

Pollenizer Global Limited



# Information Memorandum 2013

PRIVATE AND CONFIDENTIAL





Dear Investor,

The board of directors of Pollenizer Global Limited are excited to offer you the opportunity to invest in our company. We have a successful track record, world class investors and there is a huge global market for technology startups.

Digital technology is changing the world very quickly. 'Old' industries - like media, entertainment and retail - have been dismantled; the established players are losing out to young upstart internet companies. Seek, Carsales and realestate.com.au are worth much more than the newspaper companies they have disrupted. Silicon Valley in America has created several of the world's most valuable companies like Apple, Google and Facebook in less than 20 years.

Pollenizer Global Limited is a company that works with entrepreneurs to build the next generation of businesses. The team have been creating digital startups for five years and have already proven that our internal model works by building and selling Spreets to Yahoo!7 in 2011 (refer section 8 for further information).

Our investors form a strong network of mentors which include the founders of some of Australia's most successful technology companies; Carsales, Seek, Atlassian, Retailmenot and Hitwise. Our Board includes people who have served as directors of iSelect, PBL Media, Yahoo! Australia & NZ, Carsales, ninemsn, and Foxtel. We share a vision to create more companies like these by bringing our 'science' together with the passion of entrepreneurs.

We believe that this makes our company unique in Australia and Southeast Asia. Pollenizer Singapore was established in 2012 to take advantage of the fast growing opportunities in these huge markets.

To support this growth, Pollenizer Global Limited is raising up to \$5 million by issuing 33,333,333 shares at \$0.15 each. Detailed information on the company and the proposed investment opportunity is contained in this Information Memorandum. Please study this Information Memorandum and decide if this is right for you.

We hope that you will decide to become a shareholder and join us in a very exciting journey.

A handwritten signature in black ink, appearing to read 'Tony Faure'.

Tony Faure  
Chairman

# Investor Testimonials



## GREG ROEBUCK

- Founder & CEO – Carsales.com.au
- 2013 E&Y Entrepreneur of the Year
- Shareholder in Pollenizer Global Limited

“The Australian startup technology industry is going from strength to strength and Pollenizer is leading the way. Pollenizer adds a strong process to the challenging task of producing successful technology startups. I’ve invested in Pollenizer to get a portfolio based investment in tech startups and for exposure to new opportunities.”



## LANCE KALISH

- Co-founder – Yes To Inc
- Products in 28,000 stores in 30 countries.
- Shareholder in Pollenizer Global Limited

“After 4 years in San Francisco, I found Pollenizer to be at the epicentre of Sydney’s start up ecosystem. My investment in Pollenizer has gone well beyond the conventional passive investment, and instead has introduced me to a dynamic network of experienced and successful entrepreneurs, investors, and passionate, hungry start up entrepreneurs. The atmosphere and culture at Pollenizer is the closest thing I have felt to working back in San Francisco!”



#### **BROOK ADCOCK**

- Co-founder & CEO - The Adcock Group
- Co-founder – Pandora Jewellery Australia
- Shareholder in Pollenizer Global Limited

“*The main reason I invested in Pollenizer is that I see a mismatch between the risk and the potential rewards of startups. The returns can be high and traditionally the risks are also high. By having previously successful entrepreneurs investing in and mentoring enthusiastic young entrepreneurs I believe the risks while still high, can be reduced to the point that the potential rewards are attractive.*

*A second reason for investing is a sense of community or philanthropy. It's enjoyable to be associated with like minded business people all interested in building a community where budding entrepreneurs can have a go and be supported at the same time. Building this ecosystem should increase the number and success rate of start ups which should benefit everyone and the community at large.*”



# Summary of Investment Opportunity

## KEY TERMS

Issuer	Pollenizer Global Limited
Price per Share	\$0.15
Minimum subscription per Shareholder (\$)	\$30,000
Minimum parcel of Shares per Shareholder (Shares)	200,000 Shares
Minimum additional investments (\$)	\$7,500
Minimum additional investments (Shares)	50,000 Shares
Maximum total subscription (\$)	\$5 million
Maximum total subscription (Shares)	33,333,333 Shares

## INDICATIVE TIMETABLE

Date of IM	13 March 2013
Closing Date	28 March 2013*

\* This may be extended by the Company in its absolute discretion, without notice.



### Application Process

Applicants wishing to apply for Shares should read this document in its entirety, consider section 13 of this Information Memorandum (**IM**), obtain professional investment advice, and then complete the Online Application Form or the Paper Application Form. The preferred application process is through the online platform which can be found at [www.pollenizer.com/invest](http://www.pollenizer.com/invest).

#### (a) Online Application – Action required by Applicants to invest

Persons who receive an electronic version of this IM and wish to apply for Shares should go to [www.pollenizer.com/invest](http://www.pollenizer.com/invest) and follow the instructions on how to apply for Shares.

#### BPAY

To make a payment via BPAY, you will need to comply with the instructions on the website. It is your responsibility to ensure that your BPAY payment is received by the Share Registry no later than 5 pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

#### Electronic Funds Transfer

If you cannot complete your payment via BPAY, you can transfer funds via electronic direct credit to the account below. You **MUST** include your **Surname** or **Company Name** as the payment reference when submitting your payment. Failure to do so may result in your application not being processed.

When you have completed your payment, please send a copy (scan) of your transfer receipt via email to [invest@pollenizer.com](mailto:invest@pollenizer.com) to confirm that your payment has been made.

**Account Name** : Pollenizer Offer Account  
**Bank** : Commonwealth Bank of Australia  
**Account BSB** : 062-028  
**Account Number** : 10878128  
**Payment Reference** : Please supply Surname or Company Name of application.

Your payment must be received into the above Pollenizer Offer Account by 5pm (Sydney time), on the Closing Date.

#### (b) Paper Application – Action required by Applicants to invest

If you are unable to view the IM on [www.pollenizer.com/invest](http://www.pollenizer.com/invest) and complete the Online Application, a paper copy of the IM and the Paper Application Form may be obtained (free of charge) by emailing [invest@pollenizer.com](mailto:invest@pollenizer.com)

#### Cheque Payment

You can complete the Paper Application Form and return it with your cheque attached to the address below. Cheque(s) must be crossed 'Not Negotiable' and made out to '**Pollenizer Offer Account**'

#### Pollenizer Offer

C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

Your completed Paper Application Form and your cheque must be received by 5pm (Sydney time), on the Closing Date.

#### For further assistance:

If you are unsure about any of the above, please email [invest@pollenizer.com](mailto:invest@pollenizer.com) or phone +61 2 80056944 and ask to speak to the Pollenizer Capital Raising manager.

Applications must be received prior to 5pm (Sydney time), on the Closing Date.

## IMPORTANT INFORMATION

### Sophisticated or Professional Investors only

This IM is being provided to potential investors on the basis that they are a sophisticated investor or professional investor for the purposes of Section 708 of the Corporations Act. If you are not a sophisticated investor or professional investor for the purposes of Section 708 of the Corporations Act, any application that you make to acquire Shares in the Company may not be accepted by the Company. You must provide a certificate certifying that you are a sophisticated investor or professional investor for the purposes of Section 708 of the Corporations Act before any such application will be considered. Samples of these certificates may be obtained from [www.pollenizer.com/invest](http://www.pollenizer.com/invest) under the section titled "About The Offer". Once completed, you can email the certificate to [invest@pollenizer.com](mailto:invest@pollenizer.com) or post the certificate to Pollenizer Global Investment Offer, 180 Commonwealth Street, Surry Hills NSW 2010.

### Disclaimer

This IM and all information (whether in writing or otherwise) which may subsequently be made available to you (**Subsequent Information**) is provided on the terms and conditions set out in this "Important Information" section. If the terms and conditions set out in this Important Information section are not acceptable to you, then this IM and any Subsequent Information must be returned immediately to the Company. Retention of this IM and any Subsequent Information will be deemed to constitute acceptance by you of the terms and conditions set out in this Important Information section.

### No representations

You warrant that you do not (and agree that you will not) rely on this IM or any Subsequent Information or any other statement, warranty, representation, express or implied, made by the Company or any of its officers, employees, agents, advisers, consultants or other representatives (**Representatives**) in connection with making a decision about whether or not to invest in the Company.

### Forward looking statements

Any statements of opinion, belief, projections, forecasts or statements relating to expectations in this IM that constitute statements relating to future acts, events and circumstances are for example only and do not assure the current or future performance of the Company. The Company offers no assurance or guarantee or warranty that those acts, events and circumstances will occur or arise in the manner in which they are portrayed in this document, and investors must be aware that they may not occur or arise in the way in which they are portrayed. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct.

### No ASX Listing

The Company is not currently listed on any stock exchange. The Company does not intend to apply for the listing of shares on the Australian Stock Exchange, or any other exchange.

### Risk

Investment in the Company is speculative and will involve significant risks, due to the nature of the business of the Pollenizer Group and, in particular, the nature of the investments the Pollenizer Group has made and intends to make in the Investee Companies. The Company is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows. Investors should have the financial ability and willingness to accept the risks and lack of liquidity that are characteristic of the investments described in this IM. Prospective investors should carefully review section 13 of this IM (Investment Risk).

Neither the Company, nor its Representatives, guarantee the performance of the Company, the return of investment capital, the payment of any particular return or the increase in value for the Company, its assets or your investment. An investment in the Company should be considered speculative in nature.

### Taxation

The acquisition of Shares under this IM may have taxation consequences depending on the personal circumstances of applicants. Applicants should seek professional advice on their taxation position with regard to any prospective investment.

