Change Up Holdings Limited

ACN 612 559 958

and controlled entities

ANNUAL
FINANCIAL REPORT

For the period ended 31 December 2016

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DIRECTORS' REPORT

Your directors submit their report for the period ended 31 December 2016.

Change Up Holdings Limited was incorporated on 23 May 2016. The financial accounts reflect the activities for the period 23 May 2016 to 31 December 2016.

Directors

The names and details of the group and Company's directors in office during the financial year and until the date of this report are as follows.

Hatim Tyabji, Chairman (appointed 20 September 2016)

Vladimir Shchelkunov, Managing Director and Chief Executive Officer (appointed 23 May 2016)

Sverker Carnemark, Non-Executive Director (appointed 16 June 2016)

Torbjorn Svedenklint, Non-Executive Director (appointed 16 June 2016)

Sophie Karzis, Non-Executive Director (appointed 23 May 2016)

Alyn Tai, Non-Executive Director (appointed 23 May 2016 - Resigned 16 June 2016)

All of the directors have been in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Hatim Tyabji (Chairman)

Hatim holds a Bachelor of Science and a Master of Science in Electrical Engineering, and a Master of Business and Administration in International Business. He was awarded an honorary doctorate by the State University of New York.

Hatim currently serves as Chairman of Jasper Networks Inc, and a director of the Missile Defense Advocacy Alliance. Previously, he was Chairman of Best Buy (NYSE), Executive Chairman of Bytemobile, Non Executive director of Touchcorp Limited, and Chairman and CEO of VeriFone (NYSE), and later served as Chairman of Datacard Group. Prior to joining Bytemobile, Hatim was founding Chairman and CEO of Saraide, and he held several positions at Sperry Corporation, the last being President, Information Systems – the number-three position in the 77,000-person company.

Vladimir Shchelkunov (Managing Director)

Vlad brings a wealth of knowledge across technology, payments, online retail & corporate finance. Immediately prior to joining Change Up, Vlad was Chief of Staff of Touchcorp Limited, initially overseeing Touchcorp's listing on the ASX and then moving on to create Touchcorp's online payments division. Prior to that Vlad was CFO of an Australian based omni channel retailer and spent a number of years with Management Consulting division of KPMG Australia as well as Forensic Accounting division of Ferrier Hodgson. Vlad is a chartered accountant and holds a Bachelor of Banking and Finance (Monash University) and a Masters of Practising Accounting (Monash University).

Sverker Carnemark (Non-Executive Director)

Sverker is the co-founder of Change Up Sweden. Sverker is a highly experienced finance executive having held CFO positions with companies like AkzoNobel group, Carphone Warehouse, Dixon and Reitan Convenience. Since 2013 Sverker has been specialising in business transformation within the retail sector, focusing on improved business models, as well as efficient operational and administrative processes

Torbjorn Svedenklint (Non-Executive Director)

Torbjörn is the co-founder of Change Up Sweden. Torbjörn brings extensive retail and business development experience gained over more than 20 years in senior leadership positions with some of the largest European convenience retailers. He has previously been engaged as Marketing Director at several retail chains in the Scandinavian countries. His background is technical but covers civil law studies as well as financing and accounting. Torbjörn specializes in electronic products & services and development of new business areas that use interactive technology to maximize value proposition to customers. His driving force is the constant development of new business models, emerging from a deeply rooted understanding of how to combine technology with a strong customer focus in order to create new ways to reach the market. Torbjörn holds a number of board positions in organisations across commercial and not-for-profit sectors.

Sophie Karzis (Non-Executive Director)

Sophie is a practising lawyer with over 15 years' experience as a corporate and commercial lawyer, and company secretary and general counsel for a number of private and public companies. Sophie is the principal of Corporate Counsel, a corporate law practice with a focus on equity capital markets, mergers and acquisitions, corporate governance for ASX-listed entities, as well as the more general aspects of corporate and commercial law. Sophie is the company secretary of a number of ASX-listed and unlisted entities, and is a member of the Law Institute of Victoria as well as the Governance Institute of Australia.

Company Secretary

Alyn Tai

Alyn is a practising lawyer who specialises in the areas of corporate and commercial law, and the provision of company secretarial and legal counsel services to ASX-listed entities. She holds a Bachelor of Laws from the University of Exeter, and was called to the Bar of England and Wales before being admitted to the Supreme Court of Victoria as an Australian lawyer.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Director	No of Scheduled Directors' meetings eligible to attend	No of Scheduled Directors' meetings attended
Hatim Tyabji	3	3
Vladimir Shchelkunov	7	7
Sverker Carnemark	7	7
Torbjorn Svedenklint	7	7
Sophie Karzis	7	7
Alyn Tai	1	1

At several of the directors' meetings the Directors discussed matters regarding the remuneration policy and practices of the Group, with relevant executives, and directors abstaining from considering and voting on such matters where relevant.

Committee membership

As at the date of this report, the Group does not have a Remuneration Committee.

Principal activity

Change Up Holdings Limited is an Australian company which has a subsidiary in Singapore, that has partnered with Touchcorp Limited to deliver a solution to the market to allow consumers to receive change from retailers electronically instead of exchanging coins. Money is sent from the Point Of Sale system directly to the customer's smartphone. Consumers instead of receiving coins as a result of a purchase in store they can elect for the change to be recorded on their electronic wallet via the Change Up App.

Dividends

No dividends were paid or declared by the Company during the period ended 31 December 2016.

Review of Operations

In June 2016, Change Up Holdings Limited (**Change Up** or the **Company)** undertook a placement of ordinary shares, which was lead managed by Bell Potter Securities Limited, under which the Company raised $12.5m at an issue price of $0.50 per share, valuing the company at $32.5m. The placement was finalised in August 2016 allowing the Company to commence operations.

