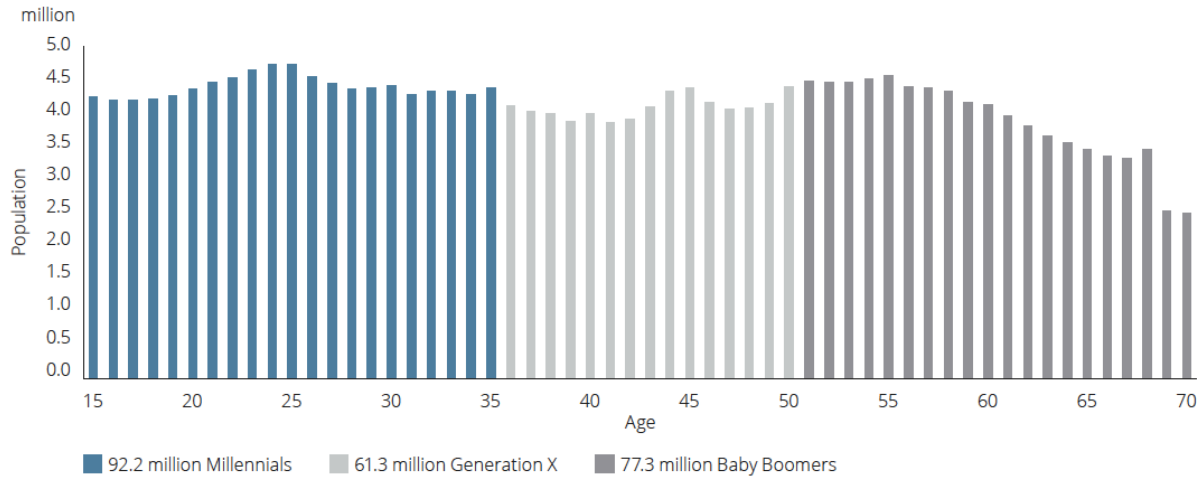
It is anticipated that the transition from incumbent banks and traditional payment methods will continue in the US as disruptive new entrants in the form of digital start-ups (less encumbered by legacy systems) seek to redefine the banking experience by offering seamless, more efficient, engaging and simpler solutions.

Addressable Market

ChimpChange primarily targets the Millennial and broader Underbanked demographic in the US. Millennials are typically 'tech-savvy' and not only embrace but demand digital disruption across all facets of their lives, including in the banking and financial services sector.

While ChimpChange recognises that Millennials are most likely to embrace its mobile banking platform, ChimpChange's solution would suit any customer who similarly embraces greater flexibility and convenience for their day-to-day banking or desires lower or no transaction and account management fees.

The Company defines Millennials as all individuals aged between 15 and 35 (born between 1981 and 2000). Millennials are the largest demographic in the US with 92.2 million people, followed by the Baby Boomers (aged between 51 and 70) with 77.3 million people and Generation X (aged between 36 and 50) with 61.3 million people (see fig below).



Source: Goldman Sachs "Millennials Coming of Age"

Operating and Financial Review

The Group has reported a loss for the year after taxation of $7,655,000 (2015: loss of $2,166,000).

Financial year 2016 was a transformational year for the Company. After two years of development ChimpChange launched its digital banking platform in the USA during the 1st half of the period. To facilitate the launch, the Company was able to successfully raise two private funding rounds during the first half totaling $5.9 million (A$8 million).

During the 2nd half the Company executed on a number of key strategic initiatives to position the Company for the future, these included:

- Raising $11.1 million (A$15 million) before costs and listing on ASX;
- Transitioning to a new experienced and innovative sponsor bank; and
- Re-negotiating transaction costs which resulted in a significant reduction in our cost of goods sold (COGS) and delivered a positive gross margin.

One of the key focuses during the last few months of the period was on retaining existing customers through transition to our new sponsor bank and following re-launch (in mid-June), commencing a highly targeted marketing campaign.

The Company recently reported that since the re-launch in mid-June top line customer acquisition had outperforming our initial acquisition targets. We are pleased to see customer acquisition growth continue into the early part of FY2017.