### Professional advice

Investors should obtain professional investment advice before accepting any offer contained in this IM. This IM does not contain all information you may require before deciding whether to invest in the Company. In preparing this IM, the Company has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this IM as tax, legal or financial product advice. Before making any investment decision, prospective investors should seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances and conduct their own independent investigation and analysis regarding any information contained in this IM.

This IM is not, and should not be construed as, a recommendation or advice from the Company or any of its Representatives to consider investing, or to invest, in the Company now or at any time in the future.

### Privacy statement

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution of payments and corporate communications and notification of meetings (via postal service, fax or electronic means) to you as a Shareholder. The information may also be used from time to time and disclosed to persons inspecting the register, such as regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers and mail houses.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

### Confidentiality

You acknowledge and agree that the information contained in this IM is confidential in nature, other than information which is in the public domain through other means, and that any disclosure or use of such information by you may cause serious harm or damage to the Company. You agree not to reproduce or disclose any information contained in this IM (or any part of it) to any party, other than to your professional advisers for the purpose of obtaining advice in connection with the Investment Opportunity contained in this IM, without approval in writing from the Company (which may be withheld by the Company in its absolute discretion).

### Other Important Information

- 1 This IM has been issued by, and contains information concerning the Company and the Investment Opportunity. It is provided on a non-transferable basis for your confidential use only.
- 2 No part of this IM or any Subsequent Information may be reproduced or used for any other purpose.
- 3 Neither the Company, nor any of its Representatives (which also includes but is not limited to the persons named or described in this IM) warrant or represent, either expressly or by implication, that this IM or any Subsequent Information is complete or has been subject to any audit, examination or verification to confirm its accuracy.
- 4 If you proceed with an investment in the Company, you must rely solely on your own independent review, investigation and analysis. You agree you will not hold the Company or its representatives liable in any way whatsoever (whether in contract, negligence, equity or otherwise) as a result or by reason of the provision of this IM or any Subsequent Information to you or any other person.
- 5 This IM is not a Product Disclosure Statement or Prospectus; it has not been lodged with ASIC; and is not regulated by Chapter 6D or Part 7.9 of the Corporations Act. This IM is intended for, and available only to, sophisticated investors, being those investors to whom the Company is **not** required to provide a Prospectus concerning the Investment Opportunity or any subsequent share issue, as a result of the operation of section 708 of the Corporations Act.

### Glossary

Certain terms used in this IM are defined in the Glossary in section 15 of this IM.

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY BEFORE DECIDING TO INVEST.**

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# Directory

### **DIRECTORS**

Tony Faure – Chairman/Non-Executive Director  
Philip David Morle – Chief Executive Officer/Executive Director  
Michael John Liubinskis – Executive Director  
Mark Alexander Greig – Non-Executive Director  
Martin Peter Dagleish – Non-Executive Director

### **REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS**

180 Commonwealth Street, Surry Hills NSW 2010

### **ACCOUNTANTS**

Azure Group Pty Limited  
Address: 12/280 George St, Sydney NSW 2000  
Phone Number: +61 2 9238 1188  
Email address: ourteam@azuregroup.com.au

### **INDEPENDENT AUDITOR**

Nexia Court & Co.  
Address : Level 29, 264 George Street, Sydney NSW 2000  
PO Box H195, Australia Square NSW 1215  
Phone Number: +61 2 9251 4600  
Email address: Info@nexiacourt.com.au

### **SOLICITORS**

Sparke Helmore  
Address: Level 16, 321 Kent Street, Sydney NSW 2000  
Phone Number: +61 2 9373 3555  
Email address: daniel.atkin@sparke.com.au

### **CORPORATE ADVISOR**

Axstra Capital Pty Ltd  
AFSL: 390786  
Address: 204/66 King St, Sydney, NSW 2000  
Phone: + 61 2 8234 4401  
Email: reuben@axstra.com.au

### **SHARE REGISTRY**

Link Market Services Limited  
Address: Level 12, 680 George St, Sydney NSW 2000  
Phone Number: 1300 554 474  
Email address: registrars@linkmarketservices.com.au



# 2

# Investment Overview

## 2.1 NOTICE

This section is an overview only and is not intended to provide full information for investors intending to invest in the Company. This IM should be read and considered in its entirety.

## 2.2 POLLENIZER GROUP OVERVIEW

The Pollenizer Group is comprised of:

- (a) the Company – this entity holds all of the issued capital in Pollenizer Singapore, Pollenizer Pty Limited and Pollenizer Investments Pty Limited;
- (b) Pollenizer Pty Limited – this entity was established in early 2008 to provide services and training to Investee Companies and other entities;
- (c) Pollenizer Pte Limited – this entity was established in 2012 in Singapore to gain access to the large and fast growing internet markets of Southeast Asia and to provide deal flow for the Company; and
- (d) Pollenizer Investments Pty Limited – this entity was established in 2012 to invest in Investee Companies.

Pollenizer Global Limited  
("The Company")



Pollenizer Pte Limited  
(Singapore)

Pollenizer Investments Pty Limited  
(Investment Entity)

Pollenizer Pty Limited  
(Service and Training Entity)

## 2.3 BUSINESS OF THE POLLENIZER GROUP

### (a) Business Summary

The global economy is being disrupted as legacy industries move online. The business of the Pollenizer Group is to build a portfolio of brand new companies which exploit this opportunity. The Company is focusing on industries that are going through the biggest changes in the next 3 years including media, retail, professional services and finance.

At it's simplest, the Company;

1. Starts high potential new Investee Companies;
2. Helps grow them to their full global potential;
3. Exits them via trade sale or IPO;
4. Reinvests in more Investee Companies; and
5. Returns value to shareholders via dividends.

### (b) Pollenizer Group Revenue Model

The Pollenizer Group's main sources of revenue come from two broad categories, namely;

#### (1) Investee Company Returns

The Pollenizer Group's core activity involves equity investments into early stage/Startup companies (**Investee Companies**). The Pollenizer Group's focus is on high growth, high potential businesses in the web and mobile spaces. A key driver of growth in the Pollenizer Group's value will be through the increase in the value of the Investee Companies. Pollenizer Group's return on investment in its Investee Companies will be achieved primarily through sale of shares in the Investee Companies and in some cases, dividends generated from Investee Companies. Please see section 5 of this IM for further information.

#### (2) Services and Training Revenue

##### (A) Services Revenue

The Pollenizer Group also generates revenue through the provision of services to Investee Companies and other entities in exchange for fees. This revenue stream is underpinned by the fees that Investee Companies are required to pay for mandatory services provided by the Pollenizer Group. Please see section 6 of this IM for further information.

##### (B) Training and Education Revenue

The Pollenizer Group also generates revenue from conducting consulting workshops and seminars and through the operation of the Pollenizer Academy. Please see section 6 of this IM for further information.



## 2.4 USE OF FUNDS RAISED

The Company intends to use the proceeds from the funds raised to:

- (a) advance and scale the business of existing Investee Companies;
- (b) invest into new Investee Companies;
- (c) provide working capital to meet ongoing costs of the Company; and
- (d) provide funds for the cost of this IM.

Further details on the use of funds raised are set out in section 3.6 of this IM.

## 2.5 KEY RISKS

Investment in the Company is speculative and will involve significant risks. Key risks include:

- (a) **Speculative Investments:** The key investments of the Pollenizer Group are in the Investee Companies, which are Startups. Startups are, by their nature, inherently speculative investments;
- (b) **No market for Shares:** There is no established market for trading the Shares and investors of the Company may find it difficult to dispose of their shareholding in the Company at a particular time;
- (c) **No market for Shares of Investee Companies:** There is no established market for trading the shares of the Investee Companies and the Pollenizer Group may find it difficult to dispose of its shareholding in certain Investee Companies at a particular time;
- (d) **No dividends may be declared:** Dividends may not be declared by the Company. Any dividend payment (whether by the Company or any Investee Company (to the Company)) will be subject to the Company's (and Investee Company's) ability to meet any of its then cash funding requirements for growth taking into account the capital and trading requirements at that time. The Company is not in a position to predict when it will pay a dividend or when and if its Investee Companies will pay a dividend; and
- (e) **Additional capital requirements:** The Company may require additional capital from time to time.

Prospective investors should carefully review section 13 of this IM, which sets out further information on these risks and other risks for the business and investors in the Company.

## 2.6 DIRECTORS

The Company has appointed the following 5 directors to manage the Pollenizer Group's business.

- (a) Tony Faure;
- (b) Philip David Morle;
- (c) Michael John Liubinskas;
- (d) Mark Alexander Greig; and
- (e) Martin Peter Dalglish;

Each have significant experience, which is detailed in section 10 of this IM.

# 3

## Details of the Investment Opportunity

### 3.1 INVESTMENT OPPORTUNITY

The Directors are pleased to offer investors an opportunity to acquire Shares in the Company in accordance with this IM.

The Company is seeking to raise up to \$5 million and is providing an opportunity to investors to apply for a maximum of 33,333,333 fully paid ordinary shares in the Company at an issue price of \$0.15 per Share.

### 3.2 MINIMUM SUBSCRIPTIONS FOR THE INVESTORS

The minimum subscription for Shares will be \$30,000 (200,000 Shares).

### 3.3 ADDITIONAL SUBSCRIPTIONS FOR THE INVESTORS

If an investor wishes to subscribe for more than the minimum number of Shares, such subscriptions must be made in \$7,500 increments.

### 3.4 ACCEPTING AN APPLICATION

The Company is under no obligation to accept any application for Shares. The Directors may, in their absolute discretion, reject or scale back any application for Shares, without assigning any reasons for their decision.



