ANNUAL REPORT
2018

RPMGLOBAL

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CHAIRMAN'S REPORT

Dear Fellow Shareholders,

The past twelve months has seen our business continue to execute on its strategy of being the leading provider of world class technology solutions to the mining industry. At the same time we have not lost focus on the value and strength of our Advisory and GeoGAS businesses which both continue to perform at a very high level.

Revenue from our Advisory division grew strongly during the year with increased utilisation of our professional staff. In the second half of Financial Year 2018 (FY2018) this division started to add additional headcount and capability. While pricing remained competitive in the low to medium sized projects, clients recognise value for transactional and complex multi-asset projects (which we specialise in).

The GeoGAS division also grew strongly during the year as the number of coal gas tests for both compliance and exploration increased year on year.

We expect to see continued improvement in both of these divisions in Financial Year 2019 (FY2019) assuming commodity prices remain at current levels.

FY2018 was another year of above industry average investment by RPM in software development. This investment delivered two new software scheduling products (Underground Metals and Steeply Dipping Coal) as well as significant enhancements to RPM's Enterprise, Financial, Simulation, Scheduling, Execution and Asset Maintenance suite of products.

We are not aware of any other technical mining software provider investing in software development to the level that we are. It is clear to us that our strategic move away from the desktop and up into the enterprise was the right one.

The breadth and depth of our software offering along with the innovative nature of them has seen 25 new customers start to use our software for the first time in FY2018. While all of these customers have purchased software modules to address a specific need, we hope that over time they will purchase and roll out our full suite of integrated products.

In Financial Year 2017 (FY2017) the Company raised capital to provide RPM with the capacity to continue to expand the business through further investments in its software products, including potential strategic acquisition opportunities to accelerate the delivery of these solutions for our customers.

Consistent with that objective, the capital raised in the prior year enabled the Company to achieve the following in FY2018:

- Acquire MineOptima, a private Australian company with more than 20 years' experience developing software applications, which are recognised as the standard in the industry, for designing the optimal equipment access layouts for underground mines.

- Acquire MinVu, a private Australian company who, during the past 18 years, has become the industry's leading provider of mine-wide operational reporting and analytics software solutions.

RPM maintains a strong balance sheet with over $23 million of cash in the bank (as at 30 June 2018) and no debt. During FY2018 the Company paid out the post completion payments for the iSolutions acquisition and cash considerations for both the MineOptima and MinVu acquisitions.

On 30 June, Dr. Ian Runge announced his retirement as a non-executive director 41 years after founding the company (then Runge Associates) in 1977. Ian's worldwide knowledge of mining, insights into the culture

CHAIRMAN'S REPORT

of the industry and of particular companies in the industry, has been invaluable to the Board and on behalf of my fellow directors and all RPM staff and customers we all wish Ian the very best in his retirement and in furthering his interests in the economics side of the mining industry.

The Board has resolved not to pay a dividend this financial year.

I would again like to acknowledge the effort and commitment of our staff who continue to perform especially well. The Board is particularly pleased with the ability of our management and staff to execute on a clearly defined strategy that we believe will result in increased value for our shareholders.

The Board thanks its shareholders for their ongoing support of the Company's software strategy and remains firmly of the opinion that the investments made by the Company in both internal software development and in strategic software acquisitions will provide the growth engine for the business in 2019 and beyond.

Allan Brackin
Chairman

MANAGING DIRECTOR'S REPORT

Market Commentary

Pleasingly for the industry commodity prices remained relatively stable during FY2018. Mining companies that have been able to reduce their cost structure over the last five years, are now reporting solid profits and are starting to think about replacing and expanding their reserves.

The number of new brownfield expansions has increased along with an increase in exploration and drilling expenditure.

Miners are reporting that the cost of mining is starting to rise again as labour shortages combined with increasing service provider costs start to impact on capital and operational costs.

While we are expecting mining companies to stay focused on keeping their operational costs as low as possible, at some stage they will have to increase their capital expenditure in order to maintain and replace production capacity.

From a mining technology perspective, while there have been numerous articles written about the next wave of productivity improvements in the mining industry being delivered through software innovation and integration, the mining companies themselves remain slow to embrace change.

Mining companies prefer to be "fast followers" rather than "innovators" and "test pilots", however, once you can demonstrate the value associated with change they will, we believe, welcome it.

By way of an example, we are seeing a real interest by miners and mining contractors in projecting the cost of maintenance across the lifecycle of their entire mobile mining fleet and identifying potential strategies to reduce their maintenance cost.

This focus resulted in a strong rise in our asset maintenance software sales during the year.

High Level Financial Results

Net revenue for the year increased by $0.8 million to $67.6 million (FY2017: $66.8 million).

The company increased its investment in Research and Development by $1.2 million to $14.0 million (FY2017: $12.8 million).

EBITDA for the full year finished at $4.4 million down $0.2 million on the previous year's result ($4.6 million).

Software Division

In FY2018 the company reported a decrease in software license revenue of $9.8 million to $13.6 million (FY2017: $23.4 million).

It is worth noting in that comparison almost 50% of software license revenue in FY2017 was attributable to one singular customer. In FY2018, this customer turned their focus from procuring RPM software (through a number of large software transactions in FY2017) to implementing various RPM software products into 17 of its operating businesses during financial year 2018. We expect this customer to continue to purchase additional software products during FY2019.

Excluding this single customer, the company sold $12.9 million of software license revenue to all other customers (FY2017: $12.4 million) which represents a 4% increase over the prior year.

In October 2017 the company announced that it would introduce a subscription pricing option whilst maintaining its existing perpetual offering. As a direct result of this decision the company has for the first time reported subscription revenue as a separate line item. Subscription revenue in FY2018 was $0.8 million (FY2017: $0.5 million).

The current run rate of monthly subscription revenue is now $135,000.

MANAGING DIRECTOR'S REPORT

Ensuring customers receive high quality and timely local support during and after a software implementation project continues to be a focus for the company. As a result, the company registered new wholly owned subsidiaries in both Kazakhstan and Colombia during the year.

Software support revenue finished the year at $19.6 million (FY2017: $17.3 million) a 13% year on year increase.

The company recorded software consulting revenue of $10.7 million in FY2018 (FY2017: $9.0 million) a 19% increase over the previous year.

FY2018 again saw the company continue to invest heavily in its software business with $14.0 million (FY2017: $12.8 million) invested in internal software development, all of which was expensed in the year it was incurred. This we believe, will provide significant benefit over the next few years as these new products and enhancements attract new customers.

The acquisition of the AMT product suite continues to outperform our expectations. As a result of this growth we have increased the earn out provision in our financial statements to the outgoing iSolutions shareholders which is not something that you see very often in software acquisitions.

At the start of the year we released our Underground Metals solution. We now have a customer who has fully implemented this new product into four of their underground mines. This is an important product for us as it fills what was previously a large gap in our product offering. We are in the final development cycles of incorporating Stope Optimiser and Decline Optimiser functionality into Underground Metals which will significantly improve the competiveness of this product.

In late April 2018 we released our new Steeply Dipping Coal Solution and have already sold this solution to two large mining companies who will each pilot the solution in their operating mines. This product is focused on a market niche which, to our knowledge, has not been specifically addressed by any technical software vendor given the complexity associated with steeply dipping coal seams. We have high expectations for this solution given customer feedback to date.

The acquisition of MinVu continues our push into the shift operations of mining companies. Customers use the MinVu products to make operational decisions on a real time basis. It is clear (having owned the Minvu business for six months now) that MinVu customers are fiercely loyal and thoroughly committed to this product set. We expect that our global reach will see the MinVu products grow strongly in a similar manner to that experienced following our acquisition of the AMT product from iSolutions.

We are quickly realising the benefits from the extensive list of integration application program interfaces (API's) included in the MinVu acquisition as we continue to integrate our products with other large technology providers to the mining industry.

Advisory Division

Demand for our mining advisory services increased significantly during FY2018. This division is now positively contributing to the financial results of the business. There is no doubt that resisting the urge to compete for lower and risker projects during the downturn and instead focusing on delivering the highest quality services (sometimes with little financial return), was the right approach.

Our advisory division's reputation for independent assessment and financier due diligence roles remains second to none, which positions us well for the larger and more complex projects now being evaluated by the finance community.

MANAGING DIRECTOR'S REPORT

Our mining advisory market share again increased during FY2018, particularly in the metals space where we believe we are now one of the top suppliers of advisory services in that sector of the industry. We continue to remain the clear leader in the coal space.

The Advisory team continue to be engaged to provide advice on the larger Merger and Acquisition activities and IPO's, most of which are sourced from North Asian clients for assets right across the globe.

Our previously reported dispute with a Russian mining company (which dates back to June 2015) continues to work its way through the Russian court system. The Russian litigation provision of $0.3 million which was taken up in the second half of the 2018 financial year relates solely to this legal process.

GeoGAS Division

The industry has seen a real pickup in underground coal exploration and development as a result of coal prices for both thermal coal and coking coal remaining relativity high by historical standards.

Underground Coal miners are beginning to invest again in increasing the size of their longwall float (buffer between development activities and operational mining). There are only two ways to increase a longwall float - do more development work (exploration) or stop production - which given the current prices is unlikely to happen.

The ramp up in coal exploration has resulted in a significant increase in coal gas testing undertaken by our two laboratories in Mackay (Queensland) and Wollongong (New South Wales). Given the variable cost structure of this division, as the number of tests increases, so does the margin per test.

Whilst coal prices stay strong we expect the laboratories to remain busy.

Company Expenses

Operating expenses (excluding Research and Development costs) for the full year came in at $49.2 million, $0.2 million lower than FY2017 ($49.4 million). The FY2018 number includes $0.7 million in costs attributable to the MinVu business which was acquired at the start of February 2018.

No one off restructuring costs were reported in the 2018 financial accounts (FY2017: $0.8 million)

Net cash inflows from operations during the 2018 financial year was $7.0 million (FY2017: outflows of $3.0 million).

Future Outlook

While commodity prices remain stable we expect to see growth in our Advisory and GeoGAS divisions.

We also expect to see growth in our software support, software consulting and software subscriptions revenues in FY2019.

It is always difficult to predict how much software license revenue the company will book early in the year, given this revenue line is always backend loaded. We note that over the last 12 months, the company has:

- Invested $14.0 million internally in software development
- Fully integrated the MinVu business
- Acquired the intellectual property rights to the MineOptima suite of products,
- Released two new scheduling solutions (Underground Metals and Steeply Dipping Coal), and
- Completed 24 major software upgrades and 51 major functional upgrades

MANAGING DIRECTOR'S REPORT

All of which provide us with a more complete and richer set of software products than we had this time last year. As such, we remain enthusiastic about the potential for our software products to become the software of choice for the mining industry.

It is also clear that the competitive advantage that our asset maintenance products have in the heavy mobile equipment space, can also cross-over into other asset intensive industries.

Richard Mathews

Managing Director and Chief Executive Officer

DIRECTORS' REPORT

Your Directors present their report on RPMGlobal Holdings Limited (the "Company") and its subsidiaries (referred to hereafter as the "Group") for the year ended 30 June 2018.

1. Directors

The Directors of RPMGlobal Holdings Limited at any time during or since the end of the period were:

Non-executive

Allan Brackin – *Chairman*

Dr Ian Runge – retired effective 30 June 2018

Ross Walker

Executive

Richard Mathews – *CEO and Managing Director*

2. Principal Activities

The Group's principal activities during the financial year consisted of:

a) Software licensing, consulting, implementation and support;

b) Technical, advisory and training services to the resources industry; and

c) Laboratory gas testing.

There were no significant changes in the nature of the Group's principal activities during the financial year.

3. Dividends

No dividends were paid or declared during the financial year.

4. Review and Results of Operations

Net revenue in the 2018 financial year grew by 1.2% to $67.6 million (2017: $66.8 million). Whilst Advisory and GeoGAS revenues increased by 17.2% and 43.8% respectively, Software revenue decreased by 11.2%.

	2018 $m	**2017 $m**	**Change %**
Software			
- Licence Sales One Customer	*0.7*	*11.0*	*(93.6%)*
- Licence Sales – Other Customers	*12.9*	*12.4*	*4.0%*
- Licence subscriptions	*0.8*	*0.5*	*60.0%*
- Maintenance	*19.6*	*17.3*	*13.3%*
- Consulting	*10.7*	*9.0*	*18.9%*
Total Software	44.7	50.2	*(11.2%)*
Advisory	23.9	20.4	*17.2%*
GeoGAS	4.6	3.2	*43.8%*
Other Revenue	0.5	1.0	*(50.0%)*
Total Revenue	**73.7**	**74.8**	*(1.5%)*
Direct Costs	(6.1)	(8.0)	*(23.8%)*
Net Revenue	**67.6**	**66.8**	*1.2%*

4. Review and Results of Operations (Continued)

Reconciliation between IFRS and non-IFRS financial performance items used in the Directors Report is presented below:

	2018 $m	2017 $m	Change %
Net Revenue	**67.6**	**66.8**	1.2%
Operating Expenses	(63.2)	(62.2)	1.6%
EBITDA[1]	**4.4**	**4.6**	(4.3%)
Depreciation and Amortisation	(3.4)	(2.8)	21.4%
Redundancy – Staff	-	(0.8)	-
Acquisition Costs and Restructure	-	(0.4)	-
Russian Litigation Provision	(0.3)	-	-
iSolutions Earn out Provision	(0.3)	-	-
Net Finance (costs)/income	0.2	0.2	0.0%
Profit/(Loss) before income tax	**0.6**	**0.8**	**(25.0%)**
Income tax benefit/(expense)	(0.4)	(0.8)	(50.0%)
Profit/(Loss)	**0.2**	**-**	-
Earnings Per Share (cents per share)	**0.11**	**0.02**	**450%**

[1] Earnings before Interest, Tax, Depreciation, Amortisation, Impairment, Litigation provisions and Redundancies is a non-IFRS disclosure. In the opinion of the Directors, the Group's EBITDA reflects the results generated from ongoing operating activities and is calculated in accordance with AICD/Finsia principles. The non-operating adjustments outlined above are considered to be non-cash and/or non-recurring in nature. These items are included in the Group's consolidated statutory result but excluded from the underlying result. EBITDA has not been audited or reviewed.

Improved performances from Advisory, GeoGAS, Software consulting and support offset a $10.3 million decrease in software license revenue year-on-year from one global customer.

Investment in Research and Development (which are all expensed) grew $1.2 million (9%) to finish the year at $14.0 million (2017: $12.8 million).

As a result of this investment EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation, Litigation and Redundancies) reduced by $0.2 million to $4.4 million (2017: $4.6 million).The Group produced $7.0 million net operating cashflow and had cash reserves of $23.3 million (2017: $20.3 million) and no bank debt at the end of the financial year.