Significant changes in the state of affairs

Contributed equity increased by $16,800,000 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.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

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

Reffind Ltd – Chairman
Scottish Pacific Group Limited
Rubik Financial Limited

Former ASX directorships in last 3 years
None

Special responsibilities
Member of the Audit & Risk Management Committee.

Interests in shares and options
200,000 shares in Chimpchange Limited.
750,000 options in Chimpchange Limited.

Ashley Shilkin (Managing Director)



Experience and expertise
Mr Shilkin is the founder and Managing Director of ChimpChange, 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 Chimpchange Limited.
3,500,000 options in Chimpchange Limited.

Ian Leijer (Executive Director)



Experience and expertise
Mr Leijer has been closely involved with ChimpChange 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
Nil

Former ASX directorships in last 3 years
Nil

Special responsibilities
Nil

Interests in shares and options
2,872,529 shares in Chimpchange Limited.
250,000 options in Chimpchange 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
Dark Horse Resources Ltd (formerly Navaho Gold Ltd) (ceased to be director 24 February 2014)
Aus Tin Mining Ltd (ceased to be director 24 February 2014)
Laneway Resources Ltd (ceased to be director 2 October 2014)

Special responsibilities
Chairman of the Audit & Risk Management Committee.

Interests in shares and options
43,668 shares in Chimpchange Limited.
950,000 options in Chimpchange Limited.

Company secretary
The Company secretary is Mr Duncan Cornish. Mr Cornish has had 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 2016, 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	1	1
Ashely Shilkin	11	11	1	1
Ian Leijer [1]	10	11	1	1
Ben Harrison	11	11	1	1

[1] Mr Leijer 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 2016 remuneration report which sets out remuneration information for Chimpchange Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Chimpchange 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.

The Remuneration Committee determines the remuneration of all non-executive directors, none of whom have service contracts with the company.

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 Chimpchange Limited and the Group are set out in the following tables.

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

- Peter Clare (Chairman)
- Ashely Shilkin (Managing Director)
- Ian Leijer (Executive Director & CFO)
- Ben Harrison (Non-Executive Director)

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

- Clayton Fossett (Chief Operating 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.

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**

Mr Shilkin received a bonus of $596,000 (A$820,000) in January 2016 as a cash payment on the basis of the Company achieving 7,000 Customer registrations. The bonus is funded by the exercise of 1,175,000 options having a value of $292,000 (A$411,250) and by the future repayment of the loan made to Mr Shilkin or his associates under the Loan Funded Share Plan (**LFSP**).

Unimain Pty Limited, an entity associated with Mr Leijer, received a success fee of $89,460 in January 2016 as cash payment on the basis of the Company achieving 7,000 Customer registrations. The success fee is funded by the exercise of 180,000 options have a value of $44,730 (A$63,000) and by the future repayment of a loan made to Mr Leijer or his associates under the Loan Funded Share Plan.

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. Set out below in section d(i) are the details of options issued as remuneration in the current financial year.

2015

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	6,315	-	-	-	-	32,704	39,019
Ben Harrison	54,259	-	-	-	-	92,040	146,299
Subtotal	60,574	-	-	-	-	124,744	185,318
Executive directors							
Ashley Shilkin	156,988	-	-	-	-	687,454	844,442
Ian Leijer	39,905	-	-	-	-	147,028	186,933
Subtotal	196,893	-	-	-	-	834,482	1,013,375
Key Management							
Clayton Fossett	81,238	-	-	-	-	18,949	100,187
Nick Roberts	-	-	-	-	-	-	
Subtotal	81,238	-	-	-	-	18,949	100,187
Total	**338,705**	**-**	**-**	**-**	**-**	**978,175**	**1,316,880**

(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 a fee of A$1,500 per day for services provided by Mr Harrison; and
- Riverfire is entitled to reimbursement of specified expenses incurred in providing services.

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.

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.