## 3.5 APPLICATION MONIES

### (a) Deposit of Subscription Monies

The Subscription Monies will be deposited in the Pollenizer Offer Account.

### (b) Refunds of Subscription Monies

If all or any part of an application is not successful, the Subscription Monies (or a proportion of it, if applicable) will be refunded out of the Pollenizer Offer Account. Interest will not be paid on any Subscription Monies which are refunded. Any refund due to an applicant will be refunded by either (at the Company's election):

- (1) depositing it into the applicant's designated bank account, as specified in the Online Application Form or Paper Application Form; or
- (2) paying it by cheque payable to the applicant's name and posted to the address specified on the Online Application Form or Paper Application Form.

### (c) Interest

The Company is entitled to retain any interest accrued on the Subscription Monies, whether or not Shares (the subject of those Subscription Monies) are allotted and issued.

## 3.6 USE OF FUNDS RAISED

The purpose of the Investment Opportunity is to raise capital for the Pollenizer Group to:

- (a) advance and scale the business of the existing Investee Companies;
- (b) invest into new Investee Companies;
- (c) provide for working capital to meet ongoing costs of the Company; and
- (d) provide funds for the cost of the IM.

Depending on the amount of capital that is raised, the Board intends that the funds raised will be employed to the purposes set out in this section. The table in this section depicts the use of funds sought by, if the Company raises:

- an amount of \$2 million;
- the maximum subscription amount of \$5 million.

The investor must be aware that the following fund allocation amounts are estimates only, based on information currently available to the Company and the Board.

### If \$2 million is raised

Purpose		Use of Funds
Estimated Investee Companies	5 – 10	\$1,200,000
Working Capital	<b>15 months</b>	
Employee & contractor expenses	\$542,000	
Professional services	\$37,500	
Operating expenses	\$100,500	
Total Working Capital		\$680,000
IM related costs		\$120,000
<b>Total</b>		<b>\$ 2,000,000</b>

**Timeframe:** The \$2 million raised is expected to meet the investment and working capital requirements of the Company until June 2014.

**Investments:** Capital will be invested into current and new Investee Companies (please see section 5 and 7 of this IM). It is estimated that between 5 and 10 investments will be made, with an average investment size of \$150,000, including follow on funding.

**Working Capital:** As depicted by the table, funds raised as a result of this IM will also form part of the Company's working capital and may be used for purposes that will include costs that support the development of the intellectual property to increase the success rate of businesses. It also includes costs associated with the attraction, selection, business setup and ongoing management of the Investee Companies. It also includes employee salaries, contractor fees, insurance, financial and legal advisory fees, rent expenses, office equipment including computers, software licenses etc., expenses related to staff training, welfare and development and other operating and administrative expenses that the Pollenizer Group incurs from time to time, in the ordinary course of business.

### If \$5 million is raised

Purpose		Use of Funds
Estimated Investee Companies	10 – 20	\$3,200,000
Working Capital	<b>27 months</b>	
Employee & contractor expenses	\$1,276,600	
Professional services	\$67,500	
Operating expenses	\$260,900	
Total Working Capital		\$1,605,000
IM related costs		\$195,000
<b>Total</b>		<b>\$ 5,000,000</b>

**Timeframe:** The \$5 million raised is expected to meet the investment and working capital requirements of the Company until June 2015.

**Investments:** Capital will be invested into current and new Investee Companies (please see section 5 and 7 of this IM). It is estimated that between 10 and 20 investments will be made, with an average investment size of \$200,000, including follow on funding.



**Working Capital:** As depicted by the table, funds raised as a result of this IM will also form part of the Company's working capital and may be used for purposes that will include costs that support the development of the intellectual property to increase the success rate of businesses. It also includes costs associated with the attraction, selection, business setup and ongoing management of the Investee Companies. It also includes employee salaries, contractor fees, insurance, financial and legal advisory fees, rent expenses, office equipment including computers, software licenses etc., expenses related to staff training, welfare and development and other operating and administrative expenses that the Pollenizer Group incurs from time to time, in the ordinary course of business.

### Surplus Funds

If the Directors accept additional applications for Shares above the maximum subscription amount, it is intended to apply the surplus funds to both current Investee Companies and additional potential Investee Companies that show promise of success. The Company may also increase working capital expenditure with the aim of adding value to the business of the Company and the potential and existing Investee Companies.

Investors should be aware that if circumstances change or better opportunities arise, the Directors reserve the right to vary the proposed use of the proceeds to maximise the benefit to the Company.

### IM Related Costs

The IM related costs referred to in the table above, are the total estimated costs of raising capital including fees and commissions, advisory and miscellaneous expenses.

## 3.7 CAPITAL STRUCTURE

The share capital structure of the Company currently and upon completion of the Investment Opportunity, assuming the maximum total subscription is achieved, will be as follows:

Details	No. of Shares
Shares on issue at the date of this IM	61,226,053
Shares to be issued to the Existing Convertible Note holders	13,074,669
Maximum number of new Shares to be issued	33,333,333
<b>Total Shares</b>	<b>107,634,055</b>

For further information in regards to the Existing Convertible Notes, please see section 14.3 of this IM.

As at the date of this IM, the Company has the following Existing Options:

Details	No. of Existing Options
Existing Options on issue	33,543,121
<b>Total Existing Options</b>	<b>33,543,121</b>

For further information in regards to Existing Options, please see section 14.2 of this IM.

The total diluted capital structure (assuming all Existing Convertible Notes are converted into Shares) on exercise of all Existing Options would be as follows:

<b>Total Diluted Shares and Options</b>	<b>141,177,176</b>
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# 4

# Overview of the Business

## 4.1 HISTORY OF THE POLLENIZER GROUP

On February 29, 2008, Pollenizer Pty Ltd was incorporated with Phil Morle and Mick Liubinskas as directors with an aim to service and create startup technology companies.

The Company was incorporated on 22 May 2012 as a proprietary limited company and was, at the date of registration, named Pollenizer Global Pty Limited.

On 2 August 2012, the Company established Pollenizer Singapore in Singapore to expand the business to Southeast Asia (please see section 4.2 of this IM).

The Company then acquired 100% of Pollenizer Pty Limited (which was established in early 2008) on 15 September 2012. Simultaneously, it conducted a capital raise of \$700,000 to support the acquisition and funding for expansion of its business.

On 11 October 2012, the Company established Pollenizer Investments Pty Limited.

The Company converted to a public company on 13 March 2013. In doing so, it adopted a new constitution and changed its name to its current name (Pollenizer Global Limited).

## 4.2 POLLENIZER IN SOUTHEAST ASIA

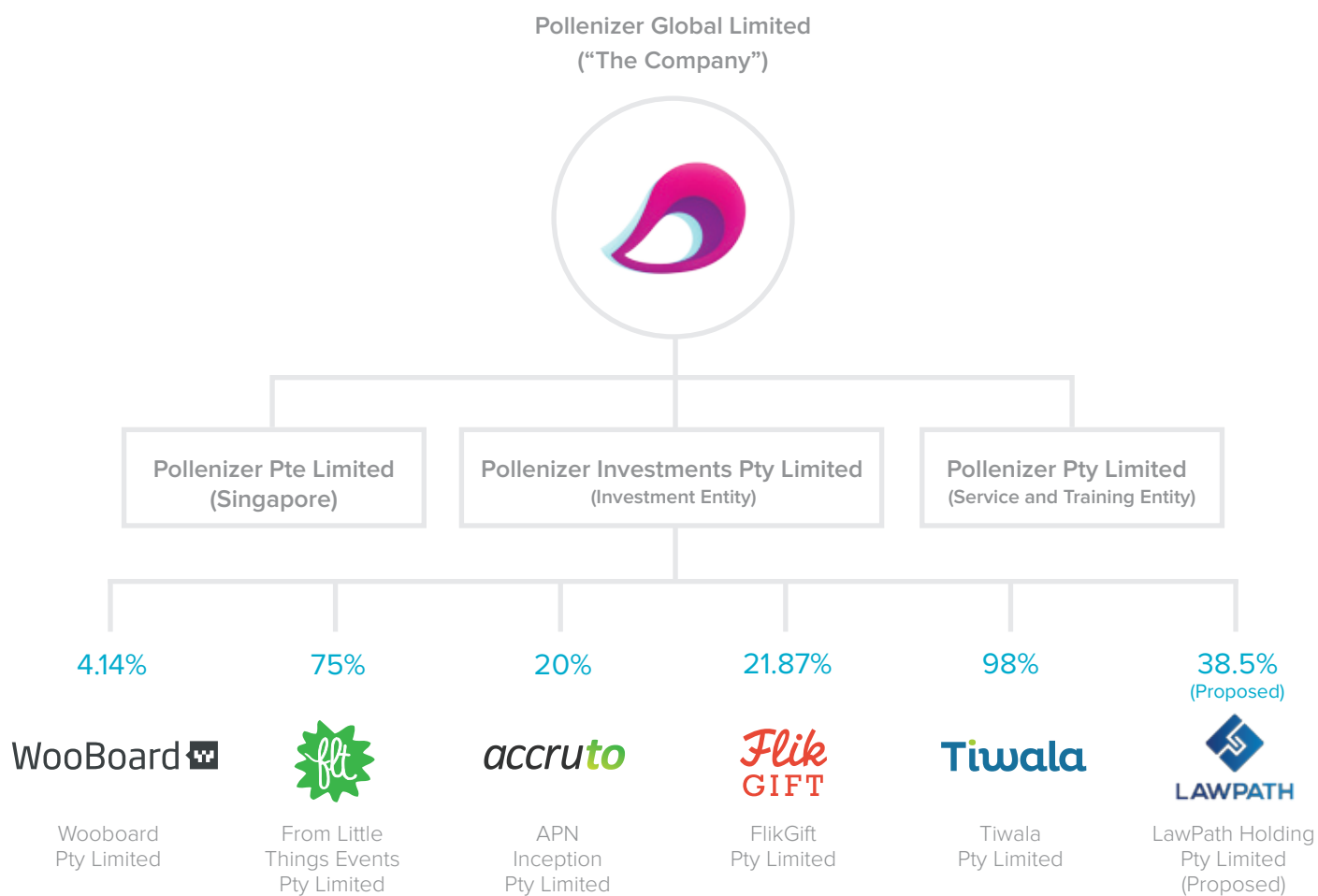
The Company established a wholly owned subsidiary, Pollenizer Pte Limited in Singapore on 2 August 2012, to gain access to the large and fast growing internet markets of Indonesia, Philippines, Vietnam, Malaysia and Thailand. The Directors consider that Singapore is an ideal base for the Company's Southeast Asia expansion due to its friendly business climate, low taxes, robust capital markets and aggressive government support for the Startup ecosystem (please see section 9.1 (d) and 5.4(c) (2) of this IM).