During the year the Group paid out $4.1 million for software acquisitions and earn-out payments for prior acquisitions.

Software Division

The Software division provides mine scheduling, financial costing/budgeting, simulation and asset management software solutions to the mining industry. It also provides software consulting, implementation, training and support for these products.

Net Software revenue decreased by 11.2%.

As detailed in the 2017 Annual Report, in 2017 the company sold and recognised $11.0 million of revenue derived from software sold to one global customer and also held $2.8 million in deferred revenue against that same customer who purchased and paid for the software licences in advance of them being deployed.

In 2018, the company recognised $0.7 million out of the $2.8 million in revenue deferred last year and still carries $2.1 million on the balance sheet in deferred revenue against this customer.

4. Review and Results of Operations (Continued)

Software Division (Continued)

The Group increased its investment in R&D to $14.0 million which included $0.7 million of costs attributable to the MinVu acquisition. The major development projects during Financial Year 2018 included:

- Follow-on enhancements to Underground Metals
- Development of the Steeply Dipping Coal Solution
- Redevelopment of the AMT integration adaptors

In October 2017 the Company announced that it would offer customers purchasing software licences a subscription option alongside a traditional perpetual license offering for their consideration. Recurring software subscriptions recognised in the year increased to $0.8 million, compared to $0.5 million in the prior year. Currently the Group receives $135,000 per month in committed and recurring subscription licence revenue.

On 31 August 2017 the Group concluded its acquisition of MineOptima.

On 31 January 2018 the Company acquired the MinVu business.

The company welcomed 25 customers who purchased RPM software for the first time. We expect these customers to expand their use of our software as they become more familiar with our suite of integrated products.

Advisory Division

The Advisory division provides independent consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, government agencies and suppliers to mining projects. The market for Advisory services is heavily reliant on expansion, development, financing and transacting of mining assets and projects.

Revenue from Advisory services for the year grew by 17% to $23.9 million (2017: $20.4 million).

The company has taken up a provision of $0.3 million during the year towards the approximately $0.8 million damages order awarded against RPM's Russian subsidiary CJSC Runge in August 2017. This matter, the background of which was detailed in the 2017 Annual Report, remains under appeal before the courts and as such RPM is not able to provide further details at this time.

GeoGAS

The GeoGAS business provides mine gas consulting and laboratory testing services to the coal industry on the East Coast of Australia.

Revenue from the GeoGAS business increased by 44% to $4.6 million (2017: $3.2 million).

Operating Expenses

Total Operating expenses increased by 1.6% ($1.0 million) to $63.2 million during the year (2017: $62.2 million).

Software Development costs were $14.0 million a $1.2 million increase on the previous year (2017: $12.8 million).

5. Likely Future Developments - Business Strategies and Prospects for Future Financial Years

Software Division

As a Board and management team we remain fully invested in growing our suite of software products.

In 2019 we will complete the last of our dedicated scheduling solutions when we release our fully upgraded Underground Coal solution. This will bring to an end a seven year development programme during which we will have developed and released 10 commodity based scheduling solutions each one addressing a different mining method.

DIRECTORS' REPORT

5. Likely Future Developments - Business Strategies and Prospects for Future Financial Years (Continued)

Software Division (Continued)

We also expect to complete the final key functional feature for XERAS enterprise which will again conclude a six year development programme.

During Financial Year 2019 we will merge Operations Manager into MinVu Shift Manager. The company will continue to expand its shift operations functionality and operational reporting.

We now have the majority of the integration adapters that we need to provide a comprehensive enterprise integration framework to our customers. 2019 will see us bundle up additional complementary adapters based on business processes and vendor configurations.

Continuing to build on the strong foundations of the past five years, which have seen us deliver innovative enterprise applications to the mining industry we look forward to further extending our suite of products and services as opportunities present themselves.

It has now been eight months since we started to offer subscription style agreements to customers who are looking to purchase our software and during that time we have learnt a lot about how to best structure these agreements in a mining environment with respect to the most appropriate metrics to use. As we move our sales representatives across to subscription type commission plans we would expect to see a greater percentage of subscription license sold in 2019 than was sold in 2018.

Advisory and GeoGAS

The near term outlook for these businesses remains positive. We remain confident that our internationally respected Advisory team is well placed to benefit from its increased market share and to continue to assist mining companies as they focus on productivity improvements and any associated acquisition and divestiture activity. The division continues to expand its service offerings to leverage the value provided by our existing and recently acquired software products in order to assist its clients with operational advisory demand. We continue to see the value of advisory as a great introducer to RPM's software offerings.

With respect to our GeoGAS business, if coal prices remain firm we are very confident this division will have another great year. We are looking at expanding the products and services that this division provides to the industry during 2019.

6. Legal Proceedings on Behalf of the Group

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

7. Significant Changes in the State of Affairs

There was no matter or circumstance during the financial year that has significantly affected the state of affairs of the Group not otherwise disclosed.

8. Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

DIRECTORS' REPORT

9. Information on Current Directors and Company Secretary

Directors	Experience	Special responsibilities
Allan Brackin	Chairman, Non-executive Director. Joined the Board in November 2011. Allan has been involved in the technology industry for over 30 years at both executive and non- executive level. Allan was formerly Director and Chief Executive Officer of Volante Group Limited from 2000-2004. From 1986 – 2000 Allan cofounded a number of IT companies which all became part of the Volante Group. Qualifications: Bachelor of Applied Science. Other listed company directorships in last three years: Chairman of GBST Holdings Limited since 2005	*Chairman* *Member and Chairman – HR and Remuneration Committee* *Member -Audit and Risk Committee*
Ross Walker	Non–executive Director. Joined the Board in March 2007. Joined Pitcher Partners Brisbane (previously Johnston Rorke) in 1985, Managing Partner in 1992 – 2008 and again from 2014 to 2017. Predominantly involved in corporate finance, auditing, valuations, capital raisings and mergers and acquisitions for the past 20 years. Qualifications: Bachelor of Commerce, FCA Other listed company directorships in last three years: Wagners Holding Company Limited since its IPO in December 2017	*Non-executive Director* *Member and Chairman – Audit and Risk Committee* *Member – HR and Remuneration Committee*
Richard Mathews	Appointed Managing Director 28 August 2012. Richard's previous roles includes Senior Vice President, International at J D Edwards, CEO of Mincom Ltd, Chief Executive Officer and then Non-Executive Chairman of eServGlobal Limited. Qualifications: Bachelor of Commerce, Bachelor of Science, ACA Other listed company directorships in last three years: None in the last three years. Richard is a director on the Telstra Health Pty Ltd Board and also previously sat on the Board of METS Ignited.	*Executive Managing Director* *Member – HR and Remuneration Committee*

Dr Ian Runge who was a non-executive director for Financial Year 2018 retired effective 30 June 2018.

Company Secretary

James O'Neill, Group General Counsel and Company Secretary, joined RPMGlobal Holdings Limited in December 2012. Qualifications: Bachelor of Laws and Bachelor of Information Technology from Queensland University of Technology, Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia, Solicitor and Member of the Queensland Law Society and Associate Member of the Governance Institute of Australia (AGIA) and Chartered Institute of Secretaries (ACIS).

10. Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2018 and the number of meetings attended by each Director were:

	Full meetings of Board of Directors		Audit & Risk Committee		HR & Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Allan Brackin	9	9	5	5	1	1
Dr Ian Runge [1]	9	9	5	5	-	-
Ross Walker	9	9	5	5	1	1
Richard Mathews	9	9	-	-	-	-

[1] Dr Ian Runge who was a non-executive director for the Financial Year 2018 retired effective 30 June 2018.

11. Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be personally liable, except where there is a lack of good faith.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain risks associated with their activities as Officers of the Company. The terms of that policy prohibit disclosure of the nature of liability covered, the limit of such liability and the premium paid.

12. Shares Under Option

Unissued ordinary shares of RPMGlobal Holdings Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
29/11/2013[1]	29/11/2018	$0.68	893,000
31/03/2014	31/03/2019	$0.73	250,000
31/10/2014	31/10/2019	$0.61	100,000
03/03/2015[1]	03/03/2020	$0.59	3,918,500
15/07/2015[1]	15/07/2020	$0.57	250,000
08/09/2015[1]	08/09/2020	$0.56	3,163,332
31/10/2015	31/10/2020	$0.54	50,000
29/08/2016	29/08/2021	$0.49	125,000
29/11/2016	29/11/2021	$0.54	900,000
09/02/2017[1]	09/02/2022	$0.59	2,786,665
08/06/2017	08/06/2022	$0.57	290,000
19/09/2017[1]	19/09/2022	$0.67	200,000
1/10/2017[1]	31/10/2022	$0.77	3,480,000
15/03/2018	15/03/2023	$0.67	620,000
			17,026,497

[1] Included in these options were options granted as remuneration to the five highest remunerated officers during the year. Details of options granted to the five highest remunerated officers who are also key management personnel are disclosed in section 20E of the Remuneration Report. There are no Officers in the Company who are not also identified as key management personnel.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

DIRECTORS' REPORT

13. Shares issued on the exercise of options

During the year 178,332 shares have been issued following exercise of the options granted on 8 September 2015, 100,000 shares have been issued following exercise of the options granted on 3 March 2016 and 293,498 shares have been issued following exercise of the options granted on 3 March 2015.

14. Environmental Legislation

RPMGlobal Holdings Limited and its controlled entities are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

15. Non-audit Services

Details of the amounts paid or payable to the Company's auditor and related practices of the auditor for audit and non-audit services provided during the year are set out below.

The Board has considered the position and in accordance with advice received from the Audit Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.

	2018	2017
BDO (QLD) Pty Ltd	**$**	**$**
Preparation of Income tax return and other taxation services	**8,117**	**12,414**

16. Indemnity of Auditors

The Company has agreed to indemnify and hold harmless its auditors, BDO Audit Pty Ltd, against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings whatsoever incurred by the auditors in respect of any claim by a third party arising from or connected to any breach by the Company.

17. Auditor's Independence Declaration

In accordance with Section 307C of the Corporations Act 2001, a copy of the auditor's independence declaration is enclosed on page 23.

18. Directors' Interests

The relevant interest of each director in the shares and options issued by the Company, as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	RPMGlobal Holdings Limited	
	Ordinary shares	**Options over ordinary shares**
A Brackin	1,098,311	-
Dr I Runge [1]	16,368,817	-
R Walker	958,333	-
R Mathews [2]	8,220,138	-

[1] Dr Ian Runge who was a non-executive director for Financial Year 2018 retired effective 30 June 2018.
[2] Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for a third party.

19. Rounding of Amounts

The Company is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, the nearest dollar.

20. Remuneration Report - Audited

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

A. Principles used to determine the nature and amount of remuneration;
B. Service agreements;
C. Details of remuneration;
D. Bonus and share-based compensation benefits;
E. Equity instruments held by key management personnel; and
F. Other transactions with key management personnel.

20A. Principles Used to Determine the Nature and Amount of Remuneration

Remuneration and compensation have the same meaning in this report.

This report discusses the Group's policies in regard to compensation of key management personnel (KMP). The identified KMP have authority and responsibility for planning, directing and controlling the activities of the Group.

In addition to the Directors, the Company assessed the Chief Financial Officer, Group General Counsel & Company Secretary and the Executive General Manager of the Advisory Division as having authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly, during the 2018 financial year.

The Board has established a HR and Remuneration Committee to assist with remuneration and incentive policies enabling the Group to attract and retain KMP and Directors who will create value for shareholders and support the Group's mission. The HR and Remuneration Committee obtains independent advice if required on the appropriateness of compensation packages given trends in comparative companies. In the 2018 financial year the Committee did not use a remuneration consultant. The Group's Corporate Governance Statement provides further information on the role of this Committee.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic, operational objectives and achieve the broader outcome of creation of value for shareholders.

Executive Director and other Key Management Personnel

The compensation structures take into account:

- The capability and experience of the KMP;
- Their ability to control the relevant segment's performance; and
- The segment or Group earnings.

Compensation packages include a mix of fixed, short-term and long-term performance-based incentives. In addition to their salaries, the Group also provides non-cash benefits to its KMP and contributes to a defined contribution superannuation plan (or equivalent pension plan) on their behalf.

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

Fixed Compensation

Fixed compensation is calculated on a total cost basis and includes salary, allowances, non-cash benefits, employer contributions to superannuation funds and any fringe benefits tax charges related to employee benefits, including motor vehicles.

Compensation levels are reviewed using an individual approach, based on evaluation of the individual, and a comparison to the market. A KMP's compensation is also reviewed on promotion.

Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward KMP for meeting and exceeding their Key Performance Objectives (KPOs). The Short-Term Incentive (STI) is an 'at risk' incentive provided in the form of cash, while the Long-Term Incentive (LTI) is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan (ESOP) (see note 23 to the financial statements). The current long-term performance incentive structure was first implemented in the 2013 year and was most recently approved by shareholders at the 24 November 2016 Annual General Meeting.

The table below sets out the performance based compensation paid to KMP together with earnings for the same period. Performance based compensation consists of STI cash bonus and LTI share-based payments.

	Performance based compensation					
Year ended 30 June	**STI $'000**	**LTI $'000**	**Total $'000**	**EBITDA[1] $'000**	**Dividends $'000**	**Share price $**
2014	-	33	33	(945)	-	0.58
2015	1,072	90	1,162	2,600	-	0.56
2016	112	230	342	(3,224)	-	0.41
2017	968	70	1,038	4,582	-	0.55
2018	**-**	**46**	**46**	**4,369**	-	**0.62**

[1] *Earnings before Interest, Tax, Depreciation, Impairment and Restructuring costs (non-IFRS disclosure)*

Short-term Incentive Bonus

Effective 1 July 2012, the Group implemented a variable pay structure, referred to as the Executive General Manager Incentive Plan (EGMIP). Each of the identified KMP has a portion of their remuneration linked to the EGMIP. The key objective of the EGMIP is to create clear alignment between individual and business performance and remuneration by providing a performance-based reward to participants in line with their relative contribution to the Group. The EGMIP achieves the alignment by focusing participants on achieving goals which contribute to sustainable shareholder value, and providing a clear link between performance and the Group financial result. In 2018 R Mathews, M Kochanowski, J O'Neill and P Baudry (Advisory) had 100% of their STI based on the Company's adjusted EBITA performance. Cash bonuses are paid, provided for or forfeited in the year to which they relate.