Name	Number	Strike Price	Expiry Date[4]	Value at Grant Date $	Total Vested	Vested %	Total Number Exercised	Vesting Conditions
Directors								
Peter Clare	450,000	A$1.00	31 Dec 18	115,055	450,000	100%	-	Nil
Ashley Shilkin	1,000,000	A$1.00	31 Dec 18	255,677	1,000,000	100%	-	Nil
Ashley Shilkin	1,000,000	A$1.50	18 Apr 21	299,234	-	0%	-	Note 1
Ashley Shilkin	1,500,000	A$2.25	18 Apr 21	362,388	-	0%	-	Note 2
Ian Leijer	250,000	A$1.00	31 Dec 18	63,919	250,000	100%	-	Nil
Ben Harrison	250,000	A$1.00	31 Dec 18	63,919	250,000	100%	-	Nil
Key management								
Clayton Fossett	100,000	A$1.00	18 Apr 19	27,068	100,000	100%	-	Nil
Nick Roberts	600,000	A$1.00	18 Apr 19	162,408	-	0%	-	Note 3

Note 1 The options vest when the volume weighted share price of ChimpChange over 10 days exceeds A$2.00
Note 2 The options vest when the volume weighted share price of ChimpChange over 10 days exceeds A$3.00
Note 3 100,000 options will vest on each anniversary of the commencement of his employment with ChimpChange for 3 years – total 300,000 options. A further 300,000 options will vest subject to meeting various hurdles with respect to the number of deposit customers reached.
Note 4 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 Chimpchange Limited and other key management personnel of the Group, including their personally related parties, are set out below.

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

2015

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 15	Exercisable at 30 June 15	Unexercis-able at 30 June 2015
Directors							
Peter Clare	-	300,000	-	300,000	300,000	300,000	-
Ashley Shilkin	-	6,183,303	-	6,183,303	6,183,303	6,183,303	-
Ian Leijer	-	1,322,440	-	1,322,440	1,322,440	1,322,440	-
Ben Harrison	-	700,000	-	700,000	700,000	700,000	-
Key management							
Clayton Fossett	-	300,000	-	300,000	50,000	50,000	250,000

No option holder 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 Chimpchange 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 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 Chimpchange Limited				
Peter Clare	100,000	-	100,000	200,000
Ashley Shilkin	5,718,662	6,183,303		11,901,965
Ian Leijer	1,550,089	1,322,440	-	2,872,529
Ben Harrison	43,668	-	-	43,668
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-
Nick Roberts	-	-	-	-

During the financial year 6,183,303 options with an exercise price of A$0.35 each were exercised by Mr Shilkin and his associates. The Company offered a loan to Mr Shilkin under the LFSP of A$1,752,906 to facilitate the issue of 5,008,303 Loan Funded Shares to Mr Shilkin or his nominee. This offer was accepted and 5,008,303 options held by Mr Shilkin were exercised and that number of Loan Funded Shares were issued to an associated entity of Mr Shilkin. 1,175,000 options were exercised and settled with cash.

During the financial year 1,322,440 options with an exercise price of A$0.35 each were exercised by Mr Leijer and his associates. The Company offered a loan to Mr Leijer under the LFSP of A$399,854 to facilitate the issue of 1,142,440 Loan Funded Shares to Mr Leijer or his nominee. This offer was accepted and 1,142,440 options held by an associate of Mr Leijer were exercised and that number of Loan Funded Shares were issued to an associated entity of Mr Leijer. 180,000 options were exercised and settled with cash.

Year to 30 June 2015	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 Chimpchange Limited				
Peter Clare	-	-	100,000	100,000
Ashley Shilkin	5,718,662	-	-	5,718,662
Ian Leijer	1,450,089	-	100,000	1,550,089
Ben Harrison	-	-	43,668	43,668
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-

(e) Loans to key management personnel

The Company has adopted the ChimpChange Executive Director Loan Funded Share Plan (LFSP) which was approved by Shareholders at the April EGM.

During the financial year the Company offered loans under the LFSP to Mr Shilkin and Mr Leijer of A$1,752,906 and A$399,854 respectively. These offers were accepted the proceeds of which were used to exercise 5,008,303 and 1,142,440 options respectively. These loans remain outstanding at year end.