The main goal for Pollenizer Singapore is to provide deal flow for the Company and since its establishment, the Company has met with hundreds of potential entrepreneurs and co-founders and is hopeful of announcing its first investments in Southeast Asia shortly. Pollenizer Singapore has also expanded the base for Pollenizer Academy (please see section 6.2 (b) of this IM), running successful training in Singapore and Manila, Philippines.

Since its launch, Pollenizer Singapore has built strong relationships with entrepreneurs, investors, government officials and journalists across Southeast Asia, thus greatly expanding the reach and power of the Company's network.



## 4.3 CORPORATE STRUCTURE OF THE POLLENIZER GROUP



## 4.4 BUSINESS OF THE POLLENIZER GROUP

The Pollenizer Group has two main sources of revenue:

- proceeds of sale from exits of Investee Companies and dividends from these companies (please see section 5 of this IM); and
- fees for services provided to Investee Companies and other entities and training fees for conducting consulting workshops and seminars and through the Pollenizer Academy (please see section 6 of this IM).

## 4.5 FINANCIAL POSITION OF THE COMPANY

Attached as Annexure A is the Financial Accounts.

# 5

# Investee Companies

## 5.1 GENERAL

The core activity of the Pollenizer Group is co-founding and investing in new companies in exchange for equity. Growth in the value of the Pollenizer Group will primarily be achieved by increasing the value of the Investee Companies.

Details of:

- (a) how the Pollenizer Group identifies potential Investee Companies and the Co-Founder, Co-Investor and Corporate Partnership relationship is set out in section 5.2 of this IM;
- (b) how the Pollenizer Group invests in Investee Companies is set out in section 5.3 of this IM;
- (c) how Pollenizer Group manages its Investee Companies is set out in section 5.4 of this IM;
- (d) how Pollenizer Group generates value from its Investee Companies (through capital raisings, dividends and exits) is set out in section 5.5 of this IM;
- (e) the Pollenizer Group's current investments in Investee Companies is set out in section 7 of this IM; and
- (f) an example of Pollenizer Holdings Pty Limited's exit from an Investee Company, which was run and managed by the same management team as that of the Company, is set out in section 8 of this IM



## 5.2 IDENTIFICATION OF POTENTIAL INVESTEE COMPANIES

### (a) Focus of the Pollenizer Group

The Pollenizer Group focuses on starting and scaling high growth, high potential businesses that are in the web and mobile spaces. It also focuses on “gaps” existing in the marketplace and the potential for technologies that may fit those gaps.

### (b) Criteria for potential Investee Companies

A potential Investee Company is preferred to have all or a combination of the following attributes:

- (1) have a business plan (or be capable of putting in place a business plan) that involves charging or making money through direct operation and not through advertising or freemium model, where the product is given away for free to reach scale and then monetised;
- (2) have a product that is able to be validated through customer development at a small unit scale;
- (3) have a product for which it is possible to deliver a first version within eight weeks (often referred to as a ‘Minimum Viable Product’);
- (4) have a product/business that has the potential to be scalable; and
- (5) have a business that has a cost-effective way to acquire the first \$10,000 in revenue.

### (c) Co-Founders, Co-Investors and Corporate Partnerships

In forming new Investee Companies the Company works to ensure that there is as strong a team as possible to be able to pursue the opportunity. This typically includes the core founding team (with leadership, engineering and marketing) and co-investment (to de-risk the investment). These roles can be played by a mix of individuals and corporates.

#### (1) Co-Founder Key Criteria

The Pollenizer Group has a preference to work with co-founders who have all or a combination of the following:

- (A) the ability and willingness to take equity in the business in exchange for full salary;
- (B) the ability to be solely dedicated and committed and **not** be engaged elsewhere, whether part-time or otherwise;
- (C) the ability to produce innovative and marketable products with minimum capital expenditure;
- (D) the ability and willingness to be actively involved in sales;
- (E) the ability to attract investment;
- (F) domain/industry experience; and
- (G) the willingness to enter into a long-term partnership with the Pollenizer Group.

## (2) Co-Investor Key Criteria

The Pollenizer Group has a preference to work with co-investors who have all or a combination of the following:

- (A) a minimum of three years of domain/industry experience;
- (B) the ability to co-invest as well as attract other investment from their network immediately and at key funding stages in the business;
- (C) the ability to dedicate time to support the co-founding team and the business at key points in its life, especially in the first 12 months; and
- (D) the willingness to enter into a long-term co-founding partnership with the Pollenizer Group.

## (3) Corporate Partnerships Key Criteria

The Pollenizer Group has experience and the capacity to work with corporate entities as partners (co-founders and/or co-investors) in the creation of new companies. Each corporate opportunity is treated on a case by case basis. The following factors are considered in evaluating such deals:

- (A) significant commitment by senior management to the Pollenizer Group process;
- (B) adequate allocation of resources including the time required to develop a new business; and
- (C) adequate reward for the investment and risk by the Pollenizer Group.

## (d) Identification Process

<b>1</b> IDENTIFICATION	Potential Investee Companies are identified through a range of initiatives and processes. These include referrals (which is the source of more than 80% of selected businesses), networking events, marketing, media and approaches through the Company website.
<b>2</b> FILTERING	Initial filtering of these founders and business entrepreneurs is done with an aim to accept only web and/or mobile, idea stage businesses.
<b>3</b> POLLENIZER ACADEMY	Potential candidates attend two days of Pollenizer Academy (as detailed in section 6.2(b)) to test both the idea and the co-founder's entrepreneurial capacity.
<b>4</b> PRELIMINARY OFFERS	Preliminary offers are then made to the co-founder.
<b>5</b> FINALISTS PITCH	Finalists pitch to an investment committee or the Board who make a recommendation to proceed.



## 5.3 INVESTMENTS IN INVESTEE COMPANIES

### (a) Initial investments

The Pollenizer Group generally seeks 25% to 75% of the equity in an Investee Company, depending on the context of the specific deal. Factors influencing how much equity is taken by the Pollenizer Group includes:

- (1) the total amount of capital required for the business;
- (2) the number and experience of co-founders;
- (3) any pre-existing intellectual property/technology (i.e. intellectual property/technology that has been developed independently of the Pollenizer Group; and
- (4) the role that the Pollenizer Group will play in the business.

For collaborations with corporate incubated ventures; the established companies invest cash, and the Pollenizer Group may take less equity (typically 5% to 20%) in exchange for the Pollenizer Group's services for new venture creation. These opportunities aim to produce profit over asset growth.

### (b) Subsequent investments

The Pollenizer Group sets target milestones for its Investee Companies. If the Investee Company achieves these milestones, the Pollenizer Group may decide to make additional tranche investments or seek additional funding from third party investors. Future funding is only available to those Investee Companies that show promise of return on investment.

The Pollenizer Group may also invest in an Investee Company by way of loan. This is dependent on the financial health of the Investee Companies, potential risk factors attached to the investment and other broad macro-economic factors. The loans extended to the Investee Companies may be unsecured and investors should be aware that such lending activities may be risky and result in a loss of capital in the event of a default or if the Investee Company fails to progress to a standalone business. As far as practically possible, the Board will endeavour to reduce this risk by ensuring that the loan amount is a small fraction of the total investment.

## 5.4 MANAGEMENT OF INVESTEE COMPANIES

### (a) Management and Board Seats

Startup companies are generally inexperienced in management and risk containing strategies. The experienced management team at the Company aims to assist and guide the Investee Companies through the growth cycle of the product or business. The Pollenizer Group also assists the development and management of Investee Companies through the services it provides to that Investee Companies. Further details of the services provided are set out in section 6 of this IM.

## **(b) Decision making process for Investee Companies**

When the Pollenizer Group makes an investment in an Investee Company, it enters into a shareholders' agreement with the other co-founders and co-investors (if any). In the majority of Investee Companies, the Pollenizer Group has a right to appoint a person to the board of directors of the Investee Companies. This is generally set out in the shareholders' agreement. Those rights enable the Pollenizer Group to:

- (1) manage their investment closely and reduce business and commercial risk to the extent possible;
- (2) streamline and influence business strategies; and
- (3) satisfy compliance and corporate governance requirements by monitoring the Investee Company's finance and operations team.

The Pollenizer Group also seeks to negotiate the right in the shareholders' agreement to make or veto key decisions for Investee Companies, including:

- (1) deciding and controlling the scope and direction of its R&D activities and the manner in which the activities are undertaken;
- (2) using the Investee Company's intellectual property in the manner best seen fit to exploit the opportunities; and
- (3) having the power to end or terminate a project if it is deemed appropriate.