The Company's first year of operations, ending 31 December 2016, saw continued development of all components of the Change Up platform, through close work with Touchcorp Limited, as well as establishment of necessary operational aspects, including a wholly owned subsidiary in Singapore.

The Company continues to concentrate its efforts on the deployment of its Change Up Application across major convenience retail stores, initially in Europe and subsequently in Asia and Australia. The Company has entered into a feasibility study, which was subsequently successfully completed and progressed to Point of Sale integration, with a key Swiss retailer.

Change Up continues to pursue targeted opportunities in order to achieve its objective of deploying the Change Up Application in retail stores across a number of countries.

The Company's operational cost base has been tightly controlled and benefitted from leveraging Touchcorp's technical and operational scale. For the period ended 31 December 2016, the Company incurred approximately $625k in operating expenses. In addition, as a result of share options issed the Company has recodered an expense of $1,003k in 2016.

Subsequent to the capital raising the Company paid $6.25m for the Software Development Fee to Touchcorp and approximately $750k of capital raising costs. The Company's cash and cash equivalent position as at 31 December is $3.8m. Additionally, owing to the company from the Australian Taxation Office at balance date was a GST refund of $1.0m, which was received post 31 December 2106. Cash reserves are being managed according to cash consumption expectations with excess balances invested in short maturity term deposits, which resulted in interest revenue earned for period ended 31 December 2016.

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period.

Significant Events Subsequent to Balance Date

The directors are not aware of any other matter or circumstance which has arisen since 31 December 2016 that has significantly affected or may significantly affect the operations of the consolidated entity in subsequent financial years, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments and Expected Results

In accordance with section 299(1)(e) of the Corporations Act 2001, the directors have excluded from this report any further information on the likely developments in the operations of the economic entity and the expected results of those operations in future financial years as the directors have reasonable grounds to believe that such information would be likely to result in unreasonable prejudice to the economic entity.

Environmental Regulation and Performance

There have been no known breaches of environmental regulations.

Proceedings on Behalf of the Group

No person has applied under section 237(1) of the Corporations Act 2001 for leave of the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

Share Options

Unissued shares

As at the date of this report there were 1,500,000 unissued ordinary shares under options and 4,930,000 performance rights.
Option and performance rights holders do not have any right, by virtue of the option, to participate in any share issue of the Group or any related body corporate.

The Company has entered into an agreement to grant options and performance rights over unissued shares in the Company.

Details of the option plan and performance rights are disclosed in Note 13 to the Financial Statements.

Indemnification and insurance of directors and officers.

During or since the financial period the Company has entered into Deeds of Indemnity, Insurance and Access with each director and secretary of the Company against a liability incurred as an officer. The Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

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Auditor's Independence Declaration to the Directors of Change Up Holdings Limited

As lead auditor for the audit of Change Up Holdings Limited for the financial period ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Ernst & Young

David McGregor
Partner
28/04/2017

Remuneration report (audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing, and controlling major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term "executive" encompasses the chief executive, senior executives, general managers and secretaries of the Parent and Group.

Details of Key Management Personnel (including the five highest paid executives of the Company and Group)

Directors

Hatim Tyabji	Chairman (appointed 20 September 2016)
Vladimir Shchelkunov	Managing Director (appointed 23 May 2016)
Sverker Carnemark	Non-Executive Director (appointed 16 June 2016)
Torbjorn Svedenklint	Non-Executive Director (appointed 16 June 2016)
Sophie Karzis	Non-Executive Director (appointed 23 May 2016)

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. Attempts to prosper include attracting, motivating and retaining highly skilled directors and executives.

To this end, the Group embodies the following principles in its remuneration framework:
- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value;
- Have a portion of executive remuneration ‘at risk’, dependent upon meeting performance benchmarks; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Remuneration committee

The Group does not have a remuneration committee. The functions of the remuneration committee are performed by the board of directors of the Company, who are responsible for determining and reviewing remuneration arrangements for the directors and executives.

The board of directors assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing director and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive officer remuneration is separate and distinct.

Remuneration report (audited) (continued)

Non-executive director remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Company's constitution specifies that the aggregate remuneration paid to or for the benefit of the directors must not exceed in a financial year of the company $800,000 or such other sum as the members may by resolution approve. Since the date that the Company's constitution was adopted, no such resolution has been passed by the Company's members.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually. The board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Group. An additional fee is also paid for each board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required.

The remuneration of Non-Executive Directors for the period ended 31 December 2016 is detailed in table 1 of this report.

Senior manager and Executive director remuneration

Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group in the financial year; and
- Ensure total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the board uses a combination of business experience, comparisons with executive remuneration of comparable companies and comparative remuneration in the market.

Remuneration consists of the following key elements:
- Fixed Remuneration; and
- Variable Remuneration.

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each executive officer and senior manager by the board.

Fixed Remuneration

Objective
Fixed remuneration is reviewed annually by the board. The process consists of a review of Group, individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. As noted above, the board may obtain external advice independent of management.

Structure
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration report (audited) (continued)

Variable Remuneration

Objective
The objective of the variable program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets and to also reward executive officers in a manner which is consistent with the interests of shareholders. The total potential variable component is set at a level so as to provide sufficient incentive to the executive officer to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure
Actual variable payments granted to each executive officer depend on the extent to which specific targets set at the beginning of the financial year are met. The operational targets consist of a number of key performance indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to operational profit, customer service, risk management, product management, and leadership/team contribution. The Group has predetermined benchmarks which must be met in order to trigger payments.