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

The Board assessed performance of the KMP against the EGMIP's for the 2018 Financial Year as shown in the table below:

	Fixed Compensation	Variable Compensation	STI awarded	STI forfeited
R Mathews	50%	50%	-	100%
M Kochanowski	83%	17%	-	100%
J O'Neill	83%	17%	-	100%
P Baudry	50%	50%	-	100%

Long-term Incentive

Options were issued in the 2014, 2015, 2016, 2017 and 2018 financial years under the Company's Employee Share Option Plan (ESOP) to KMP at the discretion of the Board. Consistent with the current ESOP plan terms last approved by shareholders at the Company's 2016 Annual General Meeting, the rules of the ESOP Plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the Offer Document, including vesting in tranches over a defined period. The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service. The options issued since November 2013 vest in tranches over a three year period from the date of grant, have vesting conditions linked to the holder maintaining employment with the Group over that period and are issued at an exercise price based on the volume weighted average price of the Company's shares in the five days prior to each grant.

The Board has a Margin Loan policy that restricts Directors and Executives of the Group from entering into financial contracts secured by shares and other securities of the Company. This policy requires the approval of the Chairman of the Board for any financial arrangements or facilities related to Company shares held by the Directors and Executives.

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-executive Directors' fees and payments are reviewed periodically by the Board and are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at $500,000, unchanged since it was approved in the 2009 Annual General Meeting.

Non-executive Directors' base remuneration was last reviewed with effect from 31 December 2014. Both the Chairman's and Non-executive Directors' remuneration is inclusive of committee fees.

20. Remuneration Report - Audited (Continued)

20B. Service Agreements

Details of contracts with Directors and KMP of the Group are set out below.

	Terms of agreement	Base salary including superannuation	Termination benefit	Notice Period
A Brackin	Unlimited in term	$100,000	Nil	Nil
Dr I Runge [1]	Unlimited in term	$80,000	Nil	Nil
R Walker	Unlimited in term	$70,000	Nil	Nil
R Mathews	Unlimited in term	$650,000	6 months	6 months
M Kochanowski	Unlimited in term	$280,000	3 months	3 months
J O'Neill	Unlimited in term	$280,000	3 months	3 months
P Baudry [2]	Unlimited in term	$386,262	3 months	3 months

[1] Dr Ian Runge who was a non-executive director for the Financial Year 2018 retired effective 30 June 2018.

[2] Australian dollar equivalent, salary of P Baudry is set and paid in Chinese Yuan and Russian Roubles.

The KMP are also entitled to receive upon termination of employment their statutory entitlements of accrued annual and long service leave (where applicable), together with any superannuation benefits (where applicable). Compensation levels are reviewed each year to meet the principles of the remuneration policy.

20C. Details of Remuneration

Directors

Chairman (Non-executive)
Allan Brackin

Executive Directors
Richard Mathews – CEO and Managing Director

Non-executive Directors
Dr Ian Runge (resigned 30 June 2018)
Ross Walker

Other Key Management Personnel

In addition to executive Directors mentioned above, the following persons were assessed by the Company as the executives who had the greatest authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly, during the 2018 financial year:

Name	Position
Michael Kochanowski	Chief Financial Officer
James O'Neill	Group General Counsel and Company Secretary
Philippe Baudry	Executive General Manager - Advisory Division

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20C. Details of Remuneration (Continued)

Details of remuneration of each Director of RPMGlobal Holdings Limited and each of the other KMP of the Group are set out in the following tables.

	Short-term benefits				Post - employ ment benefits	Share-based payment (options)	Total	Proportion of remun-eration perform-ance related	Value of options as propor-tion of remun-eration
	Cash salary and fees	Movement in leave entitle-ments	STI cash bonus	Non – monetary benefits [1]					
2018	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors									
A Brackin	91,324	-	-	-	8,676	-	100,000	-	-
Dr I Runge [2]	80,000	-	-	-	-	-	80,000	-	-
R Walker	70,000	-	-	-	-	-	70,000	-	-
R Mathews	639,167	19,935	-	10,608	10,833	-	680,543	-	-
	880,491	19,935	-	10,608	19,509	-	930,543	-	-
Other Key Management Personnel									
M Kochanowski	255,708	13,464	-	10,608	24,292	18,165	322,236	6%	6%
J O'Neill	255,708	19,717	-	10,608	24,292	18,054	328,379	5%	5%
P Baudry	361,336	15,734	-	11,587	-	10,236	398,893	3%	3%
	872,752	48,914	-	32,803	48,584	46,455	1,049,508	4%	4%
Total	**1,753,242**	**68,850**	**-**	**43,410**	**68,094**	**46,455**	**1,980,051**	**2%**	**2%**

[1] Includes car park and health insurance

[2] Dr Ian Runge who was a non-executive director for Financial Year 2018 retired effective 30 June 2018.

	Short-term benefits				Post - employ ment benefits	Share-based payment (options)	Total	Proportion of remun-eration perform-ance related	Value of options as propor-tion of remun-eration
	Cash salary and fees	Movement in leave entitle-ments	STI cash bonus	Non – monetary benefits [1]					
2017	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors									
A Brackin	91,324	-	-	-	8,676	-	100,000	-	-
Dr I Runge	80,000	-	-	-	-	-	80,000	-	-
R Walker	70,000	-	-	-	-	-	70,000	-	-
R Mathews	467,553	89,476	502,293	10,296	34,740	-	1,104,358	45%	-
	708,877	**89,476**	**502,293**	**10,296**	**43,416**	**-**	**1,354,358**	**37%**	**-**
Other Key Management Personnel									
M Kochanowski	255,708	10,196	63,927	10,296	24,292	30,014	394,433	24%	8%
J O'Neill	255,708	3,424	63,927	10,296	24,292	29,787	387,434	24%	8%
C Halliday [2]	326,240	(9,615)	-	20,827	13,216	(42,288)	308,380	-14%	-14%
P Baudry	375,278	25,464	337,563	12,090	-	52,167	802,562	49%	7%
	1,212,934	29,469	465,417	53,509	61,800	69,680	1,892,809	28%	4%
Total	**1,921,811**	**118,945**	**967,710**	**63,805**	**105,216**	**69,680**	**3,247,167**	**32%**	**2%**

[1] Includes car park and health insurance

[2] Ceased to be key management personnel during the year

The termination benefit includes contractual termination benefit and superannuation (where applicable).

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits

All options refer to options over ordinary shares of RPMGlobal Holdings Limited, which are exercised on a one-for-one basis under the ESOP Plan.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, based on an estimate of the number of options likely to vest, and the amount is included in the remuneration tables above. Fair values at grant date are determined using Trinominal Lattice model that take into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Model inputs for options granted during the year are disclosed in note 23 in the financial report.

Details of options over ordinary shares in the Company provided as remuneration to each director and each of the KMP and the Group are set out below. When exercisable, each option is convertible into one ordinary share of RPMGlobal Holdings Limited. Further information on the options is set out in note 23 to the financial statements.

Options granted under the ESOP plan carry no dividend or voting rights until the options vest, are exercised and converted to ordinary shares whereupon those ordinary shares carry dividend and voting rights consistent with all other ordinary shares of the Company.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

	Number of options granted during the year	Value of options at grant date [1] $	Number of options vested during the year [2]
A Brackin	-	-	-
Dr I Runge [3]	-	-	-
R Walker	-	-	-
R Mathews	-	-	-
M Kochanowski	150,000	34,325	183,334
J O'Neill	150,000	34,325	183,333
P Baudry	-	-	316,667

[1] The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

[2] The third (final) tranche of options granted in March 2015 vested in March 2018 with an exercise price of $0.59 cents expiring in March 2020 and to-date no options in this grant have been exercised by the KMP. The second tranche of options granted in September 2015 vested in September 2017 with an exercise price of $0.56 cents expiring in September 2020 and to-date no options in this grant have been exercised by the KMP. The first tranche of options granted in February 2017 vested in February 2018 with an exercise price of $0.59 cents expiring in February 2022 and to-date no options in this grant have been exercised by the KMP. The Options granted on 27 October 2017 with an exercise price of $77 cents expiring in October 2022 have yet to vest.

[3] Dr Ian Runge who was a non-executive director for Financial Year 2018 retired effective 30 June 2018.

Details of options over ordinary shares in the Company provided as remuneration to key management personnel are shown in the table on the following page. The vesting conditions are set out in Section 20A. The table also shows the percentages of the options granted that vested and were forfeited during the year.

Further information on the options including valuation inputs and assumptions are set out in note 23 to the financial statements.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits (Continued)

	Year (FY) of grant	Years in which option may vest	Number of options granted	Value of option at grant date [1]	Number of options vested during the year	Vested %	Number of options forfeited during the year	Value at date of forfeiture [2]	Forfeited %
A Brackin	-	-	-	-	-	-	-	-	-
Dr I Runge	-	-	-	-	-	-	-	-	-
R Walker	-	-	-	-	-	-	-	-	-
R Mathews	-	-	-	-	-	-	-	-	-
M Kochanowski	2014	2015-2017	50,000	$0.21 - $0.25	-	-	-	-	-
	2015	2016-2018	200,000	$0.19 - $0.25	66,668	33%	-	-	-
	2016	2017-2019	200,000	$0.17 – $0.21	66,666	33%	-	-	-
	2017	2018-2020	150,000	$0.17 – $0.23	50,000	33%	-	-	-
	2018	2019-2021	150,000	$0.19 – $0.26	-	-	-	-	-
J O'Neill	2014	2015-2017	50,000	$0.21 - $0.25	-	-	-	-	-
	2015	2016-2018	225,000	$0.19 - $0.25	75,000	33%	-	-	-
	2016	2017-2019	175,000	$0.17 – $0.21	58,333	33%	-	-	-
	2017	2018-2020	150,000	$0.17 – $0.23	50,000	33%	-	-	-
	2018	2019-2021	150,000	$0.19 – $0.26	-	-	-	-	-
P Baudry	2014	2015-2017	50,000	$0.21 - $0.25	-	-	-	-	-
	2015	2016-2018	550,000	$0.19 - $0.25	183,334	33%	-	-	-
	2016	2017-2019	250,000	$0.17 – $0.21	83,333	33%	-	-	-
	2017	2018-2020	150,000	$0.17 – $0.23	50,000	33%	-	-	-

[1] The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration

[2] The value of the options that were granted as part of remuneration and that were forfeited (lapsed) during the year because a vesting condition was not satisfied was determined at the time of lapsing, but assuming the condition was satisfied.

The terms and conditions of each grant of options affecting remuneration of a KMP in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise Price, $	Value per option at grant date
29/11/2013	30/11/2014	29/11/2018	0.68	$0.21
29/11/2013	30/11/2015	29/11/2018	0.68	$0.23
29/11/2013	30/11/2016	29/11/2018	0.68	$0.25
03/03/2015	03/03/2016	03/03/2020	0.59	$0.19
03/03/2015	03/03/2017	03/03/2020	0.59	$0.23
03/03/2015	03/03/2018	03/03/2020	0.59	$0.25
8/09/2015	8/09/2016	8/09/2020	0.56	$0.17
8/09/2015	8/09/2017	8/09/2020	0.56	$0.19
8/09/2015	8/09/2018	8/09/2020	0.56	$0.21
09/02/2017	09/02/2018	09/02/2022	0.59	$0.17
09/02/2017	09/02/2019	09/02/2022	0.59	$0.21
09/02/2017	09/02/2020	09/02/2022	0.59	$0.23
26/10/2017	26/10/2018	26/10/2022	0.77	$0.19
26/10/2017	26/10/2019	26/10/2022	0.77	$0.23
26/10/2017	26/10/2020	26/10/2022	0.77	$0.26

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20E. Equity Instruments held by Key Management Personnel

No shares were granted as compensation in 2018 (2017: nil). The number of shares and options over shares in the Company held during the financial year by each Director of RPMGlobal Holdings Limited and each of the other key management personnel of the Group, including their personally-related entities, is set out below:

(i) Options

Name	Balance at the start of the year	Granted as compensation	Forfeited, exercised and expired	Balance at the end of the year	Vested and exercisable
A Brackin	-	-	-	-	-
Dr I Runge [1]	-	-	-	-	-
R Walker	-	-	-	-	-
R Mathews	-	-	-	-	-
M Kochanowski	600,000	150,000	-	750,000	433,332
J O'Neill	600,000	150,000	-	750,000	441,666
P Baudry	1,000,000	-	-	1,000,000	816,666

(ii) Ordinary Shares

	Balance at the start of the year	Sold during the year	Exercise of Options	Acquired during the year (on market)	Balance at the end of the year
Directors					
A Brackin	1,098,311	-	-	-	1,098,311
Dr I Runge [1]	16,368,817	-	-	-	16,368,817
R Walker	958,333	-	-	-	958,333
R Mathews [2]	8,220,138	-	-	-	8,220,138
Other key management personnel of the Group					
M Kochanowski	183,333	-	-	-	183,333
J O'Neill	40,000	-	-	-	40,000
P Baudry [3]	307,242	(1)	-	-	307,241

[1] Dr Ian Runge who was a non-executive director for Financial Year 2018 retired effective 30 June 2018.
[2] Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for a third party.
[3] One share cancelled under the unmarketable parcel buy-back completed on 18 July 2017

No options were exercised during the 2018 year by the KMP.

20F. Other Transactions with Key Management Personnel

The Group employs the services of Pitcher Partners Chartered Accountants, an entity associated with Ross Walker. Pitcher Partners received $2,500 (2017: $31,632) for advisory and valuation services. Amount payable at year end is $2,500 (2017: nil). Aggregate amounts of each of the above types of other transactions with key management personnel of RPMGlobal Holdings Limited:

Amounts recognised as expense	2018 $	2017 $
Professional fees	2,500	31,632
	2,500	**31,632**

No other transactions or loans with Key Management Personnel during the 2018 financial year.

20. Remuneration Report - Audited (Continued)

20J. 2017 Annual General Meeting (AGM)

The Company's 2017 remuneration report was unanimously adopted by show of hands at 2017 AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration report - End

This report is made in accordance with a resolution of the Directors.