## **(c) Government Support**

In order to further leverage the investment capital and to support the growth of the Investee Companies, the Pollenizer Group may assist Investee Companies to apply for government programs and other incentives:

- (1) in Australia:
  - (A) Commercialisation Australia \$1-\$4 in support for every \$1 from the company
  - (B) Export marketing development grants; and
  - (C) R&D Tax Offset of up to 45% of research and development expenditure.
- (2) in Singapore:
  - (A) NRF and iJam – Singapore government Startup funds which can provide \$1-\$6 in funding for every \$1 invested; and
  - (B) Spring Singapore, cash grants, tax exemptions, and dollar matching for seed Startup investments.

The standardised approach that the Pollenizer Investee Companies follow under the Pollenizer Group's model should increase the probability of success in seeking and receiving Government support.



## 5.5

### VALUE CREATION AND EXITS

#### (a) Capital Growth

Pollenizer Group invests capital and intellectual property to create new Investee Companies. The goal is to invest the smallest amount of capital appropriate, for as much equity as possible, in a portfolio of companies with large growth opportunities with as much risk removed as possible.

By applying the Pollenizer Group processes and knowledge, the Company aims to increase the capital value of the Investee Companies and hence the total asset value of the portfolio. The milestones of growth are typically expressed in rounds of capital raising at progressively higher valuations, until significant revenues are earned and then profits earned.

Due to the availability of low cost or free tools (such as software development languages and analytics tools) and highly scalable distribution systems (such as Google advertising, Apple application store and social media), the companies that the Company focuses on require significantly lower amounts of capital compared to traditional businesses. The other advantage of cost effective, highly scalable distribution is that the Company is able to more quickly see if a new Investee Company has adequate potential, ensuring that capital is allocated as efficiently as possible.

Because the Pollenizer Group invests at the very start of a new business, it is able to achieve the highest amount of capital growth possible. Web and mobile focused Investee Companies are often able to serve global markets with minimal operating cost and infrastructure, creating a significant profit producing opportunity. This is evidenced by Atlassian, a global technology company created by two Australians which has produced global revenues of over \$100m without a salesforce.<sup>1</sup>

With a portfolio of Investee Companies, the Company is able to spread the risk of a single business not succeeding impacting the overall capital value.

#### (b) Dividends – Investee Companies

Investee Companies may from time to time declare dividends. As a shareholder, the Pollenizer Group will receive those dividends. However, as the Investee Companies tend to be new ventures, it is unlikely that dividends will be paid in the first three years, as all cash generated by the Investee Company is generally used to fund the expansion of the business. There is no requirement for the current Investee Companies to provide specific returns within a set period of time. This provides the opportunity to hold shares in the Investee Company for the long term and receive returns via dividends.

<sup>1</sup> Source: [http://blogs.atlassian.com/2011/08/press\\_release\\_atlassian\\_caps\\_massive\\_revenue\\_growth\\_with\\_key\\_executive\\_hires/](http://blogs.atlassian.com/2011/08/press_release_atlassian_caps_massive_revenue_growth_with_key_executive_hires/)

### **(c) Exit Strategy – Investee Companies**

Divestment of an Investee Company is expected to occur between 3-6 years from inception. Primary forms of transaction are acquisition of the Investee Company through a trade sale or liquidity through an IPO. Exit timing and returns will depend on the board of the Investee Companies view on the future prospects and alternatives.

The ability of the Investee Company to obtain a trade sale or other exit is subject to a number of factors many of which are outside the control of the Company. The Investee Companies are expected to be aligned and maintained in accordance with the Pollenizer Group's standardised administrative and compliance processes, such as the creation of a dataroom. This will support efficient portfolio reporting and readiness for due diligence that will be required to be conducted by potential buyer.

### **(d) Dividends – Company**

Funds received from the sale of businesses in the portfolio or the receipt of dividends would be used to fund new Investee Companies as well as provide working capital for the business. In this way, the Company has the opportunity to create a sustainable and perpetual investment model. This is a strategic competitive advantage for the Company. Compared to pure venture capital funds, the Company does not have to return all funds by a set point, hence limiting the investment choices and time frames. Compared to software development agencies, the Company is able to capture a significant proportion of the value that it creates in successful companies. Returns over and above those required to maintain the creation and growth of Investee Companies may, at the discretion of the Board, be paid to Shareholders as dividends. Please see section 13.8 of this IM in relation to the risks associated with dividends and section 14.1 (b) of this IM in relation to the rights to dividends attaching to the Shares.

### **(e) Exit Strategy – Company**

The Company as an entity itself, may attract acquisition opportunities in the future. The value of the Company lies in the core intellectual property and its people. The Pollenizer Group's core intellectual property includes:

- (1) the Startup development processes and methodology;
- (2) the software development platforms;
- (3) the marketing tools and systems; and
- (4) the education content and templates.

The core asset value also grows as the number of people and offices increase, due to increased surface area, market access and scale of the operation.

Technology service companies that have similar business models to that of the Pollenizer Group, have been acquired by companies like Accenture, IBM Global Services, EMC, Google Ventures and Singtel.



# 6

# Services and Training

## 6.1 SERVICES

### (a) Services provided to Investee Companies, Corporates and other Startups

Each Investee Company is required to pay for mandatory services provided by Pollenizer Group in order to recover costs. They include:

- (1) design services including visual, branding, user experience and user interface;
- (2) finance and operations including company setup, banking, invoicing and accounts;
- (3) Pollenizer Academy professional training courses and books (as detailed in section 6.2(b));
- (4) workshops, public speaking and consulting;
- (5) use of working spaces;
- (6) other services

These services are also provided by the Pollenizer Group in return for fees to third party Corporates and other Startups (in other words, third party businesses in which the Company does not have an equity interest) as capacity allows.

### (b) Talent Acquisition

It is difficult to find people who have played a material role in forming multiple Startups outside of Silicon Valley USA. As a result, the Company has created a continuous scouting recruitment strategy.

The Company has developed talent acquisition capability in the Australian and Southeast Asian markets. Events are hosted by the Company in order to reach a wider network of talent and entrepreneurs. These events have proven to be an efficient resource channel to develop existing businesses or create new businesses.

As Investee Companies grow, they need to be provided with talent rapidly. The database of candidates that the Company builds is able to increase the speed and decrease the costs associated with staff hiring.

### (c) Purpose of services

These services are provided to support the growth of the Investee Companies as efficiently and cost effectively as possible.

Services to Corporates and other Startups provides cost coverage during low capacity times and profit generation which supports coverage of overhead costs.

## 6.2 TRAINING

### (a) Education Services

The Pollenizer Group offers education services to people and entities in Australia and Southeast Asia.

### (b) Pollenizer Academy

Pollenizer Academy has been established to equip individuals and teams with the practical knowledge needed to build a successful business using the principles of 'lean' methodology. Using proprietary Startup tools and techniques, Pollenizer Academy courses balance theoretical principles with hands-on guided workshops.

Courses are run monthly between Sydney and Southeast Asia, where the Company has its offices.

"Building Lean Startups" is the first course that takes participants from an initial idea to a business. The approach has attracted large organisations looking to develop internal innovation programmes and infuse staff with an entrepreneurial mindset.

The courses provide the Pollenizer Group with additional revenue. They also support the Company with identification of new Investee Company opportunities and talent.

Examples of previous attendees of Pollenizer Academy are Mi9, Fairfax Digital and Optus.

### (c) Talent Development

Investee Company employees are trained and receive experience through the Company network that is rare outside of major Startup ecosystems such as Silicon Valley. Training opportunities include;

- (1) Pollenizer Academy (please see section 6.2(b) of this IM);
- (2) Regular 'brownbags' where team members teach new lessons and tools to fellow Pollenizer Investee Company team members;
- (3) Books, research papers and videos shared on the internal systems;
- (4) Events and talks given by mentors and outside experts;
- (5) Seminars and conferences around the world.



7

# Current Investee Companies

# WooBoard

7.1

## WOOBOARD PTY LIMITED

[www.wooboard.com](http://www.wooboard.com)

### (a) Business

WooBoard Pty Limited (**WooBoard**) was built to create a new habit of peer recognition in workplaces around the world. Lack of recognition is one of the leading causes of low productivity, staff turnover and sick days. Managers and HR departments globally are struggling to effectively provide meaningful, daily recognition.

WooBoard is a Software as a Service (SaaS) based enterprise solution that has been designed to motivate and engage staff and align them with the company values using peer recognition.

WooBoard is a very simple to use and can accessed via the web, email or mobile device.

For Employees:

- to send recognition takes 20 seconds:
  - select a person to recognise
  - enter a description of what the recognition is for; and
  - attach a company value that matches the recognition

For Managers:

- to see what staff and others have done that day and recognise them
- to see which company values are being “lived out” by team members in their roles
- to assess the level of staff connectedness
- to assess the level of influence within teams
- to assess the level of staff connectedness, influence and support
- to benchmark against other companies
- to identify staff demonstrating disengaged behaviour

### (b) Market Scope

WooBoard is the first enterprise based SaaS based solution that enables HR management to measure and influence staff behaviour and value alignment in real time. The HR issues that WooBoard solves and the management value it creates has led to strong demand and trials from large corporates and small to medium businesses in more than 10 countries.