The type of variable remuneration and performance against KPIs of the Group and the individual performance of each executive are taken into account when determining the amount, if any, of the variable incentive pool, which includes cash bonus that is to be allocated to each executive. The cash bonus paid during the year was determined with reference to performance based targets achieved, which was assessed by the Board and management on a monthly basis. The performance based targets are detailed in the individual employment agreements of each executive officer.

The aggregate of variable payments available for executives across the Group is subject to the approval of the board. Payments made are usually cash bonuses.

Relationship of rewards to performance

In assessing whether the performance hurdles for each variable component have been met, the Group measures audited results against internal targets.

Employments Contracts

Managing Director and Chief Executive Officer
The Chief Executive Officer (CEO), Mr Vladimir Shchelkunov is employed under an Executive Services Agreement with Change Up Pte. Ltd., the Group's subsidiary incorporated in Singapore. The CEO's employment may be terminated at any time by the Company giving him 4 weeks' written notice of termination (or payment in lieu of such notice). The Company may terminate the CEO's employment immediately in certain circumstances including serious misconduct and his material breach of the Executive Services Agreement. The Company may also terminate the CEO's employment if he is incapacitated for an extended period. The CEO may terminate his employment by giving the Company 4 weeks' written notice of termination.
In accordance with the terms of the Company's Long Term Incentive Plan, where the CEO's employment is terminated due to his breach of the Executive Services Agreement, or due to the CEO's resignation for a reason other than death, illness or injury, the unvested options or performance rights held by the CEO will lapse and terminate, unless the Board determines otherwise.

The CEO must not, during his employment, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Group. In addition, certain restraints apply to the CEO after termination of his employment with the Company for any reason, including that for a period of 12 months post termination, the CEO may not be involved in any business activities in Asia, Europe and Australia which are in competition with the

Other Executives
Each of the Company's key executives are appointed under individual employment or consulting agreements.

The employment agreements set out the following key terms:
* Total compensation including a base salary, superannuation contribution (if applicable) and incentive arrangements (if any)
* Variable notice and termination provisions (generally 4 weeks' notice of termination without cause)
* Confidentiality provisions
* Provisions to protect the Company's intellectual property rights
* Leave entitlements, as a minimum, as required by applicable employment legislation
* Restraint of trade provisions of 12 months after termination of employment

The consulting agreements include the following key terms:
* Consulting fee arrangements (generally charged as an hourly fee or on a fixed monthly fee basis)
* Variable notice and termination provisions (generally 4 weeks)
* Confidentiality provisions
* Provisions to protect the Company's intellectual property rights
* Restraint of trade provisions of 12 months after termination of the consulting agreement

Remuneration report (audited) (continued)

Remuneration of key management personnel and the five highest paid executives of the Company and the Group

TABLE 1: REMUNERATION FOR THE PERIOD ENDED 31 DECEMBER 2016

	Short-term		**Post Employment**	**Long-term**		**Share based payment**	**Total**	**Performance related**
	Salary & Fees	Cash Bonus	Superannuation	Long Service Leave	**Termination**	Options		
	$	$	$	$	$	$	$	%
Non-Executive directors								
Hatim Tyabji	33,608	-	-	-	-	32,400	66,008	-
Sophie Karzis	33,733					27,116	60,849	-
Torbjorn Svedenklint	32,500	-	-	-	-	31,896	64,396	-
Sverker Carnemark	30,417	-	-	-	-	27,116	57,533	-
Sub-total non-executive directors	**130,257**	**-**	**-**	**-**	**-**	**118,529**	**248,786**	
Executive directors								
Vladimir Shchelkunov	79,719	-	4,346	-	-	98,813	182,878	-
Sub-total executive KMP	**79,719**	**-**	**4,346**	**-**	**-**	**98,813**	**182,878**	
Totals	**209,976**	**-**	**4,346**	**-**	**-**	**217,342**	**431,664**	

Signed in accordance with a resolution of the directors

Sophie Karzis
Director
28 April 2017

Consolidated statement of comprehensive income

For the period ended 31 December 2016

	Note	*2016* *$*
Rendering of services		-
Revenue		**-**
Cost of sales		-
Gross profit		**-**
Other income		-
Total other income		**-**
Depreciation	10	(349)
Amortisation	11	-
Share-based payment (expense)	13(a)	(1,003,439)
Employee benefits expense	4(b)	(178,966)
Insurance expense		(2,838)
Legal expenses		(28,701)
Corporate & compliance expenses		(240,553)
Travel & accommodation expenses		(112,061)
Other expenses	4(a)	(73,482)
Operating loss		**(1,640,388)**
Interest revenue		12,296
Loss before tax		**(1,628,092)**
Income tax expense	5	-
Loss after tax		**(1,628,092)**
Other comprehensive income		-
Total comprehensive loss for the year, net of tax		**(1,628,092)**

Consolidated statement of financial position

At 31 December 2016

	Note	*2016* *$*
ASSETS		
Current Assets		
Cash and cash equivalents		3,772,780
Trade and other receivables	7(a)	1,067,922
Other current assets	8	24,746
Total Current Assets		**4,865,448**
Non-current Assets		
Property, plant and equipment	10	4,307
Intangible assets	11	11,368,961
Other non-current assets	9	16,346
Total Non-current Assets		**11,389,614**
TOTAL ASSETS		**16,255,062**
LIABILITIES		
Current Liabilities		
Trade and other payables	14	153,055
Annual leave provision		2,743
Total Current Liabilities		**155,798**
Non-current Liabilities		
Long service leave provision		-
Annual leave provision		-
Interest-bearing borrowings	15	-
Total Non-current Liabilities		**-**
TOTAL LIABILITIES		**155,798**
NET ASSETS		**16,099,264**
EQUITY		
Issued capital	15(a)	16,723,917
Accumulated losses		(1,628,092)
Reserves	15(c)	1,003,439
TOTAL EQUITY		**16,099,264**