Allan Brackin
Chairman
Dated: 29 August 2018

AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF RPMGLOBAL HOLDINGS LIMITED

As lead auditor of RPMGlobal Holdings Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RPMGlobal Holdings Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 29 August 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
Revenue from continuing operations			
Services		39,158	32,315
Licence sales		13,605	23,368
Software maintenance		19,606	17,264
Licence subscription		778	547
Other revenue		557	1,297
Revenue		**73,704**	**74,791**
Rechargeable expenses		(6,136)	(8,016)
Net Revenue		**67,568**	**66,775**
Expenses			
Amortisation	11	(2,659)	(1,982)
Depreciation	10	(739)	(831)
Employee benefits expense		(46,921)	(43,516)
Commissions and incentives		(3,960)	(5,165)
Other employee costs		(775)	(672)
Office expenses		(2,632)	(3,120)
Professional services		(1,396)	(1,763)
Professional services – Russian litigation		(273)	-
Rent		(3,418)	(3,621)
Acquisition reorganisation costs		-	(465)
Redundancy costs		-	(766)
Travel expenses		(2,537)	(2,658)
Other expenses		(1,560)	(1,679)
		(66,870)	**(66,238)**
Profit/(Loss) before finance costs and income tax		**698**	**538**
Finance income		272	269
Finance costs		(32)	(24)
Fair value adjustments		(314)	(24)
Net finance costs		**(74)**	**245**
Profit/(Loss) before income tax		**624**	**783**
Income tax benefit/(expense)	4	(380)	(739)
Profit/(Loss) after income tax		**244**	**44**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
Profit/(Loss)		**244**	**44**
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Re-measurements of retirement benefit obligations		11	(43)
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences		**(166)**	(714)
Other comprehensive income / (loss), net of tax		**(155)**	**(757)**
Total comprehensive income		**89**	**(713)**
Earnings per share			
Basic earnings per share (cents)	22	**0.11**	**0.02**
Diluted earnings per share (cents)	22	**0.11**	**0.02**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	23,319	20,278
Trade and other receivables	7	21,388	24,814
Work in progress	8	3,133	1,784
Current tax receivable		328	285
Other assets	9	1,213	1,607
Total current assets		**49,381**	**48,768**
Non-current assets			
Trade and other receivables	7	233	215
Property, plant and equipment	10	1,876	2,096
Deferred tax assets	5	9,145	9,195
Intangible assets	11	37,140	33,985
Total non-current assets		**48,394**	**45,491**
Total assets		**97,775**	**94,259**
LIABILITIES			
Current liabilities			
Trade and other payables	12	7,521	8,588
Provisions	13	4,650	3,546
Current tax liabilities		129	608
Other Liabilities	14	16,486	14,620
Total current liabilities		**28,786**	**27,362**
Non-current liabilities			
Provisions	13	1,416	1,545
Deferred tax liabilities	5	16	30
Other Liabilities	14	2,258	3,521
Total non-current liabilities		**3,690**	**5,096**
Total liabilities		**32,476**	**32,458**
Net assets		**65,299**	**61,800**
EQUITY			
Contributed equity	15	87,708	85,175
Reserves	16	(2,284)	(2,995)
Accumulated losses	16	(20,125)	(20,380)
Total equity		**65,299**	**61,800**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Contributed equity	Reserves	Accumulated losses	Total equity
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2017	**85,175**	**(2,995)**	**(20,380)**	**61,800**
Profit for the year	**-**	-	244	244
Other comprehensive income	**-**	(166)	11	(155)
Total comprehensive income	**-**	**(166)**	**255**	**89**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	2,533	-	-	2,533
Employee share options	-	877	-	877
	2,533	**877**	**-**	**3,410**
Balance at 30 June 2018	**87,708**	**(2,284)**	**(20,125)**	**65,299**
Balance at 1 July 2016	**67,048**	**(3,013)**	**(20,381)**	**43,654**
Profit for the year	**-**	-	44	44
Other comprehensive income	**-**	(714)	(43)	(757)
Total comprehensive income	**-**	**(714)**	**1**	**(713)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	18,127	-	-	18,127
Employee share options	-	732	-	732
	18,127	**732**	**-**	**18,859**
Balance at 30 June 2017	**85,175**	**(2,995)**	**(20,380)**	**61,800**

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from customers		81,432	70,892
Payments to suppliers and employees		(73,700)	(71,680)
		7,733	(788)
Interest received		272	269
Finance costs		(32)	(24)
Redundancies		-	(766)
Onerous leases payments		(147)	(353)
Acquisition reorganisation costs		-	(371)
Income taxes paid		(793)	(1,032)
Net cash (outflow) / inflow from operating activities	20	**7,033**	**(3,065)**
Cash flows from investing activities			
Payments for property, plant and equipment	10	(512)	(625)
Proceeds from sale of property, plant and equipment		-	-
Payments for acquisitions of subsidiaries net of cash acquired	3(a)	(3,089)	(6,672)
Payments for intangible assets	11	(1,005)	(1,580)
Net cash outflow from investing activities		**(4,607)**	**(8,877)**
Cash flows from financing activities			
Share buyback		(9)	-
Contributions of equity	15	312	14,730
Transaction costs		(20)	(361)
Net cash inflow/(outflow) from financing activities		**283**	**14,369**
Net increase/(decrease) in cash and cash equivalents held		2,709	2,427
Cash and cash equivalents at the beginning of the financial year		20,278	18,142
Effects of exchange rate changes on cash and cash equivalents		333	(291)
Cash and cash equivalents at the end of the financial year	6	**23,319**	**20,278**

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

RPMGlobal Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The financial report comprises the consolidated entity ("Group") consisting of RPMGlobal Holdings Limited and its subsidiaries.

The financial report was authorised for issue on 29 August 2018.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.* RPMGlobal Holdings Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of RPMGlobal Holdings Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by RPMGlobal Holdings Limited as at 30 June 2018 and the results of all controlled entities for the year then ended. RPMGlobal Holdings Limited and its controlled entities together are referred to in this financial report as the "consolidated entity" or the "Group".

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(l)).

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(c) Income Tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is 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 income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 in the tax jurisdiction in which they arose.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

RPMGlobal Holdings Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, RPMGlobal Holdings Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, RPMGlobal Holdings Limited also recognises the current tax liabilities or assets and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the Group. Details about the tax funding agreements are disclosed in note 4.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operational decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The assets and liabilities of the Group are regularly reviewed on a consolidated basis but are not regularly reported to the chief operating decision maker at a segment level. As such this information has not been included in the Operating Segment note 2.

(e) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is RPMGlobal Holdings Limited's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose changes in the fair value are presented in other comprehensive income are recognized in other comprehensive income.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities on consolidation are translated at the closing rate at the reporting date;
- income and expenses are translated at the exchange rates prevailing at the dates of the transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

In disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit and loss.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

1. Summary of Significant Accounting Policies (Continued)

(f) Revenue Recognition

i) Sale of licences

Revenue from the sale of perpetual licences is recognised when the amount can be reliably measured and all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title or the passing of possession to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

In 2017 the Group completed a transaction for the sale of $6,295,000 of perpetual licenses to a customer. The transaction included multiple elements and required management judgement on allocation of the value to the different revenue components as well as assessing whether the Group has transferred to the buyer the significant risks and rewards of ownership due to the inclusion of a reconfiguration right (between licences and maintenance) that is only exercisable in limited specified circumstances. The Group was confident that these rights could be reliably estimated and the significant risks and rewards had transferred to the customer as at 30 June 2017. As a result, in 2017 the Group deferred revenue of $2,833,000 against the rights to future upgrades and reliably measured reconfiguration and recognized revenue of $3,462,000.

During 2018 year the Group has recognised a further $746,000 from this deferred revenue leaving the balance unrecognised at $2,087,000. The remaining deferred revenue will be recognised as revenue when it satisfies the Group's revenue recognition policies.

ii) Software subscriptions

Revenue from the sale of term licences is recognised on a straight-line basis over the subscription period.

iii) Consulting

Revenue from the provision of consulting services is recognised on an accruals basis in the period in which the consulting service is provided. Revenue from the provision of these services is calculated with reference to the professional staff hours incurred on each client assignment adjusted for any time that may not be recoverable.

iv) Software support (maintenance)

When the outcome of a transaction involving software maintenance can be estimated reliably, revenue associated with the transaction is recognised on a straight-line basis over the service period.

v) Interest revenue

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

1. Summary of Significant Accounting Policies (Continued)

(g) Trade Receivable (Continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the allowance is recognised in other expenses in profit or loss. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) Work in Progress

Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress at balance date. Work in progress is valued at net realisable value after providing for any foreseeable losses.

(i) Investments and Other Financial Assets

Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the group can make an irrevocable election at initial recognition of each investment to recognise changes in fair value through other comprehensive income (OCI) rather than profit or loss.

All current investments in equity investments are classified as at fair value through other comprehensive income. Such investments are initially and subsequently measured at fair value, with the initial fair value being cost.

Unrealised gains or losses on investments in an equity instrument are recognised in a reserve until the investment is sold, collected or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Asset Realisation Reserve.

The Company derecognises an investment in an equity instrument when it is sold or it transfers the investment and the transfer qualifies for derecognition in accordance with AASB 9. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the revaluation reserve to the realisation reserve.

Interest bearing investments are recognised initially at fair value and are subsequently measured at amortised cost. Amortised cost is calculated with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the investment on an effective interest basis.

(j) Cash and Cash Equivalents

For statement of cashflow presentation purposes, cash and cash equivalents include 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 converted to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(k) Leases

Leases of property, plant and equipment, where the Group as lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term borrowings. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term.

(l) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(m) Impairment of Non-Financial Assets

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life to the consolidated entity, or in case of lease hold improvements, the shorter lease term. Estimates of remaining useful lives are made on a regular basis for all assets.

The estimated useful lives for plant and equipment is ranging between 2 and 20 years. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in profit or loss.

(o) Intangible Assets

i) Software developed or acquired for sales and licensing

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

ii) Software – internal management systems

Software licences used in internal management systems, whether acquired or internally developed are stated at cost less amortisation. They are amortised on a straight line basis over the useful life from 2.5 to 5 years.

iii) Patents and trademarks

Costs associated with patents and trademarks are expensed as incurred.

1. Summary of Significant Accounting Policies (Continued)

(o) Intangible Assets (Continued)

iv) Customer Contracts and Relationships

The net assets acquired as a result of a business combination may include intangible assets other than goodwill. Any such intangible assets are amortised in a straight line over their expected future lives. The estimated useful lives of customer contracts is 5 years.

v) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from business combination in which goodwill arose, identified according to operating segments or components of operating assets (note 2).

(p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(r) Employee Benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits.

Other long-term employee benefit obligations

The liability for long service leave and other benefits which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(r) Employee Benefits (Continued)

ii) Bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

iii) Superannuation

The Group has a defined contribution superannuation plan for its eligible employees. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv) Share-based payments

Share-based compensation benefits are provided to employees via the RPMGlobal Holdings Limited employee share option plan (ESOP) and an employee share purchase plan. Information relating to these schemes is set out in note 23.

The fair value of options granted under the ESOP is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions, but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(s) Value Added Taxes (Including Goods and Services Tax)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except where the amount of VAT is not recoverable from the relevant tax authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of the item as expense.

Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the consolidated statement of financial position.

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

(t) Contributed Equity

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(u) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share

Dilutive earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(v) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

(w) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000, or in certain cases, the nearest dollar.

(x) Comparative Figures

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

(y) Critical Accounting Estimates and Significant Judgments

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes in the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial report such as:

- intangible assets, including goodwill (note 11),
- impairment of receivables (note 7, 21(a) and note 1(g)),
- deferred tax assets (note 5),
- contingent consideration (note 21(d)),
- revenue recognition (note 1(f)).

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparation of the financial report are reasonable.

(z) Parent Entity Financial Information

The financial information for the parent entity, RPMGlobal Holdings Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries

Investment in subsidiaries are accounted for at cost in the financial statements of RPMGlobal Holdings Limited.

(aa) New Accounting Standards and Interpretations Not Yet Adopted

As at 30 June 2018, certain new relevant accounting standards and interpretations that will become mandatory in future periods have recently been issued or amended but are not yet effective and have not been adopted for the annual reporting period ended 30 June 2018. These are as follows:

(i) IFRS 15 Revenue from Contracts with Customers

This standard and its consequential amendments are currently applicable to annual reporting period of the Group beginning on 1 July 2018. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.

Based on the Company's analysis the amendments are not expected to have a material impact as the company already recognises revenues or accruals when performance obligations are satisfied for perpetual licence sales or rateable over the period when the performance obligations are satisfied for Advisory, Software and laboratory services and Software subscriptions and maintenance.
However the standard would change disclosure both from the quantitative and qualitative aspect which are in the process of being assessed.

(j) AASB16 Leases

This standard and its consequential amendments are currently applicable to annual reporting period of the Group beginning on 1 July 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease.

Under the standard key non-IFRS metrics of earnings before tax, depreciation and amortization (EBITDA) will be affected as well as lease payments will be represented in the financing activities of the cash flow statement. As at the reporting date, the group has non-cancellable operating lease commitments of $5,494,000. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(aa) New Accounting Standards and Interpretations Not Yet Adopted (Continued)

AASB 9: *Financial Instruments* and associated Amending Standards

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting applicable to annual reporting period of the Group beginning on 1 July 2018.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The Group does not anticipate that the adoption of AASB 9 will have a material impact on the classification and measurement Group's financial instruments.

(bb) New and amended standards adopted by the Group

The Group has adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2018.

The adoption of these standards did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date.

2. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the CEO in order to make decisions about resource allocations and to assess performance of the Group. The reports are split into functional divisions: Software Division, Advisory Division and GeoGAS.

Software Division provides all of the Group's Software offerings, including support (maintenance), training and implementation services to mining companies.

Advisory Division provides consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, customers of mining companies (e.g. coal fired electricity generators), lessors and potential lessors of mineral rights to mining companies, government departments and agencies and suppliers to mining companies and projects.

GeoGAS provides services to coal mining clients in respect of gas content testing and relevant consulting services.

Segment revenue, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation.

2. Operating Segments (Continued)

Information about reportable segments

	2018				2017			
	Software Division $'000	Advisory Division $'000	GeoGAS $'000	Total $'000	Software Division $'000	Advisory Division $'000	GeoGAS $'000	Total $'000
Revenue								
External Sales	44,671	23,885	4,613	73,169	50,208	20,377	3,154	73,739
Inter-segment sales	734	156	83	973	430	1,063	37	1,530
Total Revenue	45,405	24,041	4,696	74,142	50,638	21,440	3,191	75,269
Inter-segment expenses	(156)	(817)	-	(973)	(1,061)	(467)	(2)	(1,530)
Rechargeable expenses	(2,956)	(3,062)	(118)	(6,136)	(3,340)	(4,599)	(77)	(8,016)
Net revenue	**42,293**	**20,162**	**4,578**	**67,033**	**46,237**	**16,374**	**3,112**	**65,723**
Total Expenses	(20,936)	(17,245)	(2,475)	(40,656)	(22,710)	(15,331)	(2,012)	(40,053)
Software Development	(14,011)	-	-	(14,011)	(12,825)	-	-	(12,825)
Segment profit/(loss)	**7,346**	**2,917**	**2,103**	**12,366**	**10,702**	**1,044**	**1,100**	**12,845**

Reconciliation of segment profit to reported net profit:	**2018 $'000**	**2017 $'000**
Segment result	12,366	12,845
Adjustments:		
Foreign exchange gains/(losses)	268	-
Employment benefits – corporate and IT	(4,941)	(5,130)
Other unallocated costs – corporate and IT	(3,588)	(4,185)
Acquisition reorganisation costs	-	(465)
Professional services - Russian Litigation	(273)	-
Redundancy costs	-	(766)
Depreciation and amortisation	(3,398)	(2,812)
Net finance costs	(74)	245
Unallocated income	265	1,051
Profit/(Loss) before income tax	625	783
Income tax benefit	(380)	(739)
Net Profit/(Loss)	**244**	**44**

NOTES ON THE FINANCIAL STATEMENTS

2. Operating Segments (Continued)

Geographical Information

Segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2018		2017	
	Revenues $'000	Non-current assets[1] $'000	Revenues $'000	Non-current assets[1] $'000
Australia	27,955	38,775	20,385	35,712
Asia	13,208	189	16,764	227
Americas	20,041	196	18,168	223
Africa & Europe	11,944	90	18,422	134
Operating Segment	**73,147**	**39,250**	**73,739**	**36,296**
Unallocated Revenue	557	-	1,052	-
Reported	**73,704**	**39,250**	**74,791**	**36,296**

[1]Excludes financial instruments and deferred tax assets.