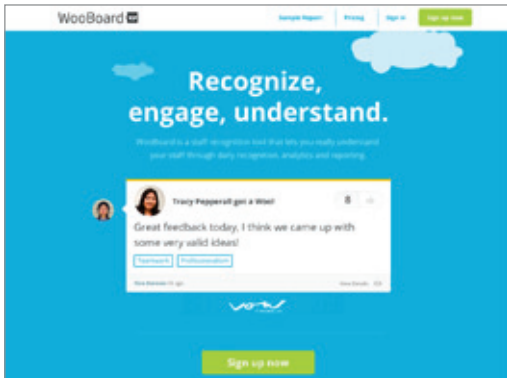
### (c) Opportunities

WooBoard has received investment from venture capital firm Southern Cross Ventures partners, Elevation Capital and David Koch. As commercial success increases, the investors have expressed interest in investing further to support growth and potential entry to the US market.

WooBoard has over 50 active companies, with more than 2,000 users creating over 50,000 moments of recognition. There has been significant interest from organisation change consultants and other HR software providers to partner and on-sell WooBoard.

### (d) Pollenizer Group's holding

The Pollenizer Group currently holds 4.14% of the issued capital of Wooboard.



# Flik GIFT

## 7.2

### FLIKGIFT PTY LIMITED

[www.flikgift.com](http://www.flikgift.com)

#### (a) Business

FlikGift Pty Limited (**FlikGift**) is a social gifting platform. The core value proposition is to provide its users with a fun and easy way to celebrate their friends. This is achieved by providing added value to a standard gift. For example when someone starts a gift for a friend on FlikGift, they are given financial rewards for unlocking specific achievements. The achievements vary depending on the gifts but could be triggered by, for example, inviting some friends to “chip-in”, reaching a certain amount within a certain time, and/ or getting specific people to chip-in.

For the retail partners, FlikGift is a customer acquisition channel. Retailers use FlikGift to acquire new customers or reactivate dormant ones. To do this, the retailers sponsor a certain amount of money on the gifts. To our retail partners, this is a customer acquisition cost, just like the cost they see running ads for example. The advantage is that this cost guarantees them a paying customer as it only becomes a cost if the customer actually uses the card at the retailer’s website or store.

#### (b) Market Scope

The social gifting space has been growing rapidly in the past twelve months with large investments being made by leading companies such as Facebook (acquiring social gifting Startup Karma for US \$80 million) and Venture Capital (VC) funds such as Greylock and Atomico (Wrapp raised US \$5.5 million).

The Company saw an opportunity to establish a social gifting business in the Australian market and have decided to invest time and money in the creation and development of FlikGift.

#### (c) Opportunities

FlikGift’s latest experiment with the ‘Mystery Box’ demonstrated interesting opportunities when selling products directly from the manufacturer to the customer (higher margins, faster movers, clearer value proposition to customer).

#### (d) Pollenizer Group’s holding

The Pollenizer Group currently holds 21.87 % of the issued capital of FlikGift.



# accruto

## 7.3

### APN INCEPTION PTY LIMITED

[www.accruto.com](http://www.accruto.com)



#### (a) Business

APN Inception Pty Limited (**Accruto**) was established to help employers find great talent through an innovative software solution that automates many of the manual processes typically performed by a recruiter, whilst using social networks as a foundation for these processes.

It is based on the belief that trusted referrals provide the best hires for businesses because they not only uncover better candidates that fit a company's culture, but the candidates also remain employees of the company for far longer.

#### (b) Market Scope

More often than not, recruiters and job ads drive unwanted candidates that are a poor fit for a company or have the incorrect skill set. We believe a hiring manager need only ask three people to unlock the power of their trusted network to find great talent, whilst smart lists and skill matching algorithms make filtering and harnessing the power of networks even easier.

Therefore, it is Accruto's objective to harness the power of an individuals trusted network in order to automate the friend-of-a-friend (Foaf) recruitment process - thus, at once, removing the requirement to engage expensive recruitment professionals and increasing the quality of potential candidates.

#### (c) Opportunities

Accruto's goal is to create a system that reflects what executive search professionals do today at a fraction of the time and cost. The goal is to have users making regular lists with 70% of them being active (with entries) and each list to generate 10 qualified leads through the Accruto technology.

If this is achieved we intend to commence commercialisation of the technology by charging users a monthly subscription fee.

#### (d) Pollenizer Group's holding

The Pollenizer Group currently holds 20% of the issued capital of Accruto.





## 7.4

### FROM LITTLE THINGS EVENTS PTY LIMITED

[www.fromlittlethings.co](http://www.fromlittlethings.co)



#### (a) Business

From Little Things Events Pty Limited (**From Little Things**) is an industry news source and ongoing series of events for Australian Startups.

Since launching in 2012, From Little Things has built a regular following of Australian Startup founders, industry representatives and the Government. The focus is on sharing stories that help Startup founders become better at building their companies. It also focuses on providing the Government with a better understanding of the changes facing the Startup industry.

#### (b) Market Scope

Startups are changing the way business is done across every industry and From Little Things aims to be the publication that covers these changes.

#### (c) Opportunities

From Little Things launched its events series in late February.

It is exploring potential content and revenue sharing partnerships with companies such as Mi9, and SG Entrepreneurs.

It is expanding the digital publication to include more video content and exploring opportunities for additional research following the launch of the Silicon Beach report with Deloitte last year.

Additional revenue streams are being explored, such as content sharing, charging fees for research reports and further expansion into training and events.

#### (d) Pollenizer Group's holding

The Pollenizer Group currently holds 75% of the issued capital of From Little Things.

# Tiwala

7.5

## TIWALA PTY LIMITED

[www.tiwala.co](http://www.tiwala.co)

### (a) Business

Tiwala Pty Limited (**Tiwala**) was created to solve the problem of failed cash on delivery transactions, in developing markets in Southeast Asia, by getting customers to make a down payment on the purchase using premium SMS. Here's how it works:

- (1) merchant integrates Tiwala into the checkout process using an API;
- (2) consumer provides phone number as part of the checkout process;
- (3) consumer receives an SMS asking them to confirm their purchase;
- (4) if they reply, their SIM card will be deducted a token amount. This deduction is known as a "premium SMS"; and
- (5) Tiwala's premium SMS acts as a deposit, weeding out non-serious customers and building a relationship with serious ones.

### (b) Market Scope

The market for Tiwala's services is enormous and growing fast. In today's market, e-commerce providers reduce cash on delivery failure by using brute force methods like call centres to confirm customer intention or else simply accepting the cost of failed deliveries as a business expense. In comparison to these approaches Tiwala offers a more automated and scalable solution.

As Tiwala grows its customer base, it will augment basic transaction tools with analytics that allow e-commerce sites to measure their performance for cash on delivery transactions against industry-wide baselines.

E-commerce is exploding in India and Southeast Asia, providing long suffering shoppers access to more goods, greater convenience and better prices. Investors have poured money into developing market e-commerce. For example, India's leading e-commerce portal Flipkart raised US \$ 150 million in 2012<sup>2</sup> while Lazada, one of Southeast Asia's largest e-commerce plays, has raised nearly US \$ 100 million over the past two years<sup>3</sup>.

### (c) Opportunities

Initially targeted at the Indian market, Tiwala is now pivoting to focus on Southeast Asia, with Philippines as the first target market. The short term plan for the business is to sign up merchants in the Philippines and validate the power of Tiwala technology in that fast growing market.

As multiple merchants are signed up, we will begin to build out the analytics platform to provide actionable industry-wide baselines as well as the customer database to begin tracking cash on delivery transactions for individual customers across multiple vendors.

Longer term growth plans include expansion to other Southeast Asian markets and possible moves into other related product areas such as last mile cash pickup services.

### (d) Pollenizer Group's holding

The Pollenizer Group currently holds 98% of the issued capital of Tiwala.

<sup>2</sup> <http://timesofindia.indiatimes.com/business/india-business/Cash-strapped-Flipkart-raises-150m/articleshow/15650742.cms>

<sup>3</sup> <http://sgentrepreneurs.com/2013/01/23/rocket-internets-lazada-gets-almost-usd20m-from-german-retail-group-tengelmann/>





# LAWPATH

7.6

## LAWPATH

(in the process of being incorporated under the proposed name LawPath Holdings Pty Limited)

[www.lawpath.com.au](http://www.lawpath.com.au)



### (a) Business

Lawpath will allow small/medium scale businesses to subscribe to legal services for a low monthly cost. Subscribers will pay a monthly subscription to get 3 x 30 minute phone calls for legal assistance per month.

- AusHelp connects subscribers to Australian lawyers only
- GlobalHelp plan connects subscribers to lawyers globally

This business is being co-founded with investor, Nick Abrahams. Nick is a partner at Norton Rose and a highly regarded expert in the field of M&A for technology, media and telecommunication sectors.

### (b) Market Scope

The legal industry is being disrupted as online companies provide more economical means for services to be provided to customers. Automation and offshoring are transferring value out of law firms and into new entrants at a moment in history when legal services are increasingly required by businesses and individuals.

The largest player in this area is LegalZoom in the US. LegalZoom made US \$156 million in 2011 and is expected to IPO in the next 12 months.