The term of the loans is 7 years and interest on these loans is payable at the rate for each financial year as determined under Division 7A of the Income Tax Assessment Act 1936. The loans are limited recourse and the Company has a lien over the shares issued under the LSFP whilst the loan remains unpaid. The Loan Funded Shares will be forfeited if the Loan is not repaid when due.

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
18 Apr 2016	18 Apr 2019	A$1.00	Yes	1,000,000
20 Apr 2016	20 Apr 2019	A$1.00	No	1,500,000
4 May 2016	30 Jun 2017	A$0.52	No	510,595
TOTAL				**12,767,731**

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, or in certain cases, the nearest dollar.

Dividends - Chimpchange Limited

The Directors of Chimpchange Limited do not recommend the payment of a dividend for the year ending 30 Jun 2016 (2015: 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 21.

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.

30 September 2016



Ashley Shilkin

Founder and Managing Director

Chimpchange Limited

AUDITOR'S INDEPENDENCE DECLARATION

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Level 30
345 Queen Street
Brisbane
Queensland 4000

Postal Address:
GPO Box 1144
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Tel: 07 3222 8444
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info@pitcherpartners.com.au

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

ROSS WALKER
KEN OGDEN
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

The Directors
ChimpChange Ltd
C/- 110 S Fairfax Avenue
#A11-177
Los Angeles CA 90036

Auditor's Independence Declaration

As lead auditor for the audit of ChimpChange Ltd for the year ended 30 June 2016, 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 any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ChimpChange Ltd and the entities it controlled during the period.

PITCHER PARTNERS

J. J. EVANS
Partner

Brisbane, Queensland
30 September 2016

An Independent Queensland Partnership ABN 84 797 724 539
Liability limited by a scheme approved under Professional Standards Legislation
Independent member of Baker Tilly International

an independent member of BAKER TILLY INTERNATIONAL

CORPORATE GOVERNANCE STATEMENT

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

Chimpchange 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 2016 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 measureable 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 is set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the Annual Report in future. 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, Ian Leijer and Ashley Shilkin.

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	19 months
Benjamin Harrison	16 January 2015	22 months
Ian Leijer	16 January 2015	22 months
Ashley Shilkin	6 May 2011	5 years and 6 months

Presently under the ASX Guidelines it is considered that there is only one independent Director, being Mr Clare. 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 (ie. within the last three years)
Ian Leijer	Finance Director and CFO	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 Board will consider appointing further independent Directors in the future, when the Company is of sufficient size and having regard to the scale and nature of its activities. In the meantime, 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 CFO certification of financial statements.

Prior to the approval of the Group's financial statements each year, the Managing Director and the Chief Financial Officer 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* (once the Company is listed on the ASX). 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.chimpchange.me

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.chimpchange.me

Facilitate participation at meetings of security holders.

The Company encourages shareholder participation at its AGM's including by making notices of meetings available on its website. ChimpChange'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, ChipmChange 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 Chimpchange Limited and its subsidiaries.

The financial statements are presented in the United States currency.

Chimpchange 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
7083 Hollywood Boulevard, Level 1,
Hollywood, CA 90028

A summary of the Group's operations and its principal activities is included in the directors' report on page 6, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 September 2016. 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.chimpchange.me