3. Business Combinations

On 31 January 2018 the Group acquired 100% of the issued share capital of Minvu Holdings Pty Ltd and Kurilpa Investments Pty Ltd and their related subsidiaries (MinVu Group), a leading global provider of mine-wide operational reporting and analytics software solutions to the mining industry. MinVu products connect and extract real-time data from operational mining systems and turn this data into meaningful transaction based information.

Integration with operational mining systems will benefit RPM products not only to deliver plan vs actual analysis but to adjust planning parameters in its Ultra short term planning product XECUTE, strategic maintenance product AMT and simulation HAULSIM and SIMULATE products.

The fair values of the assets and liabilities of MinVu as at date of acquisition are as follows:

Purchase consideration	**$000**
Cash	1,200
Ordinary shares	2,250
Contingent consideration	1,293
Total Purchase Consideration	**4,743**

The fair value of the 3,000,000 shares issued as part of the consideration paid for the MinVu Group ($2,250,000) was based on the closing share price on 31 January 2018 of $0.75 per share. Contingent consideration is for the ongoing retention of annuity revenues by the MinVu Business. The potential undiscounted amount of future payments was estimated at $1,400,000. The fair value of the contingent consideration of $1,293,000 has been estimated by calculating the present value of the future expected cash outflows based on a discount rate of 5%.

NOTES ON THE FINANCIAL STATEMENTS

3. Business Combinations (Continued)

Acquisition related costs are shown in the statement of comprehensive income amount to $7,000 and are included in professional fees. The fair values of the assets and liabilities recognised as at the date of the acquisition are as follows:

	$000
Cash and cash equivalents	779
Trade and other receivables	367
Intangible assets	4,809
Trade and other payables	(133)
Provisions	(209)
Current tax liabilities	(41)
Other Liabilities	(829)
Net Assets	**4,743**

Revenue from Licences, Support and Consulting services solely relating to the MinVu products which were acquired amounted to $1,072,000 in the current financial year. It is impracticable to determine the net profit contribution from the MinVu business since acquisition due to its staff and costs being absorbed into three separate divisions (Software, Software Development and Corporate) of the Group.

(a) Purchase consideration - Cash outflow

	2018 $'000	2017 $'000
Cash consideration	1,200	8,000
Contingent Consideration - related to iSolutions acquisition	2,335	1,453
Deferred Consideration - related to iSolutions acquisition	333	781
Less Balances Acquired	(779)	(3,562)
Outflow of cash to acquire subsidiaries, net of cash acquired	**3,089**	**6,672**

4. Income Tax Expense

Tax Recognised in profit or loss		
Income tax benefit/(expense)		
Current tax	(221)	(1,130)
Deferred tax	71	387
Adjustments to prior periods	(230)	4
Income tax expense	**(380)**	**(739)**

RPMGlobal Holdings Limited and its wholly-owned Australian controlled entities implemented the tax consolidation regime. Under the tax consolidation legislation, the entities in the tax consolidated Group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly-owned entities in the case of a default by the head entity, RPMGlobal Holdings Limited. The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate RPMGlobal Holdings Limited for any current tax payable assumed and are compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to RPMGlobal Holdings Limited under the tax consolidated legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

NOTES ON THE FINANCIAL STATEMENTS

4. Income Tax Expense (Continued)

Numerical reconciliation of income tax expense to prima facie tax	**2018 $'000**	**2017 $'000**
Profit/(Loss) before income tax	**624**	**783**
Tax at the Australian tax rate of 30% (2016: 30%)	**(187)**	**(235)**
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Non-deductible expense/non-assessable income	(488)	(74)
Research and development deduction	510	425
Unutilised foreign tax credits	(8)	(596)
Unrecognised deferred tax assets	(163)	(320)
	(336)	(800)
Difference in overseas tax rates	189	(16)
Foreign Exchange movements	(3)	73
Over/(under) provision in prior years	(230)	4
Income tax benefit / (expense)	**(380)**	**(739)**

5. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Provision for impairment of receivables	135	148
Employee benefits provision	2,411	2,461
Lease incentive liabilities	335	426
Tax loss	4,664	4,632
Unearned income	1,172	1,420
Accrued expenses	34	27
Share capital raising costs	162	249
Intangibles	1,102	491
Work in progress	(76)	(88)
Property, plant and equipment	(27)	(27)
Prepayments	(274)	(230)
Unrealised foreign exchange	(481)	(322)
Other deferred tax liabilities	(28)	(22)
Deferred tax assets	9,145	9,195
Deferred tax liabilities	(16)	(30)
Net Deferred tax assets	**9,129**	**9,165**

NOTES ON THE FINANCIAL STATEMENTS

5. Deferred Tax Assets and Liabilities (Continued)

Movements	2018 $'000	2017 $'000
Balance at 1 July	9,165	8,639
Recognised in profit or loss	71	387
Recognised in other comprehensive income	2	(15)
Recognised in equity	-	152
Over/(under) provision in prior years	(109)	2
Balance at 30 June	**9,129**	**9,165**

Unrecognised deferred tax assets

Foreign tax credits	660	284
Tax losses	6,705	5,817
Capital losses	493	485
Deductible temporary differences	3,621	5,118
Unrecognised deferred tax assets	**11,479**	**11,704**
Unrecognised gross temporary differences	40,567	42,451

The group has not recognised deferred tax assets for a portion of tax losses in the parent entity and its subsidiaries located in China, Russia, Chile, Brazil, and USA because it is not probable that sufficient future taxable profit will be available. Capital losses do not expire, however, it is not probable that the Group would generate capital gains to utilise the benefit. Deductible temporary differences in subsidiaries located in China, Russia, Chile, Brazil, Kazakhstan, Turkey and USA have not been recognised because it is not probable that sufficient future taxable profit will be available.

Significant Estimates – Deferred Tax Assets

The recognition of the deferred tax asset of $9,129,000 is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. Included in this value are tax losses of $4,664,000 that relate to the Australian tax consolidated group which has incurred a tax loss in the 2018 financial year. The Group has completed an assessment of the recoverability of the net deferred tax assets. As at 30 June 2018 the Group is forecasting that the tax losses recognised in the deferred tax assets will be utilised within three years from balance date. At each reporting period, the recoverability of the net deferred tax assets will be reassessed. This may lead to the recognition of this unrecognized tax benefit in future reporting periods or the de-recognition of deferred tax assets that are currently recognised on the consolidated statement of financial position.

6. Cash and Cash Equivalents

Cash at bank	11,953	9,143
Short-term bank deposits	11,367	11,135
	23,319	**20,278**

NOTES ON THE FINANCIAL STATEMENTS

7. Trade and Other Receivables

Current	2018 $'000	2017 $'000
Trade receivables	22,096	25,816
Provision for impairment of receivables	(717)	(1,014)
	21,379	**24,802**
Other receivables	9	12
	21,388	**24,814**
Non-current		
Other receivables and deposits	233	215
	233	**215**

8. Work in Progress

Work in progress	**3,133**	**1,784**

9. Other Assets

Prepayments	**1,213**	**1,607**

10. Property, Plant and Equipment

Plant and equipment - at cost	7,633	7,331
Less: accumulated depreciation	(5,757)	(5,234)
	1,876	**2,096**

Balance at 1 July	2,096	2,137
Exchange differences	7	3
Additions	512	625
Acquisition of subsidiary	-	171
Disposals	-	(9)
Depreciation	(739)	(831)
Balance at 30 June	1,876	**2,096**

NOTES ON THE FINANCIAL STATEMENTS

11. Intangible Assets

	2018 $'000	2017 $'000
Software for sale and licensing – at cost	17,400	11,678
Less: accumulated amortisation	(7,123)	(4,620)
	10,277	7,058
Software for internal use – at cost	4,805	4,783
Less: accumulated amortisation	(4,699)	(4,595)
	106	188
Customer relationships – at cost	333	257
Less: accumulated amortisation	(109)	(51)
	224	206
Goodwill – at cost	36,897	36,824
Less: impairment losses	(10,364)	(10,291)
	26,533	26,533
	37,140	**33,985**

	Customer relationships $'000	Software For Sales to Customers [1] $'000	Software For Internal Use $'000	Goodwill $'000	Total $'000
Balance at 1 July 2017	**206**	**7,058**	**188**	**26,533**	**33,985**
Additions	-	983	22	-	1,005
Acquisition of subsidiaries	76	4,733	-	-	4,809
Amortisation	(58)	(2,497)	(104)	-	(2,659)
Balance at 30 June 2018	**224**	**10,277**	**106**	**26,533**	**37,140**
Balance at 1 July 2016	**-**	**2,729**	**293**	**14,477**	**17,499**
Additions	-	1,437	144	-	1,580
Acquisition of subsidiaries	257	4,555	19	12,056	16,886
Amortisation	(51)	(1,663)	(267)	-	(1,981)
Balance at 30 June 2017	**206**	**7,058**	**188**	**26,533**	**33,985**

[1] Software also includes capitalised development costs.

(a) Impairment Tests for Goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) according to business unit. A segment level summary of the goodwill is presented below.

	2018 $'000	2017 $'000
Software Division	21,612	21,612
GeoGAS	4,921	4,921
	26,533	**26,533**

NOTES ON THE FINANCIAL STATEMENTS

11. Intangible Assets (Continued)

(b) Key assumptions used for value-in-use calculations

In the current and prior years the recoverable amount of the CGUs has been determined by value-in-use calculations. These calculations were based on the following key assumptions:

	Margin[1]		Growth Rate[2]		Discount Rate[3]	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Software Division	53%	55%	2.5%	2.5%	12.0%	12.0%
GeoGAS	50%	33%	1.5%	1.5%	12.0%	12.0%

[1] Budgeted gross margin

[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period

[3] In performing the value-in-use calculations for each CGU, the group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax discount rates are disclosed above

These assumptions have been used for the analysis of each CGU. Cash flows were projected based on financial budgets and management projections over a five year period. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

(c) Impact of possible changes in key assumptions

20% changes to any of the key assumptions do not indicate impairment for GeoGAS and Software Goodwill.

12. Trade and Other Payables

	2018	2017
Current	**$'000**	**$'000**
Trade payables	2,374	2,071
Other payables and accruals	5,147	6,517
	7,521	**8,588**

13. Provisions

Current		
Onerous sublease contracts	300	277
Russian Litigation	273	-
Employee benefits	4,077	3,269
	4,650	**3,546**
Non-current		
Make good obligations	375	369
Onerous sublease contracts	93	360
Employee benefits	949	816
	1,416	**1,545**

The group also operates defined contribution plans in Australia, Canada and USA which receive fixed contributions from group companies. The group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current period in relation to these contributions was $2,872,000 (2017: $2,495,000).

NOTES ON THE FINANCIAL STATEMENTS

14. Other Liabilities

Current	2018 $'000	2017 $'000
Unearned income - software maintenance and licences	10,669	10,069
Unearned income - consulting and other	2,878	1,823
Contingent consideration – at fair value	2,744	2,302
Deferred consideration	-	274
Property lease incentives and straightlining	195	150
	16,486	**14,620**
Non-current		
Contingent consideration – at fair value	2,082	3,179
Property lease incentives and straightlining	176	342
	2,258	**3,521**

15. Contributed Equity

		2018 Number	2017 Number	2018 $'000	2017 $'000
Share capital					
Ordinary shares	- fully paid	215,925,031	212,368,012	87,708	85,175

Ordinary Shares

Ordinary shares entitle the holder to participate in 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 showing 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 share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

Information relating to the RPMGlobal Holdings Limited Employee Share Option Plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of financial year, is set out in note 23.

Capital Risk Management

The Group's objectives when managing capital include safeguarding the ability to continue as a going concern, so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have any externally imposed capital requirements.

Consistent with the industry practice, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

NOTES ON THE FINANCIAL STATEMENTS

15. Contributed Equity (Continued)

Capital Risk Management (continued)

As the Group does not have any debt, the gearing ratios at 30 June 2018 and 30 June 2017 were not applicable:

	Notes	2018 $'000	2017 $'000
Total borrowings, trade and other payables		12,347	14,343
Less: cash and cash equivalents	6	(23,319)	(20,278)
Net (cash) / debt		(10,972)	(5,935)
Total equity		65,299	61,800
Total capital		**54,327**	**55,865**

Movements in Share Capital:

Date		Ordinary shares Number	Ordinary shares $'000
30/06/2016	**Balance**	**170,468,892**	**67,048**
	Shares issued for acquisition of iSolutions	9,166,666	3,758
	Costs of issue		(20)
	Placement of Shares at $0.45 per share	28,900,000	13,005
	Costs of issue		(301)
	Share Purchase Plan at $0.45 per share	3,827,454	1,722
	Costs of issue		(39)
	Exercise of Options at $0.56 per share	5,000	3
	Costs of issue		(1)
30/06/2017		**212,368,012**	**85,175**
	Buyback of shares	(14,811)	(9)
	Exercise of Options at $0.59 per share	293,498	173
	Costs of issue		(5)
	Exercise of Options at $0.56 per share	178,332	100
	Costs of issue		(4)
	Exercise of Options at $0.39 per share	100,000	39
	Costs of issue		(2)
	Shares issued for acquisition of Minvu	3,000,000	2,250
	Costs of issue		(9)
30/06/2018	**Balance**	**215,925,031**	**87,708**

16. Reserves and Retained Profits

Reserves	2018 $'000	2017 $'000
Share-based payments (i)	3,647	2,770
Foreign currency translation (ii)	(2,796)	(2,630)
Financial assets revaluation reserve (iii)	(1,601)	(1,601)
Revaluation surplus	18	18
Reserve arising from an equity transaction (iv)	(1,552)	(1,552)
	(2,284)	**(2,995)**

Nature and Purpose of Reserves

(i) Share-based payments

The fair value of options issued to employees is recognised as an employment cost during the option vesting period with corresponding increase in equity recognised in this reserve.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in accounting policy note 1(e).