### (c) Opportunities

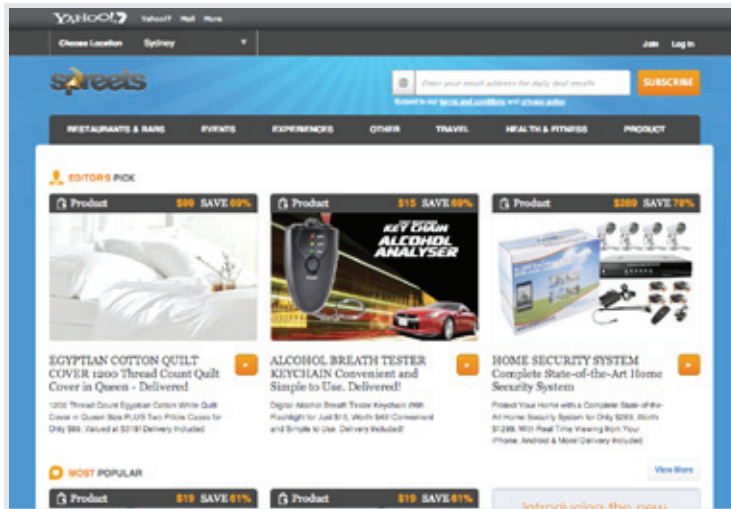
This brand new business was conceptualised in early 2013 and has strong access to business customers and lawyers, many of whom have expressed interest already. Traction will be driven in the Australian market initially followed by an early expansion into Southeast Asia.

### (d) Pollenizer Group's holding

The Pollenizer Group is proposed to hold 38.5% of the issued capital of LawPath.

8

# Case Studies



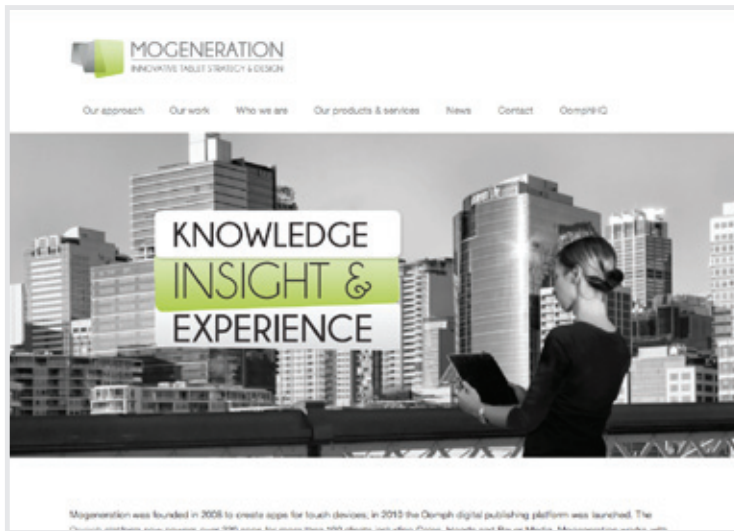
## 8.1 SPREETS

www.spreets.com.au

Pollenizer Holdings Pty Limited launched Spreets with Dean McEvoy as CEO, in February 2010 and it was sold in just 11 months after incorporation to Yahoo!7 for approximately \$40 million.

With the success of 'Groupon', Dean, along with Philip David Morle of the Company began researching the fast growing group buying industry and decided to launch a similar business focused on the Australian market.

The first version was launched to customers in five weeks achieving strong revenues of over \$10,000 per day. Capital was secured from European investors Klaus Hommels and Oliver Jung. Justus Hammer was hired as head of marketing and a distribution partnership was created with Brands Exclusive. Revenues continued to grow, reaching approximately \$4 million per month by January 2011 when Spreets was 100% acquired by Yahoo!7 for approximately \$40 million.



## 8.2 MOGENERATION

<http://www.mogeneration.com>

Taking advantage of the fast growing tablet application and content industry, Mogeneration has developed a successful digital publishing platform and services business.

Michael John Liubinskas of the Company drove the founding of Mogeneration in September 2008. He brought together Keith Ahern and Tom Adams as the co-founders and investment from seasoned entrepreneurs Chris Hitchen (Getprice.com.au, Newscorp), Ilkka Tales (Engine) and Graham Dawson. Immediate revenue was generated through iPhone application development services from corporate houses and Startups. In 2010, the team built the Oomph digital publishing platform to provide creation, publishing, management, monetisation and analytics of applications. Oomph now powers 287 applications that are installed in over two million devices. The Oomph apps have had over 300 million total sessions. Currently, Mogeneration has 112 paying licensees.

Mogeneration's growth and market opportunity attracted investors, including the senior management of Hitwise Simon Chamberlain and Andrew Walsh. In 2012 Mogeneration appointed Paul McCarney as chairman and reached profitability, with marquee clients such as Honda, Qantas, Coles Myer and ACP Magazines.

# 9

# Market Overview

## 9.1 MARKET OPPORTUNITY

### (a) Overview of the Technology industry

For the past 70 years, the global technology industry has been growing and providing infrastructure for increased productivity, health, wellbeing and happiness. Since the invention of the World Wide Web graphical browser of the Internet in 1991<sup>4</sup> and the growth of mobile phones, the speed and proliferation of technology has increased, along with the benefits to its consumers. By way of example, since 2008, annual online revenue has exceeded US \$ 1 trillion globally<sup>5</sup>. The business opportunity presented by the number of customers and the potential to earn revenue online is vast.

### (b) Optimisation of Investment Funds

Technologies such as programming languages, application program interfaces and analytics have allowed for more business ideas to be pursued faster and with less capital. Marketplaces provided by companies such as Apple, Facebook and Google have allowed new products to reach millions of customers in all markets faster than ever.

Startups today are better positioned to create and develop software, with lower marginal costs, than they would have years ago. This is due to the availability of efficient and cheap software development tools, advanced social media platforms and access to a broad base of customers. Owing to these advantages, Startups are able to test a product quickly to gauge appeal from customers. The product is then modified and moulded to suit the needs of the paying customer. Once successful scale has been achieved, there is great potential for superior cash flow and revenue generation. This model proves ideal because products and ideas are tested with minimal capital expenditure and therefore has the potential to provide risk-adjusted returns for investors. These trends provide for an era of significant value creation opportunities.

<sup>4</sup> Source: Communications of the ACM, Vol. 37, No.8, 1994

<sup>5</sup> Source: The Internet Economy in the G-20, BCG, 2012

### (c) Market Opportunity in Australia

The Australian Government has recognised that there is increased Startup activity in Australia. Government support is rendered through the R&D tax credit system<sup>6</sup> and government grants<sup>7</sup>, which provide a certain level of protection for Startup companies.

Despite Government support, there is a distinct lack of capital to fuel Startups to aid them in reaching the growth stage<sup>8</sup>. This situation presents the Pollenizer Group with an attractive investment opportunity that has, in the Directors' opinions, the potential to reap attractive returns over the coming years.

### (d) Market Opportunity in Southeast Asia

The Startup ecosystem in Southeast Asia is also growing rapidly and governments in these countries are giving support to foster this expansion. Notably, the Singapore Ministry of Trade and Industry has set up Spring Singapore<sup>9</sup>, an agency aiming to assist the Startup community through cash grants, tax exemptions, and dollar for dollar matching for seed Startup investments.

This should encourage further Startup activity, which Pollenizer Singapore as part of the Pollenizer Group will seek to take advantage of.

Further, as internet usage increases and capabilities expand in Southeast Asia, Startup activity would be encouraged.

### 2.4B Global Internet Users in 2012\* – 8% Y/Y Growth\*, Driven by Emerging Markets

Rank	Country	2008-2012 Internet User Adds (millions)	2012 Internet Users (millions)	Y/Y Growth %	Population Penetration %
1	China	282	538	10	40
2	India	88	137	26	11
3	Indonesia	39	55	58	23
4	Iran	35	42	205	55
5	Russia	33	70	6	49
6	Nigeria	31	48	15	30
7	Philippines	28	34	32	35
8	Brazil	27	88	6	45
9	Mexico	19	42	9	37
10	USA	18	244	3	78
11	Argentina	17	28	57	68
12	Egypt	17	30	11	38
13	Colombia	14	25	39	54
14	Turkey	13	35	17	47
15	Vietnam	12	31	7	35
	<b>Top 15</b>	<b>673</b>	<b>1,447</b>	<b>15</b>	<b>34</b>
	<b>World</b>	<b>902</b>	<b>2,406</b>	<b>8</b>	<b>34</b>

Note: \*Data as of 6/12, 2.4B global internet users and 8% Y/Y growth rate based on the latest available data.

Source: United Nations/International Telecommunications Union, internetworldstats.com

<sup>6</sup> Source: AusIndustry, 2012

<sup>7</sup> Source: AusIndustry, 2012

<sup>8</sup> Source: AusIndustry, 2012

<sup>9</sup> Source: AusIndustry, 2012



### (e) Access to Global Markets

Whilst it is different for each business, many technology ventures have minimal barriers to entry into global segments. Australian companies are well positioned to take new web businesses to a global market. Australia has strong links to the USA and Europe, and growing links and strong proximity to Asia.

Most of the Investee Companies in the Pollenizer Group will seek to access international markets at some stage.

## 9.2 MARKET CASE STUDIES

The increased level of activity in the technology sector indicates that there is rapid evolution occurring within the seed/early stage/Series A funding ecosystem. This section looks at the success of incubators, accelerators, software development companies and Startups in recent years.

### (a) Incubators and Accelerators

Producing companies through a program of support has existed since 1959<sup>10</sup>. Today, with the combination of low cost development tools and large scale, global distribution channels, technology incubators have the potential to produce significant returns. Below are some examples of organisations and the value they have facilitated.

#### Y Combinator

(<http://ycombinator.com/>)

Based in Silicon Valley, Y Combinator is an accelerator for Startups. Their Startup program involves investing a small sum of money into a large number of Startups, getting them to work on their project for three months and then subsequently, each of the Startups pitch their ideas to investors on a Demo Day. YCombinator was valued at \$ US 7.78 billion on 30th April 2012<sup>11</sup>.