Consolidated statement of changes in equity

For the period ended 31 December 2016

	Issued capital (note 15(b)) *$*	*Accumulated losses* *$*	*Reserves (note 15(c))* *$*	*Total* *$*
At 23 May 2016	**-**	**-**	**-**	**-**
Loss for the period	-	(1,628,092)	-	(1,628,092)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	**-**	**(1,628,092)**	**-**	**(1,628,092)**
Transactions with owners in their capacity as owners				
Issue of share capital	17,500,000	-	-	17,500,000
Share issue expenses	(776,083)	-	-	(776,083)
Share based payments	-	-	(1,003,439)	(1,003,439)
At 31 December 2016	**16,723,917**	**(1,628,092)**	**(1,003,439)**	**14,092,386**

Consolidated statement of cashflows

For the period ended 31 December 2016

	Note	2016 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		-
Payment to employees		(162,891)
Payments to suppliers and employees (inclusive of GST)		(1,426,925)
Net cash flows (used in) operating activities	**6**	**(1,589,816)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment		-
Interest received		12,296
Purchase of property, plant and equipment		(4,656)
Purchase of intangible assets		(6,368,961)
Net cash flows (used in) investing activities		**(6,361,321)**
Cash flows from financing activities		
Proceeds from issue of shares		12,500,000
Payments from issue of shares		(776,083)
Net cash flows from financing activities		**11,723,917**
Net (decrease)/increase in cash and cash equivalents		3,772,780
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	**6**	**3,772,780**

For the period ended 31 December 2016

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Change Up Holdings Limited and its controlled entities (the **Group**) for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 28 April 2017.

Change Up Holdings Limited was incorporated on 23 May 2016. The financial accounts reflect the activities for the period 23 May 2016 to 31 December 2016.

Change Up Holdings Limited is a public company limited by shares incorporated in Australia whose shares are not publicly traded on the Australian Securities Exchange.

Change Up Holdings Limited is an Australian company which has a subsidiary in Singapore, that has partnered with Touchcorp Limited to deliver a solution to the market to allow consumers to receive change from retailers electronically instead of exchanging coins. Money is sent from the Point Of Sale system directly to the customer's smartphone. Consumers instead of receiving coins as a result of a purchase in store they can elect for the change to be recorded on their electronic wallet via the Change Up App.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

(a)

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

The following standards and interpretations have been applied:

► AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138).

► AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

► AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

There are no changes to the financial report as a result of adopting these items.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations

The following standards and interpretations have been issued and amended by the AASB but are not yet effective for the period ending 31 December 2016:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.	01-Jan-18	The Group expects that there will be no material impact.	01-Jan-18
The remuneration of Non-Executive Directors for the period ended 31 December 2016 is detailed in table 1 of this report.	Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards. AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises 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.	01-Jan-18	We are currently assessing the impact of AASB15 on our financial results.	01-Jan-18

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 16	Leases	In February 2016, AASB issued AASB 16 'Leases', which replaces the current guidance in AASB 117 'Leases'. The new standard significantly changes accounting for lessees requiring recognition of all leases on the balance sheet, including those currently accounted for as operating leases. A lessee will recognise liabilities reflecting future lease payments and 'right-of-use assets', initially measured at a present value of unavoidable lease payments. Depreciation of leased assets and interest on lease liabilities will be recognised over the lease term. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases and account for them as operating leases or finance leases. There is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.	01-Jan-19	The Group expects that there will be no material impact.	01-Jan-19
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	01-Jan-17	The Group expects that there will be no material impact.	01-Jan-17

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant accounting judgements, estimates and assumptions

Management has identified the following accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of these assumptions may be found in the relevant notes to the financial statements.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Change Up Holdings Limited and its subsidiaries as at and for the period ended 31 December 2016 (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Change Up Holdings Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit disposal of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

► Derecognises the assets (including goodwill) and liabilities of the subsidiary
► Derecognises the carrying amount of any non-controlling interest
► Derecognises the cumulative translation differences recorded in equity
► Recognises the fair value of the consideration received
► Recognises the fair value of any investment retained
► Recognises any surplus or deficit in profit or loss
► Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

(e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to the customer, indicating that there has been a transfer of risks and reward to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(ii) Rendering of services

Change Up allows consumers to receive change from retailers electronically instead of exchanging coins. Money is sent from the Point Of Sale system directly to the customer's smartphone. Consumers instead of receiving coins as a result of a purchase in store they can elect for the change to be recorded on their electronic wallet via the Change Up App. The supply of this service entitles the company to receive transaction fees.

(iii) Interest revenue

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

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases

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

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Trade and other receivables

Trade receivables, which generally have 7-30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(i) Inter-company receivables

Inter-company receivables, which are required to be paid when the entity is able to do so, are recognised and carried at original invoice amount less an allowance for impairment.

Collectability of inter-company receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that receivable will not be able to be collected.

(j) Foreign currency translation

Both the functional and presentation currency of Change Up Holdings Limited is in Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to the statement of comprehensive income.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- ► Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- ► When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ► When the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, in which case deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- ► When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- ► Receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

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

(m) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the profit and loss as incurred.

Depreciation is calculated on the straight-line basis over the estimated useful life of the specific assets as follows:
- Plant and equipment - 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The assets or cash-generating unit is written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the profit or loss in the cost of sales line item.