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2016 US$000s	2015 US$000s
Revenue	4	180	-
Employee benefits expense		(2,840)	(1,256)
Advertising & marketing expense		(1,129)	(62)
Program expenses		(983)	(147)
Consulting		(1,459)	(291)
Travel expense		(126)	(61)
Finance costs		-	(1)
Depreciation & amortisation expense	5	(275)	(2)
Legal expenses		(332)	(30)
Insurance		(82)	(13)
Technology Expense		(165)	(56)
Other expense		(444)	(247)
Profit (loss) before tax		(7,655)	(2,166)
Income tax expense	6	-	-
Profit (loss) from continuing operations		**(7,655)**	**(2,166)**
Basic loss per share (US cents per share)		(22.9)	(10.6)
Diluted loss per share (US cents per share)		(22.9)	(10.6)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016 US$000s	2015 US$000s
Loss of the year	(7,655)	(2,166)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences on translation of parent operations	50	(63)
Profit (loss) from continuing operations	**(7,605)**	**(2,229)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2016	2015
		US$000s	US$000s
Current assets			
Cash	7	10,878	753
Other receivables	8	107	35
Other current assets	9	15	2
Total current assets		**11,000**	**790**
Non-current assets			
Property, plant & equipment	10	31	17
Intangible assets	11	811	626
Total non-current assets		**842**	**643**
TOTAL ASSETS		**11,842**	**1,433**
Current liabilities			
Trade and other payables	12	359	48
Provisions	13	101	21
Other current liabilities	14	22	768
Total current liabilities		**482**	**837**
NET ASSETS		**11,360**	**596**
Equity			
Contributed equity	15	18,714	1,914
Reserves	16	3,290	1,671
Retained earnings		(10,644)	(2,989)
TOTAL EQUITY		**11,360**	**596**

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 2014	1,102	26	(823)	305
Profit (loss) for the year			(2,166)	(2,166)
Exchange differences on translation of the parent operation		(63)		(63)
Total comprehensive income for the year	**-**	**(63)**	**(2,166)**	**(2,229)**
Transactions with owners in their capacity as owners				
Options issued		1,708		1,708
Contributions	812			812
Total comprehensive income for the year	**812**	**1,708**	**-**	**2,520**
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 owner				
Options issued		1,569		1,569
Contributions	16,800			16,800
Total comprehensive income for the year	**16,800**	**1,569**	**-**	**18,369**
Balance at 30 June 2016	**18,714**	**3,290**	**(10,644)**	**11,360**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2016	2015
		US$000s	US$000s
Cash flow from operating activities			
Receipts from customers		178	-
Payments to suppliers and employees		(5,457)	(1,103)
Interest received		2	-
Net cash used in operating activities		**(5,277)**	**(1,103)**
Cash flow from investing activities			
Payment for property, plant & equipment		(24)	(15)
Payment for software development		(394)	(460)
Net cash used in investing activities		**(418)**	**(475)**
Proceeds from financing activities			
Proceeds from share issue		15,825	2,263
Net cash provided by financing activities		**15,825**	**2,263**
Net increase (decrease) in cash held		**10,130**	**685**
Reconciliation of cash			
Cash at the beginning of the financial year		753	78
Net increase (decrease) in cash held		10,130	685
Foreign exchange difference on cash holding		(5)	(10)
Net cash used in operating activities		**10,878**	**753**

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 Chimpchange Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016 and had 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 2016 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.

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

(a) Compliance with IFRS

The Consolidated Financial Report of Chimpchange 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 Chimpchange 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 ("the group"), 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

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on a cost basis.

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, or in certain cases, the nearest dollar.

(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 2016. 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.

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 goodwill 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 and 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

	2016 US$000	2015 US$000
Revenue from services	178	-
Interest income	2	-
Total revenue	180	-

5. Expenses

	2016 US$000	2015 US$000
Loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	10	2
Amortisation of software development costs	265	-
Share based payments		
Options issued to directors, company secretary & employees	970	1,018
Options issued to service providers	599	-
Shares issued to an advisor	207	-
Employee benefits		
Employee benefits superannuation/retirement plan	17	3

6. Income Tax Expense

	2016 US$'000	2015 US$'000
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,655)	(2,166)
Tax at the Australian tax rate of 30% (2015: 30%)	(2,296)	(650)
Differences in overseas tax rates	(468)	(90)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Share based payments expense	471	305
Other	26	(2)
Current year tax losses not recognised	2,267	437
Income tax expense	**-**	**-**

Deferred tax assets of $2,884,000 (2015: $617,000) in respect of temporary differences and tax losses have not been recognized.