(iii) Financial assets revaluation reserve

Changes in the fair value of investments are recognised in equity securities in other comprehensive income. These changes are accumulated in a separate reserve within equity. The entity has a policy on transferring amounts from this reserve to an asset realization reserve.

(iv) Reserve arising from an equity transaction

Arose from the acquisition of an additional interest in the controlled entity, RPMGlobal Africa (Pty) Ltd.

Movement in Reserves

	Share-based payments		Foreign Currency Translation	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Balance at 1 July	2,770	2,038	(2,630)	(1,916)
Options expensed	877	732	-	-
Foreign currency translation	-	-	(166)	(714)
Balance at 30 June	**3,647**	**2,770**	**(2,796)**	**(2,630)**

There were no other movements in reserves in 2018 and 2017.

	2018 $'000	2017 $'000
Retained Profits		
Balance at 1 July	(20,380)	(20,381)
Net profit / (loss) for the year	244	44
Other comprehensive income	11	(43)
Balance at 30 June	**(20,125)**	**(20,380)**

NOTES ON THE FINANCIAL STATEMENTS

17. Dividends

	Cents per share		Total	
	2018 Cents	2017 Cents	2018 $'000	2017 $'000
Fully paid ordinary shares	-	-	-	-

No dividend was declared in respect of the current financial year. Parent's franking account balance is nil (2017: nil).

18. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditors of the Group, its related entities, its network forms and unrelated firms.

Audit services - Audit and review of the financial reports:	2018	2017
Auditor of the parent entity:	$	$
BDO Audit Pty Ltd	184,448	175,500
Auditors of subsidiaries:		
BDO South Africa (network firm)	40,249	27,704
BDO Hong Kong (network firm)	19,693	22,236
BDO Indonesia (network firm)	13,310	17,913
	257,700	**243,353**

During the year the company related to the Auditor of the parent entity BDO (QLD) Pty Ltd provided the following services and received the following fees:

Preparation of Income tax return and other taxation services	**8,117**	**12,414**

19. Commitments

(a) Non-cancellable Operating Leases

The Group leases various offices under non-cancellable operating leases expiring within one to seven years. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the lease are generally renegotiated. Excess office space is sub-let to third parties also under non-cancellable operating leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable:

	2018 $'000	2017 $'000
Within one year	2,356	2,766
Later than one year but not later than 5 years	3,138	4,301
Later than 5 years	-	-
Commitments not recognised in the financial statements	**5,494**	**7,067**
Rental expense relating to operating leases		
Minimum lease payments	**3,219**	**3,400**

19. Commitments (Continued)

(b) Sublease payments

Future minimum lease payments to be received in relation to non-cancellable sub-leases of operating leases:

	2018 $'000	2017 $'000
Within one year	(118)	(183)
Later than one year but not later than 5 years	(40)	-
Commitments not recognised in the financial statements	**(158)**	**(183)**

20. Reconciliation of Net Profit to Net Cash Inflow / (outflow) from Operating Activities

Net profit/(loss)	244	**44**
Depreciation and amortisation	3,398	2,813
Net (gain)/ loss on sale of property, plant and equipment	-	34
Impairments and fair value movements	(314)	(367)
Net exchange differences	118	11
Employee share options	877	732
Change in operating assets and liabilities		
Decrease / (increase) in trade and other receivables	3,775	(10,489)
Decrease / (increase) in current tax asset	(31)	(1)
Decrease / (increase) in deferred tax asset	50	(538)
Decrease / (increase) in work in progress	(1,349)	(313)
Decrease / (increase) in other assets	394	51
Increase / (decrease) in trade and other payables	(907)	2,319
Increase / (decrease) in other liabilities	432	2,414
Increase / (decrease) in current tax liabilities	(407)	266
Increase / (decrease) in deferred tax liability	(14)	13
Increase / (decrease) in provisions	767	(54)
Net cash inflow / (outflow) from operating activities	**7,033**	**(3,065)**

Non-cash Investing and Financing Activities

Shares issued as part consideration for the acquisition of the MinVu Group are disclosed in note 3 and options issued to employees under for no cash consideration are shown in note 23.

21. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk.

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management (Continued)

The Board of Directors is ultimately responsible for reviewing, ratifying and monitoring systems of internal controls and risk management. The Board has established an Audit and Risk Committee, which is responsible for overseeing risk management systems. 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. The Group's finance division is responsible for development and maintenance of policies which deal with each type of risk related to use of financial instruments.

The Group holds the following financial instruments:

	2018	2017
Financial assets	**$'000**	**$'000**
Cash and cash equivalents	23,319	20,278
Trade and other receivables [1]	21,388	24,814
	44,708	**45,092**
Financial liabilities		
Trade and other payables [2]	7,521	8,588
Deferred consideration[3]	-	274
Contingent consideration[3]	4,826	5,481
	12,347	**14,343**

[1] Loans and receivables
[2] At amortised cost
[3] At fair value

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and its receivables from customers.

The Group does not require guarantees or collateral of its trade and other receivables. In some foreign regions the Group works on a prepayment basis to avoid credit risk.

The Group has established an allowance for impairment that represents an estimate of incurred losses in respect of trade receivables. This allowance is determined based on the specific information regarding conditions of a particular individual debt. The information regarding the receivables ageing is monitored by both finance and operations management.

The maximum credit risk exposure of financial assets of the Group is represented by the carrying amounts of financial assets set out above. The Group had no significant concentrations of credit risk with any single counterparty or group of counterparties, other than banks or financial institutions. The Group holds its cash with AA and A-rated banks, except for the banks located in Brazil (B), Kazakhstan (B), Mongolia (B), Turkey (BB) and South Africa (BB).

21. Financial Risk Management (Continued)

(a) Credit Risk (Continued)

The Group assesses the credit risk by the country where the debt is located. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2018 $'000	2017 $'000
Australia	7,937	4,611
Americas	3,812	5,507
Asia	3,816	3,609
Africa and Europe	5,824	11,087
	21,388	**24,814**

As at 30 June 2018, trade receivables of $8,911,000 (2017: $7,059,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of the trade receivables past due at the reporting date but not impaired was:

Past due less than 30 days	3,610	1,898
Past due between 31-90 days	2,398	2,473
Past due more than 90 days	2,904	2,687
	8,911	**7,059**

The movement in the provision for impairment of trade receivables was as follows:

Balance at 1 July	1,014	2,467
Provision no longer required	(459)	(1,820)
Unearned Income moved to provision	-	37
Impairment loss recognised	149	470
Effect of foreign exchange	13	(140)
Balance at 30 June	**717**	**1,014**

The provision for impairment of trade receivables in 2018 and 2017 relates to receivables that are past due for more than 90 days, which are not considered recoverable.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly reviews cashflow forecasts, maintains sufficient cash on demand and has unutilised borrowing facilities disclosed in note 21(c) below.

Contractual maturities of the Group's financial liabilities, including interest thereon, are as follows:

21. Financial Risk Management (Continued)

(b) Liquidity Risk (Continued)

2018	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables	7,521	7,521	7,521	-	-	-	-
Contingent consideration	4,826	4,947	2,088	671	2,188	-	-
Total	12,347	12,468	9,609	671	2,188	-	-
2017							
Trade and other payables	8,588	8,588	8,588	-	-	-	-
Deferred consideration	274	274	-	274	-	-	-
Contingent consideration	5,481	5,481	2,302	-	3,179	-	-
Total	14,343	14,343	10,890	274	3,179	-	-

The Group manages its exposure to interest rate and foreign currency fluctuations through a policy approved by the Board of Directors. There are no other significant market risks affecting the Group.

(c) Market Risk

Currency Risk

The current policy is not to take any forward positions. At 30 June 2018 and 30 June 2017 the Group had not entered into any derivative contracts to hedge these exposures. The Group does not engage in any significant transactions which are speculative in nature.

As a multinational corporation, the Group maintains operations in foreign countries and as a result of these activities, the Group is exposed to changes in exchange rates which affect its results of operations and cash flows.

The Group's exposure to foreign currency risk at balance date expressed in Australian Dollars was as follows:

2018	USD $'000	CAD $'000	ZAR $'000	Other $'000	Total $'000
Cash and deposits	8,105	1,491	3,769	2,041	15,406
Trade and other receivables	10,472	481	1,709	1,557	14,219
Trade and other payables	(570)	(64)	(511)	(560)	(1,704)
Net balance sheet exposure	**18,006**	**1,908**	**4,968**	**3,038**	**27,920**
2017					
Cash and deposits	6,625	908	3,883	1,343	12,758
Trade and other receivables	15,410	1,139	2,046	1,456	20,050
Trade and other payables	(1,075)	(175)	(717)	(390)	(2,357)
Net balance sheet exposure	**20,960**	**1,872**	**5,212**	**2,408**	**30,452**

A 10 percent strengthening of the Australian dollar against the above currencies at 30 June 2018 based on assets and liabilities at 30 June 2018 would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2017.

21. Financial Risk Management (Continued)

(c) Market Risk (Continued)

	2018		2017	
	Equity $'000	Profit/(Loss) $'000	Equity $'000	Profit/(Loss) $'000
	(2,002)	(774)	(1,398)	(1,654)

A 10 percent weakening of the Australian dollar against the above currencies at 30 June 2018 would have had equal but opposite effect on the above currencies to the amounts shown above.

Interest rate risk

Details of the Group's borrowing facilities are presented below.

Borrowing facilities	Currency	Nominal interest rate	Maturity	2018 Facility $'000	2018 Utilised $'000	2017 Facility $'000	2017 Utilised $'000
Other facilities							
Bank guarantee	**AUD**	1.95%	n/a	1,000	870	1,000	870
Bank guarantee	**EUR**	2.50%	n/a	70	70	70	70

In both 2018 and 2017 financial years bank guarantees were secured by the Group's term deposits.

(d) Fair Value of financial instruments

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)

- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	2018 $'000	2017 $'000
Contingent consideration – level 3	4,826	5,481

Contingent consideration has been recognised on the acquisition of the MinVu Group and the acquisition of iSolutions in the prior year. The fair value of the contingent consideration of $4,826,000 has been estimated by calculating the present value of the future expected cash outflows for the annuity of $4,947,000 based on a discount rate of 4%. Should the businesses exceed the forecast results the liability may increase.

Changes to discount rate by 100 basis points would result in a change of the contingent consideration by $31,000. Changes to the annuity revenue by 10% would result in change of the contingent consideration by $466,000.

21. Financial Risk Management (Continued)

(d) Fair Value of financial instruments (Continued)

Reconciliation of level 3 movements

The following table sets out the movements in level 3 fair values for contingent consideration payable.

	2018 $'000	2017 $'000
Opening balance 1 July	5,481	-
Recognised on business combination	1,293	7,087
Payments of contingent consideration	(2,335)	(1,453)
Fair value adjustment – Other Revenue	387	(153)
Closing balance 30 June	4,826	5,481

Valuation processes for level 3 fair values

Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements.

22. Earnings Per Share

	2018 Cents	2017 Cents
Basic earnings per share	0.11	0.02
Diluted earnings per share	0.11	0.02

Earnings used in Calculating Earnings Per Share	2018 $'000	2017 $'000
Profit / (loss) attributable to the ordinary equity holders used in calculating earnings per share	244	44

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	214,012,921	203,294,989
Dilutive options	2,625,709	13,455,432
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	216,638,630	216,750,421

23. Share Based Payments

Tax Exempt Share Plan

The Employee Share Scheme enables the Board to issue up to $1,000 of shares tax free per employee of the Group each year. There were no shares issued under the $1,000 Share Purchase Plan in 2018 or 2017.

Eligibility for the tax exempt share plan is approved by the board having regard to individual circumstances and performance. No directors or key management personnel are eligible for the Tax Exempt Share Plan.

23. Share Based Payments (Continued)

Employee Share Option Plan (ESOP)

The Employee Share Option Plan (ESOP) was approved by the Board of Directors on 5 February 2008, amended on 7 October 2009, 28 October 2011, 29 October 2013 and most recently on 24 November 2016 following approval of shareholders at the Company's 2016 Annual General Meeting.

Eligible participants of the ESOP include any person who is employed by, or is a director, officer or executive (or their approved permitted nominee), of the Group and whom the Board or its nominee determines is eligible to participate in the Option Plan. A permitted nominee includes a company controlled by the employee, a trust in which the employee has, or may have entitlements or such other entity as approved by the Board. Options are granted at the discretion of the Board of Directors.

All options under the ESOP are to be offered to eligible employees for no consideration. The offer to the eligible participant must be in writing and specify amongst other things, the number of options for which the eligible employee may apply, the period within which the options may be exercised, any conditions to be satisfied before exercise, the option expiry date and the exercise price of the options, as determined by the Board. The Board can impose any restrictions on the exercise of options as it considers fit.

The rules of the ESOP plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the offer document, including vesting in tranches over a defined period. The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service.

The options may be exercised, in part or full, subject to the employee continuing to be employed at the relevant vesting dates, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.

The rules of the plan allow the Board to set the exercise price per Option in the offer document.

Subject to the accelerated expiry terms set out in the ESOP plan (explained further below), options will expire five years after the date of grant subject to the option holder remaining employed by the Group. Unexercised options will automatically lapse upon expiry. Unless determined otherwise by the Board, in the event of stated events detailed in the plan, including termination of employment or resignation, redundancy, death or disablement or in the event of a change of control of an employee's permitted nominee, unvested options shall lapse and the expiry date of any vested options will be adjusted in accordance with the accelerated timetables set out in the ESOP plan rules (subject to the Board's discretion to extend the term of exercise in restricted cases).

Once shares are allotted upon exercise of the options the participant will hold the shares free of restrictions. The shares will rank equally for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged. In the event of a change of control of the Company, all options will vest immediately and may be exercised by the employee (regardless of whether the vesting conditions have been satisfied). A holder of options is not entitled to participate in dividends, a new or bonus issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options.

The Options are not transferable, assignable or able to be encumbered, without Board consent and the options will immediately lapse upon any assignment, transfer or encumbrance, with the exception of certain dealings in the event of death of the option holder.

23. Share Based Payments (Continued)

The ESOP plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP plan.

The ESOP plan may be terminated or suspended at any time by the Board. The ESOP plan may be amended or modified at any time by the Board except where the amendment reduces the rights of the holders of options, unless required by the Corporations Act or the Listing Rules, to correct any manifest error or mistake or for which the option holder consents. The Board may waive or vary the application of the ESOP plan rules in relation to any eligible employee at any time.

Employee Benefits expense Share-based payment expense recognised during the financial year	**2018 $'000**	**2017 $'000**
Options issued under employee option plan	878	732
	878	**732**

The vesting conditions attached to the options are set out in the Remuneration Report (20A) of the Directors' Report.