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is charged against profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Group's intangible assets is as follows:

	Core Technology
Useful life	Finite
Amortisation method used	10 yrs - Straight-line
Internally generated / Acquired	Acquired
Impairment testing	Amortisation method reviewed at every reporting period. Reviewed annually for indicators of impairment.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(o) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised losses may no longer exist or may have decreased. If such indication exits, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost. Due to their short term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

For the period ended 31 December 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(r) Share-based payment transactions

Equity settled transactions

The Group provides benefits to corporations, employees (including key management personnel) of the Group, in the form of share-based payments, whereby employees and corporations render services in exchange for shares or rights over shares (equity-settled transactions).

The Long Term Incentive Plan (LTIP) provides benefits to directors and senior executives, other staff and corporations as agreed by the Board of Directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using a binomial model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled (vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The cumulative expense recognised in the statement of comprehensive income for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original

The Group provides benefits in the form of share options and performance rights. Each grant has vesting conditions, that align the interests of Group with that of the shareholders.

The vesting conditions for the performance rights granted to Touchcorp Limited and Payler AB (formerly Change Up AB) are as follows:

The Company having formally commenced preparations by the Vesting Date for:
(1) The admission of its shares to the official list of the Australian Securities Exchange (or other recognised stock exchange) and the quotation of its shares on that exchange;

(2) The sale of all or a substantial part of the assets of the Company;

(3) The sale or transfer of at least 90.1% of all of the issued shares in the Company; or

(4) Such other qualifying liquidity event as determined by the Board in its sole discretion, but acting reasonably.

The vesting conditions for the performance rights and share options granted to employees are that they stay employed with the organisation for a specific period of time.

The performance rights issued to Touchcorp Limited and Payler AB were valued using the indirect valuation approach, which is the same methodology used in relation to the LTIP. This approach was used due to the difficulty in establishing a fair value in relation to a future service being provided.

(s) 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.

NOTE 3: SEGMENT INFORMATION

As at the 31 December 2016, although the Company commenced operations, it has not earned any revenue. As a result no operational segments are disclosed.

NOTE 4: REVENUES AND EXPENSES

	2016 *$*
Expenses	
(a) Lease payments and other expenses included in income statement	
Marketing costs	6,850
Domain name expenses	30,591
Other expenses	36,041
Total	**73,482**
(b) Employee benefits expense	
Wages and salaries	174,620
Workers' compensation costs	-
Superannuation costs	4,346
	178,966

NOTE 5: INCOME TAX

	2016 $
(a) Income tax expense	
The major components of income tax expense are:	
Current Income tax	
Current income tax charge	(203,694)
Deferred income tax	
Relating to origination and reversal of temporary differences	(17,256)
Reversal / recognition of deferred tax asset in relation to tax losses and temporary differences	220,950
Income tax expense as reported in the income statement	**-**

(b) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	2016 $
Accounting loss before tax	(1,628,092)
At the Group's statutory rate of 30%	(488,428)
Expenditure not allowed for income tax purposes	302,790
Other	11,254
Tax loss and temporary differences not brought to account	174,384
Income tax expense	**-**

	Balance sheet 2016 $
(c) Deferred income tax	
Deferred income tax at 31 December relates to the following:	
CONSOLIDATED	
Deferred tax liabilities	
Accelerated depreciation: intangible assets	-
Gross deferred tax liabilities	-
Set-off of deferred tax assets	-
Net deferred tax liabilities	-
Losses available for offset against future taxable income / (deferred tax asset not booked)	-
Deferred tax liabilities	-
Deferred tax assets	
Employee provisions	-
Other	203,514
Gross deferred tax assets	203,514
Set-off of deferred tax liabilities	-
Non-recognition of deferred tax asset / (expense)	203,514
Net deferred tax assets	-
Deferred tax income tax asset / (expense)	

NOTE 6: CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2016 *$*
Cash at bank and in hand	1,272,780
Short-term deposits	2,500,000
	3,772,780

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

Short-term deposits are made for varying periods of between one to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents is $3,772,780 (2015: Not applicable).

Reconciliation from the net profit after tax to the net cash flows from operations

Net profit	(1,628,092)
Adjustments for:	
Depreciation	349
Amortisation	-
Interest received - investing activity cash flow	(12,296)
Shares issued as consideration for services performed	-
Share options expense	1,003,439
Changes in assets and liabilities	
(Increase)/decrease in inventories	-
(Increase)/decrease in trade and other receivables	(1,067,922)
(Increase)/decrease in prepayments	(41,092)
(Decrease)/increase in trade and other payables	155,798
Net cash from / (used in) operating activities	**(1,589,816)**

NOTE 7: TRADE AND OTHER RECEIVABLES

	2016 $
(a) Trade and other receivables (current)	
Trade receivables	12,296
GST receivable	1,055,626
Less allowance for doubtful debts	
Opening balance	-
Provided in the period	-
Debts written off	-
Written back in the period	-
Total allowance for doubtful debts	-
	1,067,922

Trade receivables are non-interest bearing and are generally on 7 - 30 day terms, but can vary in reation to interest due on funds on deposit. As at balance date included in Trade and Other Receivables is an amount of $ 1,055,626 in relation to a GST owing which has subsequently been recieved.

At 31 December, the aging analysis of trade receivables is as follows:

	Total	0-30 days	0-30 days CI**	31-60 days	31-60 days CI**	61-90 days	61-90 days CI**	+91 days	+91 days CI**
2016	1,067,922	2,991	-	14,469	-	6,752	-	1,043,711	-

* Past due not impaired ('PDNI')

** Considered impaired ('CI')

Fair value and credit risk

Due to the contractual nature of these receivables the fair value is the amount presented in the accounts.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 12.

NOTE 8: OTHER CURRENT ASSETS

	2016
	$
Prepayments	24,746
	24,746

Due to the short term nature of these assets, their carrying value is assumed to approximate their fair value.