7. Current assets - Cash and cash equivalents

	2016 US$000s	2015 US$000s
Cash at Bank	10,878	753

8. Current assets – Receivables

	2016 US$000s	2015 US$000s
Other receivables	107	35

9. Current assets – Other assets

	2016 US$000	2015 US$000
Prepayments	13	-
Other current assets	2	2
Total other current assets	15	2

10. Property, plant and equipment

	2016 US$000s	2015 US$000s
Motors vehicles under lease	6	5
Accumulated depreciation	(1)	-
Closing carrying value	**5**	**5**
Office equipment at cost	38	15
Accumulated depreciation	(12)	(3)
Closing carrying value	**26**	**12**
Total property, plant & equipment	**31**	**17**

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 Equipment US$000s	Total US$000s
2015			
Opening carrying amount	5	12	17
Additions	1	23	24
Depreciation expense	(1)	(9)	(10)
Closing carrying amount	**5**	**26**	**31**
2014			
Opening carrying amount	-	4	4
Additions	5	10	15
Depreciation expense	-	(2)	(2)
Closing carrying amount	**5**	**12**	**17**

11. Intangible assets

	2016 US$000	2015 US$000
Software development at cost	1,076	626
Accumulated amortisation and impairment	(265)	-
Total software development	**811**	**626**
Movements in carrying amounts		
Opening carrying amount	626	229
Additions	394	460
Amortisation expense	(265)	-
Net foreign currency movement	56	(63)
Closing carrying amount	**811**	**626**

12. Trade and other payables

	2016 US$000	2015 US$000
Unsecured liabilities		
Accounts payable	359	48

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

13. Provisions

	2016 US$000s	2015 US$000s
Employee leave provisions	101	21

14. Other current liabilities

	2016 US$000	2015 US$000
Share subscription funds received in advance of share issue	-	768
Other liabilities	22	-
Total other current liabilities	**22**	**768**

15. Issued capital

(i) Share Capital

	2016 US$000	2015 US$000
57,330,640 fully paid ordinary shares[1] (30 June 2015 23,415,530)	18,714	1,914

[1] This amount excludes 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 63,481,383.

(ii) Movements in ordinary share capital

	Number	US$000
Balance at 30 June 2014	**3,517**	1,102
Share placement - 19 November 2014	400	468
Share split - 19 Jan 2015	19,996,083	-
Share Placement - 16 February 2015	3,415,530	1,067
Transaction fees		(723)
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**

[1] This amount excludes 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 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

	2016 US$000	2015 US$000
Share based payments reserve	3,291	1,722
Foreign currency translation reserve	(1)	(51)
Closing carrying amount	**3,290**	**1,671**

(a) Movement in Share based payment reserve

Opening balance	1,722	14
Options issued	1,569	1,708
Balance at 30 June 2016	**3,291**	**1,722**

(b) Movement in Foreign currency translation reserve

Opening balance	(51)	12
Exchange differences arising on translation of parent operation	50	(63)
Balance at 30 June 2016	**(1)**	**(51)**

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

	2016 US$000	2015 US$000
Loss for the year	(7,655)	(2,166)
Depreciation and amortisation	275	2
Share based payments	1,776	1,018
Decrease (increase) in current receivables	(84)	(37)
Increase (decrease) in current liabilities	411	80
Net cash used in operating activities	**(5,277)**	**(1,103)**

18. Earnings per share

	2016 US$000	2015 US$000
Loss attributable to ordinary equity holders of Chimpchange Limited	(7,655)	(2,166)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per shares	33,424,881	20,455,590
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	33,424,881	20,455,590

19. Dividend

There we 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.

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 (AUD) that are not designated cash flow hedges.

As at 30 June	2016 A$000	2015 AS$000
Cash at bank	14,006	157
Current assets	94	45
Current liabilities	(335)	(33)
Net monetary assets / liabilities designated in AUD	13,765	169

The Company received proceeds of A$13,974,207 on 30 June 2016 from the initial public offering of A$15,000,000 net of broker management fees. Immediately following year end the Company transferred cash into USD denominated accounts and took out forward exchange contracts in order to match the currency exposure of cash holding and forward contracts with the currency of expected cash requirements.