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $[1]	Number at end of year
2018									
Options granted to management									
29/11/13	30/11/14	29/11/18	0.68	305,991	-	(8,333)	-	-	297,658
29/11/13	30/11/15	29/11/18	0.68	306,003	-	(8,333)	-	-	297,670
29/11/13	30/11/16	29/11/18	0.68	306,006	-	(8,334)	-	-	297,672
31/03/14	31/03/15	31/03/19	0.73	83,333	-		-	-	83,333
31/03/14	31/03/16	31/03/19	0.73	83,333	-		-	-	83,333
31/03/14	31/03/17	31/03/19	0.73	83,334	-		-	-	83,334
31/10/14	31/10/15	31/10/19	0.61	33,332	-		-	-	33,332
31/10/14	31/10/16	31/10/19	0.61	33,334	-		-	-	33,334
31/10/14	31/10/17	31/10/19	0.61	33,334	-		-	-	33,334
3/03/15	3/03/16	3/03/20	0.59	1,460,645	-	(6,666)	(129,999)	0.72	1,323,980
3/03/15	3/03/17	3/03/20	0.59	1,460,645	-	(6,666)	(129,999)	0.72	1,323,980
3/03/15	3/03/18	3/03/20	0.59	1,460,710	-	(131,670)	(33,500)	0.64	1,295,540
15/07/15	15/07/16	15/07/20	0.57	83,333	-		-	-	83,333
15/07/15	15/07/17	15/07/20	0.57	83,333	-		-	-	83,333
15/07/15	15/07/18	15/07/20	0.57	83,334	-		-	-	83,334
8/09/15	8/09/16	8/09/20	0.56	1,206,644		(16,999)	(122,999)	0.68	1,066,646
8/09/15	8/09/17	8/09/20	0.56	1,211,644	-	(89,665)	(55,333)	0.70	1,066,646
8/09/15	8/09/18	8/09/20	0.56	1,211,712	-	(120,004)	-	-	1,091,708
31/10/15	31/10/16	31/10/20	0.54	16,666	-		-	-	16,666
31/10/15	31/10/17	31/10/20	0.54	16,667	-		-	-	16,667

23. Share Based Payments (Continued)

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginnin g of year	Granted	Forfeited	Exercised	Share Price $	Number at end of year
2018									
Options granted to management (cont.)									
31/10/15	31/10/18	31/10/20	0.54	16,667	-	-	-	-	16,667
3/03/16	3/03/17	3/03/21	0.39	100,000	-	-	(100,000)	0.72	-
3/03/16	3/03/18	3/03/21	0.39	100,000	-	(100,000)	-	-	-
3/03/16	3/03/19	3/03/21	0.39	100,000	-	(100,000)	-	-	-
29/08/16	29/08/17	29/08/21	0.49	108,332	-	-	-	-	108,332
29/08/16	29/08/18	29/08/21	0.49	108,334	-	(66,667)	-	-	41,667
29/08/16	29/08/19	29/08/21	0.49	108,334	-	(66,667)	-	-	41,667
29/11/16	29/11/17	29/11/21	0.54	399,997	-	(99,999)	-	-	299,998
29/11/16	29/11/18	29/11/21	0.54	399,997	-	(99,999)	-	-	299,998
29/11/16	29/11/19	29/11/21	0.54	400,006	-	(100,002)	-	-	300,004
9/02/17	9/02/18	9/02/22	0.59	999,985	-	(49,999)	-	-	949,986
9/02/17	9/02/19	9/02/22	0.59	999,985	-	(49,999)	-	-	949,986
9/02/17	9/02/20	9/02/22	0.59	1,000,030	-	(50,002)	-	-	950,028
8/06/17	8/06/18	8/06/22	0.57	113,331	-	(16,666)	-	-	96,665
8/06/17	8/06/19	8/06/22	0.57	113,331	-	(16,666)	-	-	96,665
8/06/17	8/06/20	8/06/22	0.57	113,338	-	(16,668)	-	-	96,670
19/09/17	19/09/18	19/09/22	0.67	-	191,666	(125,000)	-	-	66,666
19/09/17	19/09/19	19/09/22	0.67	-	191,667	(125,000)	-	-	66,667
19/09/17	19/09/20	19/09/22	0.67	-	191,667	(125,000)	-	-	66,667
31/10/17	31/10/18	31/10/22	0.77	-	1,189,989	-	-	-	1,189,989
31/10/17	31/10/19	31/10/22	0.77	-	1,189,998	-	-	-	1,189,998
31/10/17	31/10/20	31/10/22	0.77	-	1,190,013	-	-	-	1,190,013
15/03/18	15/03/19	15/03/23	0.67	-	206,670	-	-	-	206,670
15/03/18	15/03/20	15/03/23	0.67	-	206,670	-	-	-	206,670
15/03/18	15/03/21	15/03/23	0.67	-	206,660	-	-	-	206,660
Total				**14,745,000**	**4,765,000**	**(1,605,004)**	**(571,830)**	**-**	**17,333,166**
Weighted average exercise price, $				0.58	0.74	0.56	0.55	0.70	0.63
2017									
Options granted to management									
29/11/13	30/11/14	29/11/18	0.68	530,989	-	(224,998)	-	-	305,991
29/11/13	30/11/15	29/11/18	0.68	531,003	-	(225,000)	-	-	306,003
29/11/13	30/11/16	29/11/18	0.68	531,008	-	(225,002)	-	-	306,006
19/02/14	19/02/15	19/02/19	0.67	66,666	-	(66,666)	-	-	0
19/02/14	19/02/16	19/02/19	0.67	66,666	-	(66,666)	-	-	0
19/02/14	19/02/17	19/02/19	0.67	33,334	-	(33,334)	-	-	0
31/03/14	31/03/15	31/03/19	0.73	83,333	-	-	-	-	83,333

23. Share Based Payments (Continued)

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $[1]	Number at end of year
2017									
Options granted to management									
31/03/14	31/03/16	31/03/19	0.73	83,333	-	-	-	-	83,333
31/03/14	31/03/17	31/03/19	0.73	83,334	-	-	-	-	83,334
31/10/14	31/10/15	31/10/19	0.61	33,332	-	-	-	-	33,332
31/10/14	31/10/16	31/10/19	0.61	33,334	-	-	-	-	33,334
31/10/14	31/10/17	31/10/19	0.61	33,334	-	-	-	-	33,334
3/03/15	3/03/16	3/03/20	0.59	1,610,643	-	(149,998)	-	-	1,460,645
3/03/15	3/03/17	3/03/20	0.59	1,593,977	-	(133,332)	-	-	1,460,645
3/03/15	3/03/18	3/03/20	0.59	1,594,046	-	(133,336)	-	-	1,460,710
15/07/15	15/07/16	15/07/20	0.57	83,333	-	-	-	-	83,333
15/07/15	15/07/17	15/07/20	0.57	83,333	-	-	-	-	83,333
15/07/15	15/07/18	15/07/20	0.57	83,334	-	-	-	-	83,334
8/09/15	8/09/16	8/09/20	0.56	1,444,976	-	(233,332)	(5,000)	0.61	1,206,644
8/09/15	8/09/17	8/09/20	0.56	1,444,976	-	(233,332)	-	-	1,211,644
8/09/15	8/09/18	8/09/20	0.56	1,445,048	-	(233,336)	-	-	1,211,712
31/10/15	31/10/16	31/10/20	0.54	16,667	-	-	-	-	16,667
31/10/15	31/10/17	31/10/20	0.54	16,667	-	-	-	-	16,667
31/10/15	31/10/18	31/10/20	0.54	16,666	-	-	-	-	16,666
3/03/16	3/03/17	3/03/21	0.39	100,000	-	-	-	-	100,000
3/03/16	3/03/18	3/03/21	0.39	100,000	-	-	-	-	100,000
3/03/16	3/03/19	3/03/21	0.39	100,000	-	-	-	-	100,000
29/08/16	29/08/17	29/08/21	0.49	-	241,666	(133,334)	-	-	108,332
29/08/16	29/08/18	29/08/21	0.49	-	241,667	(133,333)	-	-	108,334
29/08/16	29/08/19	29/08/21	0.49	-	241,667	(133,333)	-	-	108,334
29/11/16	29/11/17	29/11/21	0.54	-	399,997	-	-	-	399,997
29/11/16	29/11/18	29/11/21	0.54	-	399,997	-	-	-	399,997
29/11/16	29/11/19	29/11/21	0.54	-	400,006	-	-	-	400,006
9/02/17	9/02/18	9/02/22	0.59	-	999,985	-	-	-	999,985
9/02/17	9/02/19	9/02/22	0.59	-	999,985	-	-	-	999,985
9/02/17	9/02/20	9/02/22	0.59	-	1,000,030	-	-	-	1,000,030
8/06/17	8/06/18	8/06/22	0.57	-	113,331	-	-	-	113,331
8/06/17	8/06/19	8/06/22	0.57	-	113,331	-	-	-	113,331
8/06/17	8/06/20	8/06/22	0.57	-	113,338	-	-	-	113,338
Total				**11,843,332**	**5,265,000**	**(2,358,332)**	**(5,000)**		**14,745,000**
Weighted average exercise price, $				0.59	0.56	0.60	0.56	0.61	0.58

[1] Weighted average share price at the exercise date

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.8 years (2017: 3.4 years).

The fair values at grant date for the options were estimated using a Trinomial Lattice model which defines the conditions under which employees are expected to exercise their options after vesting in terms of the stock price reaching a specified multiple of the exercise price.

The model inputs for options granted during the 2018, 2017, 2016, 2015, 2014 financial years included:

Grant date	Vesting date	Share price $	Exercise price $	Expected volatility %	Weighted average life, years	Expected dividends %	Risk-free interest rate[1],%	Fair value at grant Date, $
29/11/13	30/11/14	0.68	0.68	40	5.0	nil	3.44	0.21
29/11/13	30/11/15	0.68	0.68	40	5.0	nil	3.44	0.23
29/11/13	30/11/16	0.68	0.68	40	5.0	nil	3.44	0.25
31/03/14	31/03/15	0.72	0.73	50	5.0	nil	3.44	0.24
31/03/14	31/03/16	0.72	0.73	50	5.0	nil	3.44	0.27
31/03/14	31/03/17	0.72	0.73	50	5.0	nil	3.44	0.30
31/10/14	31/10/15	0.60	0.61	55	5.0	nil	2.81	0.21
3/03/15	3/03/16	0.56	0.59	55	5.0	nil	1.84	0.19
3/03/15	3/03/17	0.56	0.59	55	5.0	nil	1.84	0.23
3/03/15	3/03/18	0.56	0.59	55	5.0	nil	1.84	0.25
15/07/15	15/07/16	0.57	0.57	46	5.0	nil	2.29	0.18
15/07/15	15/07/17	0.57	0.57	46	5.0	nil	2.29	0.20
15/07/15	15/07/18	0.57	0.57	46	5.0	nil	2.29	0.22
8/09/15	8/09/16	0.55	0.56	46	5.0	nil	2.04	0.17
8/09/15	8/09/17	0.55	0.56	46	5.0	nil	2.04	0.19
8/09/15	8/09/18	0.55	0.56	46	5.0	nil	2.04	0.21
31/10/15	31/10/16	0.53	0.54	46	5.0	nil	2.04	0.17
31/10/15	31/10/17	0.53	0.54	46	5.0	nil	2.04	0.19
31/10/15	31/10/18	0.53	0.54	46	5.0	nil	2.04	0.20
3/03/16	3/03/17	0.36	0.39	46	5.0	nil	2.08	0.10
3/03/16	3/03/18	0.36	0.39	46	5.0	nil	2.08	0.10
3/03/16	3/03/19	0.36	0.39	46	5.0	nil	2.08	0.09
29/08/16	29/08/17	0.51	0.49	43	5.0	nil	1.57	0.13
29/08/16	29/08/18	0.51	0.49	43	5.0	nil	1.57	0.16
29/08/16	29/08/19	0.51	0.49	43	5.0	nil	1.57	0.18
29/11/16	29/11/17	0.50	0.54	43	5.0	nil	2.16	0.11
29/11/16	29/11/18	0.50	0.54	43	5.0	nil	2.16	0.14
29/11/16	29/11/19	0.50	0.54	43	5.0	nil	2.16	0.16
9/02/17	9/02/18	0.63	0.59	43	5.0	nil	2.12	0.17
9/02/17	9/02/19	0.63	0.59	43	5.0	nil	2.12	0.21
9/02/17	9/02/20	0.63	0.59	43	5.0	nil	2.12	0.23
8/06/17	8/06/18	0.54	0.57	43	5.0	nil	1.95	0.12
8/06/17	8/06/19	0.54	0.57	43	5.0	nil	1.95	0.15
8/06/17	8/06/20	0.54	0.57	43	5.0	nil	1.95	0.17
19/09/17	19/09/18	0.67	0.67	42	5.0	nil	2.39	0.17
19/09/17	19/09/19	0.67	0.67	42	5.0	nil	2.39	0.20
19/09/17	19/09/20	0.67	0.67	42	5.0	nil	2.39	0.23

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

Grant date	Vesting date	Share price $	Exercise price $	Expected volatility %	Weighted average life, years	Expected dividends %	Risk-free interest rate[1],%	Fair value at grant Date, $
31/10/17	31/10/18	0.77	0.77	42	5.0	nil	2.24	0.19
31/10/17	31/10/19	0.77	0.77	42	5.0	nil	2.24	0.23
31/10/17	31/10/20	0.77	0.77	42	5.0	nil	2.24	0.26
15/03/18	15/03/19	0.67	0.67	42	5.0	nil	2.30	0.17
15/03/18	15/03/20	0.67	0.67	42	5.0	nil	2.30	0.20
15/03/18	15/03/21	0.67	0.67	42	5.0	nil	2.30	0.23

[1] based on government bonds

The expected price volatility is based on the historic volatility compared to that of similar listed companies and the remaining life of the options.

24. Parent Entity Disclosures

As at and throughout the financial year ending 30 June 2018 the parent entity of the Group was RPMGlobal Holdings Limited.

Summary financial information

The individual financial statements for the parent entity show the following aggregation:

Result of parent entity	**2018 $000**	**2017 $000**
Profit/(loss)	(1,628)	(2,245)
Other comprehensive income	-	-
Total comprehensive income	(1,628)	(2,245)
Financial position of parent entity at year end		
Current assets	44,223	51,077
Total assets	75,071	81,557
Current liabilities	10,614	18,515
Total liabilities	11,536	19,805
Total equity of the parent entity comprising of:		
Issued capital	87,708	85,175
Share-based Payments Reserve	3,648	2,770
Revaluation Surplus Reserve	18	18
Reserve Arising From an Equity Transaction	(600)	(600)
Accumulated losses	(27,239)	(25,611)
Total equity	**63,535**	**61,752**
Contingent liabilities	-	-
Contractual commitments for the acquisition or property, plant or equipment	-	-

The parent entity has provided guarantees to third parties in relation to the performance and obligations of its subsidiary, GeoGAS Pty Ltd in respect of property lease rentals. The guarantees are for the terms of the leases and total $37,125 (2017: $37,125). The periods covered by the guarantees range from two to three years.