NOTE 9: OTHER NON-CURRENT ASSETS

	2016
	$
Security Bonds	16,346
	16,346

The carrying value is assumed to approximate their fair value.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (NON-CURRENT)

	CONSOLIDATED	
	Plant and equipment	*Total*
	$	*$*
PERIOD ENDED 31 DECEMBER 2016		
At 23 May 2016		
net of accumulated depreciation	-	-
Additions	4,656	4,656
Disposals - Cost	-	-
Disposals - Accumulated depreciation	-	-
Depreciation charge for the year	(349)	(349)
At 31 December 2016		
net of accumulated depreciation	**4,307**	**4,307**
At 31 December 2016		
Cost	4,656	4,656
Accumulated depreciation	(349)	(349)
Net carrying value	**4,307**	**4,307**

NOTE 11: INTANGIBLE ASSETS (NON-CURRENT)

	Technology	*Total*
	$	*$*
PERIOD ENDED 31 DECEMBER 2016		
At 23 May 2016		
net of accumulated amortisation	-	-
Additions	11,368,961	11,368,961
Amortisation for the year *	-	-
At 31 December 2016		
net of accumulated amortisation	**11,368,961**	**11,368,961**
At 31 December 2016		
Cost	11,368,961	11,368,961
Accumulated amortisation	-	-
Net carrying amount	**11,368,961**	**11,368,961**

* As the use of the platform has not commenced the amortisation for the period zero.

NOTE 11: INTANGIBLE ASSETS (NON-CURRENT) (continued)

The Group's intangible assets consist of the underlying core technology of the business, being the platform which enables customers to process Change Up transactions electronically on retail devices and smart phones. These intangible assets have been determined to have finite useful lives and the cost model is used for their measurement. These assets were tested for impairment at 31 December 2016 and no impairment adjustment is required. The expected useful life and amortisation period of the finite intangible assets is considered reasonable in light of this testing.

NOTE 12: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The Group manages its exposure to key financial risks, including interest rate, credit, liquidity and currency risk in accordance with the Group's financial risk management policy. The objective of which is to support the delivery of the Group's financial targets, whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Risk Exposures and Responses

Price risk

The Group has no exposure to pricing risk as prices are determined in formal sales agreements.

Credit risk

Credit risk arises from the financial assets of the Group. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

To minimise the credit risk exposure the Group attempts to trade with recognised, creditworthy parties. The Group performs credit assessments of its customers before entering into formal business arrangements. Receivable balances are monitored on an ongoing basis with the result that the exposure to bad debts is not significant.

The Parent has exposure in intercompany receivables with Change Up Pte, it Singaporean subsidiary.

NOTE 12: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Exposures and Responses (continued)

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	CONSOLIDATED
	2016 *$*
Financial Assets	
Cash and cash equivalents	3,772,780
	3,772,780
Financial Liabilities	
Finance lease	-
	-
Net exposure	**3,772,780**

The Group's policy to manage its interest rate exposure by placing funds into term deposits.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

At 31 December 2016, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower) *2016* *$*	Equity Higher/(Lower) *2016* *$*
Consolidated		
-.25% (25 basis points)	(6,602)	(6,602)
+1% (100 basis points)	26,409	26,409

The movements in profits and equity are due to lower interest rates from variable cash balances

Significant assumptions used in the interest rate sensitivity analysis include:
> Management believes that interest rates will remain constant during the 12 month period subsequent to balance date.
> The net exposure at balance date is representative of what the group was and is expecting to be exposed to in the next twelve months from balance date.

NOTE 12: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Exposures and Responses (continued)

Foreign currency risk

The Group's balance sheet can be affected by movements in the Singapore dollar and the Swedish Krone as a result of operations in Singapore and activities in Sweden.

The Group has transactional currency exposures arising from expenses in Singapore and Sweden.

At 31 December 2016, the Group has the following exposure to foreign currency that is not designated in cash flow hedges:

	2016 *$*
Financial Assets	
Cash and cash equivalents	178,353
Trade and other receivables	0
	178,353
Financial Liabilities	
Trade and other payables	13,332
	13,332
Net exposure	**165,021**

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date:

At 31 December 2016, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Loss Higher/(Lower) *2016* *$*	Equity Higher/(Lower) *2016* *$*
Consolidated		
AUD/SEK +10%	(848)	848
AUD/SEK -5%	491	(491)
AUD/SGD +10%	11,350	(11,350)
AUD/SGD -5%	(6,571)	6,571

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

> Reasonable possible movements in foreign exchange rates recently.

> The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

> Management believes that the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

NOTE 12: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Exposures and Responses (Continued)

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities.

The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

	2016 $
1 year or less	128,055
1-2 years	-
3-4 years	-
Over 4 years	-
	128,055

Maturity analysis of financial assets and liability based on management's expectation

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our operations such as plant and equipment and investments in working capital. These assets are considered in the Group's overall liquidity risk.

PERIOD ENDED 31 DECEMBER 2016	< 1 year $	1-2 years $	2-3 years $	> 3 Years $	Total $
Consolidated					
Financial assets					
Cash & cash equivalents	3,772,780	-	-	-	3,772,780
Trade & other receivables	1,055,626	-	-	-	1,055,626
	4,828,406	**-**	**-**	**-**	**4,828,406**
Consolidated					
Financial liabilities					
Trade & other payables	128,055	-	-	-	128,055
Interest bearing loans & borrowings	-	-	-	-	-
	128,055	**-**	**-**	**-**	**128,055**
Net maturity	**4,700,351**	**-**	**-**	**-**	**4,700,351**

NOTE 13: SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

The expense recognised for employee services received during the period less lapsed options and performance rights is shown in the table below:

	2016 $
Expenses / (revenue) arising from equity-settled share-based payment transactions less lapsed options	1,003,439
	1,003,439

The share based payment plan is described below. There have been no cancellations or modifications to the plan during 2016.