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 its 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.

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

1,870,000 options were issued to employees during the financial year pursuant to the Employee Share Option Plan. These options have a strike prices of $1.00 and expire on 18 April 2018. The options have various vesting conditions particular to each employee.

1,100,000 options were issued to some directors and the company secretary during the financial year. These options have a strike price of $1.00 and expire on 31 December 2018. The options vested immediately .

3,500,000 options were issued to the Managing Director with terms as follows:

Strike Price	Number of options	Expiry Date	Vesting Condition
A$1.00	1,000,000	31 Dec 2018	Nil
A$1.50	1,000,000	18 Apr 2021	Share price reaches A$2.00[1]
A$2.25	1,500,000	18 Apr 2021	Share price reaches A$3.00[1]

[1] 10 day VWAP

The options issued to directors and employees with no vesting conditions were valued using the Black- Scholes methodology and expensed at grant date. The options issued to the director and the employees with vesting conditions were valued using the Binomial Option Pricing Model and will be expensed over terms of the vesting periods.

For the purpose of valuing these options the following additional inputs were used.
(i) Share price at grant date - $0.80;
(ii) Volatility – 75%
(iii) Risk free rate – 1.96%
(iv) Expected dividend yield – 0%

The total expense for the 2016 financial year for options issued to directors, the company secretary and the employees was $969,802. This includes expense of $238,304 relating to options issued prior to the 2016 financial year. This expense is included within the Employee Benefits and Consultants expense classifications within the Statement of Profit and Loss.

Options issued to service providers

3,010,595 options were issued to service providers during the year as follows:

Strike Price	Number of options	Expiry Date	Vesting Conditions
A$1.00	510,595	30 Jun 2017	Nil
A$1.00	1,000,000	18 Apr 2019	Various
A$1.00	1,500,000	20 Apr 2019	Nil

Shares issued to service provides were issued as part of the compensation for services provided to the Company.

The options were valued at the fair value of the services provided. The options with no vesting conditions were expensed at grant date. The options with vesting conditions will be expensed over the life of the options. The expense for the 2016 financial year was $598,959 and is included within the Consultants expense classification.

Shares issued to advisor

360,000 shares were issued to an advisor of the Company for capital markets advisory services. The shares were issued at the fair value of services provided of $ 207,000 and expensed at issued date. This expense is included within the Consultants expense classification.

23. Subsidiaries

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

Name of Entity	Country of Incorporation	Holding	Equity 2016 %	Holding 2015 %
Chimpchange LLC	USA	Membership units	100	100
Change Labs NZ Pty Ltd	Australia	Ordinary Shares	100	-

24. Accumulated Losses

As at 30 June	2016 US$000	2015 US$000
Opening balance of accumulated losses	(2,989)	(823)
Loss for the period	(7,655)	(2,166)
Closing balance of accumulated losses	(10,644)	(2,989)

25. Parent entity financial information

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

As at 30 June	2016 A$000	2015 A$000
Current assets	10,471	155
Non-current assets	7,137	2,555
Total assets	17,608	2,710
Current liabilities	249	793
Total liabilities	249	793
Net Assets	**17,359**	**1,917**
Shareholders' equity		
Issued Capital	18,714	1,194
Reserves	3,290	1,671
Retained Earnings	(4,645)	(1,668)
Total shareholders' equity	**17,359**	**1,917**
Loss for the period	(2,977)	(1,253)
Total comprehensive loss	(2,927)	(1,316)

26. Key management personnel disclosures

Directors

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

Non-executive directors
Peter Clare – Chairman
Ben Harrison

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
Nick Roberts – Chief Marketing Officer

Key management personnel compensation

	2016 US$000	2015 US$000
Short term employee benefits	1,344	339
Post-employment benefits	5	-
Share based payments	806	978
Total	2,155	1,317

Detailed remuneration disclosures are provided in the remuneration report.