24. Parent Entity Disclosures (Continued)

No deficiency of net assets existed in the controlled entities covered by guarantees at 30 June 2018 or 30 June 2017. No liability was recognised by the parent entity in relation to these guarantees, as the fair value of the guarantee is immaterial.

25. Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2018 are set out below. All subsidiaries have share capital consisting solely of ordinary shares that are 100% (2017: 100%) held directly by the Group, and the proportions of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ incorporation	Principal Activities
GeoGAS Pty Ltd	Australia	Laboratory Services
RPM Software Pty Ltd	Australia	Software Sales and Services
RPM Advisory Services Pty Ltd	Australia	Advisory Services
RPM Software International Pty Ltd	Australia	Software Sales and Services
RPMGlobal USA, Inc.	USA	Advisory Services
RPM Software USA, Inc.	USA	Software Sales and Services
RPMGlobal Canada Ltd	Canada	Software Sales and Services
PT RungePincockMinarco	Indonesia	Advisory Services
RPMGlobal Asia Limited	Hong Kong	Advisory Services
RPMGlobal China Limited	China	Advisory Services
RPMGlobal LLC	Mongolia	Advisory Services
CJSC Runge	Russia	Software and Advisory Services
RPMGlobal Africa (Pty) Ltd	South Africa	Software Sales and Services
RPMGlobal Chile Limitada	Chile	Software Sales and Services
RPMGlobal Software Do Brasil Ltda	Brazil	Software Sales and Services
iSolutions International Pty Ltd	Australia	Software Sales and Services
iSolutions Holdings Pty Ltd	Australia	Software Sales and Services
MineOptima Holdings Pty Ltd	Australia	Software Sales and Services
MineOptima Operations Pty Ltd	Australia	Software Sales and Services
Minvu Pty Ltd	Australia	Software Sales and Services
Minvu Holdings Pty Ltd	Australia	Software Sales and Services
Kurilpa Investments Pty Ltd	Australia	Software Sales and Services
RPM Global Turkey Danışmanlık Hizmetleri ve Ticaret A.Ş.	Turkey	Advisory Services
RPMGlobal Kazakhstan LLP	Kazakhstan	Software Sales and Services
RPMGlobal Colombia SAS	Colombia	Software Sales and Services

All entities other than GeoGAS Pty Ltd trade as RPM and RPMGlobal.

25. Interests in other entities (Continued)

(b) Significant Restrictions

Cash and Short term deposits held in Chile, Brazil, South Africa, China, Indonesia, Mongolia and Russia are subject to local exchange control regulations. These regulations provide restrictions on exporting capital from those countries other than through normal trading transactions or dividends.

The carrying amount of cash included within the consolidated financial statements to which these restrictions apply is $8,826,000 (2017: $6,682,000).

26. Key Management Personnel Disclosures

(a) Compensation

	2018 $	2017 $
Short term employee benefits	1,865,502	3,072,271
Post-employment benefits	68,094	105,216
Share-based payments	46,455	69,680
	1,980,051	**3,247,167**

(b) Other Transactions with Key Management Personnel

The Group employs the services of Pitcher Partners Chartered Accountants, an entity associated with Ross Walker. Pitcher Partners received $2,500 (2017: 31,632) for advisory and valuation services. Amount payable at year end is 2,500 (2017: nil).

Aggregate amounts of each of the above types of other transactions with key management personnel of RPMGlobal Holdings Limited:

Amounts recognised as expense		
Professional fees	2,500	31,632
	2,500	**31,632**

No other transactions with Key Management personal occurred during the year.

27. Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

28. Contingent liabilities and contingent assets

On 9 August 2017, RPM received advice from its Russian counsel that a Russian Advisory client had been awarded approximately $0.8 million in damages, interest and refund of fees previously paid to RPM. RPM subsequently appealed this decision and was notified that the appeal had been unsuccessful in July 2018. RPM's legal counsel have recommended that RPM appeal the updated judgement and the quantum and basis of the award against RPM. The Group has provided for $273,000 in the 2018 financial year. As the matter continues before the courts RPM is not able to provide further details at this time.

There are no other contingent liabilities or contingent assets that require disclosure in the financial report.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 (a) to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
- the remuneration disclosures included in pages 14 to 22 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2018, comply with section 300A of the *Corporations Act 2001;* and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of directors

Allan Brackin,
Chairman

Dated this 29 day of August 2018

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of RPMGlobal Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RPMGlobal Holdings (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

BDO

Key audit matters

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

Revenue Recognition

Key audit matter	*How the matter was addressed in our audit*
The group generates revenue from multiple streams including software sales & maintenance services as disclosed in Note 1 (f). The amount of revenue recognised during the year for software sales is dependent on the appropriate identification on the timing of transfer of the significant risks and rewards of ownership to the buyer. The amount of revenue recognised for maintenance services is dependent on identifying the maintenance portion and period in each sales contract. In our view, revenue recognition is significant to our audit due to the significance of revenue to the financial report and the complex nature of accounting for the appropriate timing of revenue related to the sale of software and related maintenance services.	Our audit procedures included: • Assessing the Group's revenue recognition policy's for compliance with Australian Accounting Standards • Selecting a sample of license sales, maintenance services and consulting fees recognised as revenue in the general ledger and agreeing to supporting invoices, signed customer contracts and proof of delivery where applicable • Evaluating the deferral of revenue recorded as at 30 June 2018 for a significant transaction that had been entered into by the group in the prior year. This included comparing the revenue recognised for the year ended 30 June 2018 with the forecast allocation provided during the 30 June 2017 audit and an assessment of the allocation of revenue between the various elements of the transaction being the sale of licenses, upgrade protection and reconfiguration right • Obtaining and evaluating credit notes issued post year end and the first and last invoices issued post and pre year end, to ensure an appropriate cut-off was achieved at balance date • Analytical review procedures on all significant revenue streams on a disaggregated basis and against expected trends and prior year • Selecting a sample of receipts and maintenance invoices from the clients' income in advance schedule and recalculating the appropriate deferred portion of maintenance revenue.

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Carrying Value of Goodwill – Impairment Assessment

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures about goodwill impairment are included in Note 11, which details the allocation of goodwill to the groups various Cash Generating Units (CGU's), sets out the key assumptions for value-in-use calculations and the impact of possible changes in these assumptions. This annual impairment test was significant to our audit because the balance of goodwill as of 30 June 2018 is material to the financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically forecast future cash flows, growth rate, and discount rate, which are affected by expected future market or economic conditions.	Our audit procedures included, amongst others: • Obtaining an understanding of the 'Value in Use' models and critically evaluating management's methodologies and their key assumptions • Assessing management's allocation of goodwill and assets and liabilities, including corporate assets to CGU's • Evaluating the inputs used in the value in use calculation including the growth rates, discount rates and underlying cash flows applied by management • Involving our internal specialists to assess the discount rates and terminal growth rates against comparable market information • Assessing the disclosures related to the goodwill and the impairment assessment by comparing these disclosures to our understanding of the matter and the applicable accounting standards.

Recognition of Deferred Tax Assets

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 5. The Group's recognised a material net deferred tax asset which includes temporary differences and brought forward tax losses. Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient future taxable profits will be generated in order for the benefits of the deferred tax assets to be realised. These benefits are realised by reducing tax payable in future taxable profits. This was a key audit matter as the assessment of the future taxable profits involves judgement by management.	Our audit procedures included: • Evaluating managements forecast of future taxable profits and assessing whether it is probable that there will be sufficient future profits to utilise the deferred tax assets recognised • Assessing the key assumptions used in the forecast period including revenue, expenditure and growth rates applied against actual results achieved • Comparing the taxable income generated for the year ended 30 June 2018 with the forecast taxable income provided during the 30 June 2017 audit • Assessing the disclosures related to the recognition of the deferred tax assets and unrecognised deferred tax assets

Acquisition of the MinVu Group

Key audit matter	*How the matter was addressed in our audit*

The Group's disclosures about the acquisition of the MinVu Group are included in Note 3, which details the accounting treatment of the acquisition and the determination of the fair value of the assets and liabilities acquired.
 	
The acquisition of the MinVu Group is considered a significant transaction for the group. The presentation, measurement and disclosures around this transaction are important in the users' understanding of the financial statements. The transaction is material in the context of the audit and involved significant auditor effort, and was therefore key to our audit.
 	
Management have completed a process to determine the purchase consideration and the fair value of the identifiable net assets acquired, including software and customer contracts. This process involved estimation and judgement to calculate both the consideration and the fair value of identified intangible assets.
	Our audit procedures included, amongst others:
	• Assessing management's determination of whether the acquisition was a business combination or an asset acquisition
	• Evaluating management's assessment of the purchase consideration including contingent consideration arrangements
	• Evaluating management's assessment of the fair value of the identifiable assets and liabilities acquired including:
	  ○ Obtaining management's internal valuation of the identifiable assets and liabilities acquired
	  ○ Evaluating the appropriateness of the methods and assumptions used
	  ○ Challenging management in relation to the inputs and assumptions used
	  ○ Providing the internal valuation to BDO's internal experts to assess the reasonableness of the structure and assumptions applied in the model including the discount rate.
	• Assessing the disclosures related to the acquisition by comparing these disclosures to our understanding of the matter and the applicable accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 22 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of RPMGlobal Holdings, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

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T R Mann
Director

Brisbane, 29 August 2018

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement – Year Ended 30 June 2018

The Board and Management consider that it is crucial to the Group's long term performance and sustainability and to protect and enhance the interests of the Company's shareholders and other stakeholders, that it adopts an appropriate corporate governance framework pursuant to which the Company and its related companies globally will conduct its operations in Australia and internationally with integrity, accountability and in a transparent and open manner.

The Company regularly reviews its governance arrangements as well as developments in market practice, expectations and regulation.

The Company's Corporate Governance Statement has been approved by the Board of RPMGlobal Holdings Limited and explains how the Group addresses the requirements of the Corporations Act 2001, the ASX Listing Rules 2001 and the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations - 3rd Edition' (the 'ASX Principles and Recommendations') and is **current as at 30 June 2018**.

The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in the statement Corporate Governance Statement, the Company's 2018 Annual Report and other relevance governance documents and materials on the Company's website, are provided in the corporate governance section of the Company's website at https://www.rpmglobal.com/investor-centre/. The Company's Corporate Governance Statement together with the ASX Appendix 4G and this Annual Report, were also lodged with the ASX on **30 August 2018**.

The Board of the Company strives to meet the highest standards of Corporate Governance, but recognises that it is also crucial that the Company's governance framework appropriately reflects the current size, operations and industry in which the Company operates.

The Company has complied with the majority of recommendations of the ASX Principles and Recommendations with the exception of a few. The Board believes the areas of non-conformance, which are explained in the Corporate Governance Statement and the ASX Appendix 4G do not materially impact on the Company's ability to achieve the highest standards of Corporate Governance, whilst at the same time ensuring the Company is able to achieve the expectations of its shareholders and other stakeholders.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 17 August 2018.

A. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

	Ordinary Shares	Options
1 – 1,000	136	-
1,001 – 5,000	692	-
5,001 – 10,000	427	-
10,001 – 100,000	575	38
100,001 – and over	123	55
	1953	**93**

The number of shareholdings held in less than marketable parcels of 814 shares is 97 (Close Price 17 August 2018 $0.615).

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities (as at 17 August 2018) are listed below:

Name	Number held	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	58,918,403	27.28
CITICORP NOMINEES PTY LIMITED	25,694,553	11.90
RUNGE INTERNATIONAL PTY LTD <RUNGE FAMILY A/C>	15,810,389	7.32
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	14,463,763	6.70
J P MORGAN NOMINEES AUSTRALIA LIMITED	11,583,307	5.36
NATIONAL NOMINEES LIMITED	8,947,298	4.14
PAUA PTY LTD <THE PAUA A/C>	6,795,753	3.15
BNP PARIBAS NOMS PTY LTD <DRP>	5,516,939	2.55
MR STEPHEN JOHN BALDWIN + MRS ANDREA MAREE BALDWIN <THE STEVE BALDWIN S/FUND A/C>	2,642,511	1.22
MR JOHN CRAIG HALLIDAY	2,247,653	1.04
FEYDER INVESTMENTS PTY LTD <ROBERT FEYDER FAMILY A/C>	1,889,333	0.87
THE RIDGE NZ PTY LTD <THE RIDGE NZ SUPER FUND A/C>	1,424,385	0.66
J & M DONOHUE SUPER PTY LTD <DONOHUE SUPER FUND A/C>	1,398,461	0.65
MR MICHAEL ANTHONY TAYLOR + MS JAN MARGARET JACKSON-MARTIN <TJ-M SUPER FUND A/C>	1,398,461	0.65
BOND STREET CUSTODIANS LIMITED <CRAVH - D03058 A/C>	1,161,804	0.54
MRS DONNA MARGARET LUXTON	1,026,009	0.48
MR IAN JAMES LUXTON	982,934	0.46
BRETTON PTY LTD <WALKER SUPER FUND A/C>	958,333	0.44
MRS ANDRE JOAN PHILLIPS	885,508	0.41
MR FREDRICK PARKER	879,664	0.41
	164,625,461	**76.22**

Unquoted equity securities

17,026,497 options over unissued shares (as at the date of this report): for further details see note 23.

SHAREHOLDER INFORMATION

C. Substantial Holders

The names of the substantial shareholders listed in the holding register as at 30 June 2018 are:

Estimated beneficial holdings as at 31 July 2017	Number held	Percentage
Ruffer LLP	26,766,010	12.57
IOOF Holdings Limited (Perennial Value Management)	23,170,756	10.88
Runge International Pty Ltd (Ian Runge)	16,368,817	7.69
Discovery Asset Management	14,203,160	6.67
Colonial First State – Growth	14,267,674	6.70
SG Hiscock & Co	11,206,667	5.26

D. Voting Rights

Refer to note 15 for voting rights attached to ordinary shares.

CORPORATE DIRECTORY

Directors

Allan Brackin
Chairman

Richard Mathews
Managing Director

Ross Walker
Non-executive Director

Company Secretary

James O'Neill
Group General Counsel and Company Secretary

Registered Office

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Auditor

BDO Audit Pty Ltd
Level 10, 12 Creek St
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
117 Victoria Street
West End QLD 4101

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (ASX: RUL)

RPMGlobal Holdings Limited

ABN 17 010 672 321

RPMGLOBAL

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