(b) Share-based payment plan

The Company has an employee option and performance rights plan, with a view to aligning the interests of employees with the objectives of the Company and to provide incentives to directors, senior executives and staff. The Change Up share option and performance rights plan applies to both employees and directors.

(c) Summary of options granted under the LTIP

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the period:

	2016 No.	*2016 WAEP*
Outstanding at the beginning of the year	-	0.00
Granted during the year	1,500,000	0.50
Exercised during the year	-	0.00
Expired during the year	-	0.00
Outstanding at the end of the year	**1,500,000**	**0.50**
Exercisable at the end of the year	**-**	0.00

The outstanding balance as at 31 December 2016 is represented by:

- 1,500,000 options over ordinary shares with an exercise price of $0.50 each, exercisable until 18 October 2021.

(d) Summary of shares granted under the performance rights plan

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, performance rights shares issued during the period:

	2016 No.	*2016 WAEP*
Outstanding at the beginning of the year	-	0.00
Granted during the year*	4,930,000	0.00
Exercised during the year	-	0.00
Expired during the year	-	0.00
Outstanding at the end of the year	**4,930,000**	**0.00**
Exercisable at the end of the year	**-**	**0.00**

* In 2016, 3 million shares were granted to Touchcorp Limited and 1 million shares to Change Up AB, who are shareholders of Change Up Holdings Limited.

The outstanding balance as at 31 December 2016 is represented by:

- 930,000 performance rights shares over ordinary shares with an exercise price of $0.00 each, exercisable until 30 June 2017.
- 4,000,000 performance rights shares over ordinary shares with an exercise price of $0.00 each, exercisable until 11 August 2017.

NOTE 13: SHARE-BASED PAYMENT PLANS (continued)

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 31 December 2016 is 4.8 years.

The weighted average remaining contractual life for performance rights shares issued on 11 August as at 31 December 2016 is 0.6

(e) Exercise price

The exercise price for options outstanding at the end of the year was $0.50.
The exercise price for performance rights outstanding at the end of the year was nil.

(f) Option pricing model: LTIP

The fair value of the equity-settled share options granted under the LTIP is estimated as at the grant date using the Binomial Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the period ended 31 December 2016:

	2016
Dividend yield (%)	-
Expected volatility (%)	70%
Risk-free interest rate (%)	5.75%
Expected life of option (years)	5 years
Contractual life (years)	5 years
Option exercise price ($)	$0.50
The estimated fair value of each option at grant date is	$0.31
Weighted average share price at measurement date $	$0.50

(G) Share pricing model : shares granted under the performance rights plan

The fair value of the equity-settled shares granted under the performance rights plan is estimated as at the grant date using the Binomial Model taking into account the terms and conditions upon which the shares were granted.

The following table lists the inputs to the models used for the period ended 31 December 2016:

	2016
Dividend yield (%)	-
Expected volatility (%)	70%
Risk-free interest rate (%)	1.6%
Expected life of performance rights (years)	0.5 years to 1 year
Contractual life (years)	0.5 years to 1 year
Share exercise price ($)	$0.00
The estimated fair value of each share at grant date is	$0.50
Weighted average share price at measurement date $	$0.50

NOTE 14: TRADE AND OTHER PAYABLES (CURRENT)

	2016
	$
Trade creditors	18,722
Accruals	134,333
	153,055

The net of GST payable and GST receivable is remitted to the appropriate tax body as required.

(a) Fair Value

Due to the short term nature of these payables, their carrying values are assumed to approximate their fair values.

(b) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk are set out in note 12.

NOTE 15: CONTRIBUTED EQUITY AND RESERVES

	2016 $
(a) Ordinary shares	
Issued and fully paid	**16,723,917**

	Number	$
(b) Movement in ordinary shares on issue		
Share issue*	65,000,000	17,500,000
Share issue expenses	-	(776,083)
At 31 December 2016	**65,000,000**	**16,723,917**

* 10 million shares were issued to Touchcorp Limited, valued at $0.50 for the purchase of the transacting platform.

(c) Reserves

	Employee equity benefits reserve $	Total $
Lapsed share options	-	-
Share based payment expense	1,003,439	1,003,439
At 31 December 2016	**1,003,439**	**1,003,439**

The employee equity benefits reserve is used to record the fair value of equity options granted to employees, senior executives and directors as part of their remuneration.

(d) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern, as well as to provide optimal returns to shareholders and benefits for other stakeholders. The Group constantly reviews the capital structure and the level of return on assets.

NOTE 16: COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee

The Group entered into a lease on 22 December 2016 as part of the remuneration package of the Managing Director, which commences on 8 February 2017. The lease is in Singaporean dollars, and as at balance date the remaining period of the lease is 24 months. There are no restrictions placed upon the lessee by entering into this lease. Future minimum rentals payable under the non-cancellable operating lease is as follows:

	2016 $
Within one year	89,904
After one year but not more than five years	106,250
More than five years	-
Total minimum lease payments	196,154

Finance lease commitments - Group as lessee

The Company has no finance leases.

NOTE 17: RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Change Up Holdings Limited and the subsidiaries listed in the following table.

Name	*Country of incorporation*	*% Equity interest 2016*	*% Equity interest 2015*	*Investment ($) 2016*	*Investment ($) 2015*
Change Up Pte Ltd	Singapore	100%	0%	-	-
				-	-

The following table provides the total amount of transactions which have been entered into with related parties for the relevant period.