27. Remuneration of auditors

The auditor of Chimpchange Limited is Pitcher Partners

As at 30 June	2016 US$	2015 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	43,632	31,080
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	38,224	-
Total	81,856	31,080

28. Related Party Transactions

Transactions with related parties

The following transactions occurred with related parties.

	2016 US$	2015 US$
Payment for goods and services		
Payments to Shared Runway Pty Ltd associated with Peter Clare	40,144	6,315
Payments to Riverfire Capital Pty Ltd associated with Ben Harrison	86,324	54,259
Payments to Unimain Pty Ltd associated with Ian Leijer	124,574	39,905
Loans to Directors and their related entities		
LFSP[1] loan to Mr Shilkin (A$1,752,906)	1,301,708	-
LFSP[1] to entity associated with Mr Leijer (A$399,854)	296,932	-

[1] Loan Funded Share Plans

Options issued to directors and director related entities	735,370	959,227
Subscriptions for new ordinary shares by KMP as a result of exercise of options and settled with cash	336,730	-

29. Contingent liabilities

The Group as no contingent liabilities as at 30 June 2016.

30. Commitments

The Group as no commitments as at 30 June 2016.

DIRECTORS DECLARTIONS

In the opinion of the directors:

(a) the financial statements and notes set out on pages 30 to 50 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 2016 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; and

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.

30 September 2016



Ashley Shilkin

Founder and Managing Director

Chimpchange Limited

INDEPENDENT AUDITORS REPORT

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

Independent Auditor's Report
To the Members of ChimpChange Ltd

We have audited the accompanying financial report of ChimpChange Ltd, which comprises the consolidated statement of financial position as at 30 June 2016, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard *AASB101 Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

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Independence

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

Opinion

In our opinion,

(a) the financial report of ChimpChange Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of ChimpChange Limited for the year ended 30 June 2016 complies with Section 300A of the *Corporations Act 2001*.

PITCHER PARTNERS

J. J. EVANS
Partner

Brisbane, Queensland
30 September 2016

ASX ADDITIONAL DISCLOSURE

Top 20 Shareholders

Rank	Name	Number of Shares	% of Issued Capital
1	ASHLEY SHILKIN	11,901,965	18.75%
2	AVATAR INDUSTRIES PTY LTD	10,762,463	16.95%
3	BART PROPERTIES PTY LTD	3,052,143	4.81%
4	ALTOR PRIVATE EQUITY PTY LTD *	2,837,662	4.47%
5	NAREENEN PTY LTD	2,672,529	4.21%
6	BOND STREET CUSTODIANS LIMITED *	1,455,000	2.29%
7	CITICORP NOMINEES PTY LIMITED	1,348,343	2.12%
8	MR ROSS ALLEN MC DONALD	1,069,262	1.68%
9	PERSHING AUSTRALIA NOMINEES PTY LTD	900,000	1.42%
10	NATIONAL NOMINEES LIMITED *	891,250	1.40%
11	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	716,136	1.13%
12	J P MORGAN NOMINEES AUSTRALIA LIMITED	629,545	0.99%
13	FALCASTLE PTY LTD	589,000	0.93%
14	WS DOBSON PTY LTD	556,753	0.88%
15	PINNACLE SUPERANNUATION PTY LIMITED	500,000	0.79%
16	MR DAVID FREDERICK OAKLEY	434,286	0.68%
17	BLUEFLAG INVESTMENTS PTY LTD	428,571	0.68%
18	BONNIP PTY LTD	377,500	0.59%
19	CS FOURTH NOMINEES PTY LIMITED	376,521	0.59%
20	CHELMERE PTY LTD	366,589	0.58%
	Top 20 Total	**41,865,518**	**65.95%**
	Total Shares on Issue	**63,481,383**	

Shareholding Distribution

Range	Securities	Number of Holders
1 to 1,000	18,650	34
1,001 to 5,000	500,143	148
5,001 to 10,000	1,175,033	157
10,001 to 50,000	6,614,442	272
50,001 to 100,000	4,717,185	62
100,001 and Over	50,455,930	74
Total	**63,481,383**	**747**

Unmarketable Parcels	9,650	25