Related party		*Sales to related parties $*	*Purchases from related parties $*	*Amounts owed by related parties $*	*Amounts owed to related parties $*
Related entities					
Touchcorp Limied	2016	-	11,250,000	-	-
Director related entities					
Corporate Counsel	*2016*		180,277	-	-
Sophie Karzis Corporate Counsel	*2016*		33,733		

NOTE 17: RELATED PARTY DISCLOSURE (continued)

(i) In 2016 the Group entered into a Software Development and Transaction Services Agreement with Touchcorp Limited. This agreement engaged Touchcorp Limited to tailor, modify and further develop its existing system for Change Up so that the Change Up application is able to be integrated into the Touch System and able to process Change Up Transactions through the Touch Platform internationally.

Sophie Karzis Corporate Counsel Pty Ltd supplies the services of director Sophie Karzis to the Group. Invoices are settled on terms in line with other creditors.

Corporate Counsel Pty Ltd supplies company secretarial and other general legal services to the group. In 2016 the company was engaged to supply legal services in relation to the capital raising. Invoices are settled on terms in line with other creditors.

(b) KMP
Details relating to KMP, including remuneration paid are included in note 20.

NOTE 18: EVENTS AFTER THE BALANCE SHEET DATE

The directors are not aware of any other matter or circumstance which has arisen since 31 December 2016 that has significantly affected or may significantly affect the operations of the consolidated entity in subsequent financial years, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 19: AUDITOR'S REMUNERATION

	CONSOLIDATED 2016 $
Amounts received or due and receivable by Ernst & Young (Australia) for:	
• An audit or review of the financial report of the entity and any other entity in the consolidated Group	25,000
• Other services in relation to the entity and any other entity in the consolidated Group	
- tax compliance & planning	47,164
	72,164

NOTE 20: KEY MANAGEMENT PERSONNEL

(a) Compensation of Key Management Personnel

	CONSOLIDATED 2016 $
Short-term employee benefits	209,976
Post employment benefits	4,346
Other long-term benefits	-
Termination benefits	-
Share based payment	217,342
Total compensation	**431,664**

(b) Option holdings of key management personnel (Consolidated)

31 Dec 2016	*Balance at beg of period 23-May-16*	*Granted as remuneration*	*Options exercised*	*Net change other #*	*Balance at end of period 31-Dec-16*	*Vested at 31 December 2016*		
						Total	*Exercisable*	*Not Exercisable*
Directors								
Hatim Tyabji	-	250,000	-	-	250,000	250,000	-	250,000
Sophie Karzis	-	250,000	-	-	250,000	250,000	-	250,000
Torbjorn Svedenklint	-	250,000	-	-	250,000	250,000	-	250,000
Sverker Carnemark	-	250,000	-	-	250,000	250,000	-	250,000
Executives								
Vladimir Shchelkunov	-	250,000	-	-	250,000	250,000	-	250,000
Total	**-**	**1,250,000**	**-**	**-**	**1,250,000**	**1,250,000**	**-**	**1,250,000**

 # Includes forfeitures

(c) Performance rights holdings of key management personnel (Consolidated)

31 Dec 2016	*Balance at beg of period 23-May-16*	*Granted as remuneration*	*Rights exercised*	*Net change other #*	*Balance at end of period 31-Dec-16*	*Vested at 31 December 2016*		
						Total	*Exercisable*	*Not Exercisable*
Directors								
Hatim Tyabji	-	200,000	-	-	200,000	200,000	-	200,000
Sophie Karzis	-	100,000	-	-	100,000	100,000	-	100,000
Torbjorn Svedenklint	-	120,000	-	-	120,000	120,000	-	120,000
Sverker Carnemark	-	100,000	-	-	100,000	100,000	-	100,000
Executives								
Vladimir Shchelkunov	-	400,000	-	-	400,000	400,000	-	400,000
Total	**-**	**920,000**	**-**	**-**	**920,000**	**920,000**	**-**	**920,000**

 # Includes forfeitures

NOTE 20: KEY MANAGEMENT PERSONNEL (CONTINUED)

(c) Shareholdings of key management personnel (consolidated)

Shares held in Change Up Holdings Limited

31 Dec 2016	*Balance 23-May-16*	*Granted as remuneration*	*On exercise of options*	*Net change other*	*Balance 31-Dec-16*
Directors					
Hatim Tyabji	-	-	-	550,000	550,000
Sophie Karzis	-	-	-	-	-
Torbjorn Svedenklint	-	-	-	-	-
Sverker Carnemark	-	-	-	-	-
Executives					
Vladimir Shchelkunov	-	-	-	-	-
Total	**-**	**-**	**-**	**550,000**	**550,000**

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(d) Other transactions with key management personnel and their related parties

There are no other transactions with key management personnel and their related parties.

Directors' Declaration

In accordance with a resolution of the directors of Change Up Holdings Limited, I state that:

1. In the opinion of the directors:

   (a)

   (i) Giving a true and fair view of its financial position as at 31 December 2016 and performance

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

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in 2(a)

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

2. This declaration has been made after receiving the declarations required to be made to directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2016.

On behalf of the Board

Vladimir Shchelkunov
Managing Director
28 April 2017

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Independent auditor's report to the members of Change Up Holdings Limited and Controlled Entities

Opinion

We have audited the accompanying financial report of Change Up Holdings Limited and its subsidiaries (collectively 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance for the period ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Ernst & Young

Ernst & Young

David McGregor
Partner
Melbourne
28 April 2017

Change Up Holdings Limited

Directors

Hatim Tyabji, Chairman

Vladimir Shchelkunov, Managing Director

Sverker Carnemark, Non-Executive Director

Sophie Karzis, Non-Executive Director

Torbjorn Svedenklint, Non-Executive Director

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Alyn Tai

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