#### Spark Ventures

(<http://www.sparkventures.com/>)

Formerly known as NewMedia Spark, Spark Ventures has been operating for over 16 years in a Startup investment capacity. In 1999 NewMedia Spark was listed on AIM (a part of London Stock Exchange) and today (trading as SPARK Ventures plc) it has a market capitalisation of GBP 54.2 million. For the year ended 31st March 2012, net profit after tax was approximately GBP 10 million<sup>12</sup>.

<sup>10</sup> Source: [http://www.nbia.org/resource\\_library/history/](http://www.nbia.org/resource_library/history/)

<sup>11</sup> Source: <http://www.forbes.com/sites/tomiogeron/2012/04/30/top-tech-incubators-as-ranked-by-forbes-y-combinator-tops-with-7-billion-in-value/>

<sup>12</sup> Source: [http://www.sparkventures.com/Assets/33341/spark\\_ar\\_17103.pdf](http://www.sparkventures.com/Assets/33341/spark_ar_17103.pdf)

### Intertainment Media

(<http://www.intertainmentmedia.com/>)

Intertainment Media is a Canadian technology incubator and focuses on investing and building companies that 'provide technology solutions for brands and consumers alike'. They have also been selected as a Microsoft Global Agency Initiative partner. Market capitalisation of \$CAD 45 million<sup>13</sup>, net asset value of \$ CAD 31 million as at 30th June 2012.

### Idealab

([http://www.idealab.com/about\\_idealab/](http://www.idealab.com/about_idealab/))

Based in California, Idealab is a technology incubator and has been operating since 1996. It raised \$ US 1 billion from private investors<sup>14</sup>.

### Rocket Internet

<http://www.rocket-internet.de/>

Founded in 2007 by the Samwer brothers in Berlin, Rocket Internet is a German online Startup incubator. The company's business model is to clone successful internet sites, usually from the US (e.g. Groupon), and replicate them in other countries such as Germany (e.g. Citydeal). The sites are then often acquired by the original company (Groupon acquired Citydeal in 2010). Rocket Internet invested into The Iconic, an Australian online retail business in 2012.

Successes:

- sold CityDeal to Groupon for US \$ 126 million
- sold stake in Wimdu for US \$ 90 million
- sold Alando to eBay for US \$ 50 million

### Techstars

[www.techstars.com](http://www.techstars.com)

TechStars is a mentorship-driven Startup accelerator founded by David Cohen, Brad Feld, David Brown, and Jared Polis that holds 13-week programs for Startups across the United States. Fewer than 1% of the companies that apply to TechStars are accepted. Of the 114 companies that have completed the TechStars program, 92% are active and profitable.

### Science Inc

[www.science-inc.com](http://www.science-inc.com)

Science is an operating entity along the lines of a media company and views each Startup as a new division of the core business, even though its strategy is to hold a minority stake in each Startup. Science created 15 Startups in 2012, nine of which have raised US \$ 35 million over 13 seed and Series A rounds.<sup>15</sup>

<sup>13</sup> Source: <http://ca.finance.yahoo.com/q?s=INTV>

<sup>14</sup> <http://articles.latimes.com/2000/mar/14/business/fi-8605>

<sup>15</sup> <http://pandodaily.com/2013/02/15/having-created-200-la-tech-jobs-in-2012-science-raises-another-30m/>



## (b) Application and Venture Development

The Pollenzier Group has developed and will continue to invest in a core intellectual property. Similar intellectual property has been developed by other companies and monetised directly or via acquisition. Below are some examples:

Company	Description	Acquisition Price
WORKLIGHT <sup>16</sup>	Worklight is an Israeli Startup that provides mobile app development and infrastructure software and was acquired by IBM in early 2012.	US \$ 70 million
CODEGEAR <sup>17</sup>	Codegear builds software development tools and was acquired by Embarcadero Technologies in 2008.	US \$ 24.5 million
SPB SOFTWARE <sup>18</sup>	SPB Software develops mobile apps across all platforms and was acquired by Yandex in 2011.	US \$ 38 million
ROUNDARCH <sup>19</sup>	Roundarch develops websites, mobile apps, social media apps, marketing campaigns and was acquired by Aegis Group in 2012.	US \$ 125 million
DANGER <sup>20</sup>	Danger designed and developed hardware, software and services for mobile devices and was acquired by Microsoft in 2008.	US \$ 500 million

## (c) Startups

Below outlines the valuation of a few Startups at exit/capital raise:

Startup	Description of Startup	Launch	Capital Raised / Valuation (Exit or Public Valuation)
SUREPAYROLL <sup>21</sup>	Online payroll provider	2000	Sold for US \$ 115 million to Paychex in 2011.
LINKED IN <sup>22</sup>	Business networking website	2002	Listed on Nasdaq. Current market capitalization of US \$ 16.84 billion.
OKCUPID <sup>23</sup>	Friendship and dating website	2007	Sold for US \$ 50 million to IAC.
GROUPON <sup>24</sup>	Group buying website	2008	Listed on Nasdaq. Current market capitalization of US \$ 3.67 billion.
AARDVARK <sup>25</sup>	Q & A website	2008	Sold to Google for US \$ 50 million in Feb 2010.
99 DESIGNS <sup>26</sup>	Crowdsourced graphic design community	2008	Raised \$ US 35 million from multiple investors in Series A.
DESIGNCROWD <sup>27</sup>	Crowdsourced graphic design community	2008	Raised \$ 3 million from Starfish Ventures

<sup>16</sup> <http://techcrunch.com/2012/01/31/ibm-buys-html5-app-development-company-worklight-to-expand-mobile-enterprise-services/>

<sup>17</sup> <http://en.wikipedia.org/wiki/CodeGear>

<sup>18</sup> <http://eng.cnews.ru/news/top/indexEn.shtml?2011/11/28/466076>

<sup>19</sup> <http://www.adweek.com/news/advertising-branding/aegis-group-buys-roundarch-125m-138453>

<sup>20</sup> <http://techcrunch.com/2008/02/11/meanwhile-microsoft-buys-danger/>

<sup>21</sup> <http://en.wikipedia.org/wiki/SurePayroll>

<sup>22</sup> <http://finance.yahoo.com/q?s=LNKD&q=0>

<sup>23</sup> <http://techcrunch.com/2011/02/02/match-com-acquires-online-dating-site-okcupid-for-50-million-in-cash/>

<sup>24</sup> <http://finance.yahoo.com/q?s=GRPN>

<sup>25</sup> <http://techcrunch.com/2010/02/11/google-acquires-aardvark-for-50-million/>

<sup>26</sup> <http://techcrunch.com/2011/04/28/accel-invests-35m-in-99designs-after-years-of-trying/>

<sup>27</sup> <http://techcrunch.com/2011/11/02/crowdsourcing-platform-for-creative-projects-designcrowd-raises-3-million/>

Startup	Description of Startup	Launch	Capital Raised / Valuation (Exit or Public Valuation)
SHOES OF PREY <sup>28</sup>	Online women's custom shoe retailer	2009	Raised US \$ 3.05 million from multiple investors in seed and Series A.
INSTAGRAM <sup>29</sup>	Photosharing app	2010	Sold to Facebook for US \$ 1billion in April 2012.
STYLETREAD <sup>30</sup>	Online shoe retailer	2010	Raised US \$ 4 million from Nine Entertainment in 2011 (6 months after startup). Valuation of US \$ 20 million.
GRABBLE <sup>31</sup>	Online bug tracker for web designers and clients	2011	Raised US \$ 500 thousand from Starfish Ventures.
	Tax receipt scanning app	2010	Acquired by Walmart for undisclosed amount in 2011.
KAGGLE <sup>32</sup>	Predictive modeling and analytics competition platform.	2010	Raised US \$ 11 million from various investors.
	Predictive modeling and analytics competition platform.	2010	Raised \$ US 11 million from various investors.
THE ICONIC <sup>33</sup>	Online retailer	2011	Raised US \$ 25 million from Summit Partners in January 2013. Raised US \$ 25 million from JP Morgan AM in September 2012. Current valuation circa US \$ 100 million.
BUGHERD <sup>34</sup>	Online bug tracker for web designers and clients	2011	Raised US \$ 500,000 from Starfish Ventures.
FLIGHTFOX <sup>35</sup>	Online travel-agent service	2012	Raised US \$ 800,000 in Angel investment.

<sup>28</sup> <http://www.crunchbase.com/company/shoes-of-prey>

<sup>29</sup> <http://techcrunch.com/2012/04/09/facebook-to-acquire-instagram-for-1-billion/>

<sup>30</sup> <http://www.smartcompany.com.au/finance/20110516-nine-entertainment-invests-4-million-in-online-shoe-retailer-styletread-report.html>

<sup>31</sup> <http://venturebeat.com/2011/11/10/walmart-labs-buys-grabble/>

<sup>32</sup> <http://www.crunchbase.com/company/kaggle>

<sup>33</sup> [http://www.brw.com.au/p/entrepreneurs/local\\_vcs\\_under\\_fire\\_as\\_the\\_iconic\\_4tpTcoZK94MI2xXN99fLXM](http://www.brw.com.au/p/entrepreneurs/local_vcs_under_fire_as_the_iconic_4tpTcoZK94MI2xXN99fLXM)

<sup>34</sup> <http://www.crunchbase.com/company/bugherd>

<sup>35</sup> <http://www.crunchbase.com/company/flightfox>



10

# Directors and Management Team

## 10.1 DIRECTORS



### (a) Tony Faure, Chairman/ Non-Executive Director

51-year-old Tony is an experienced business leader and investor who has spent the last 15 years in the digital media, marketing and commerce space. He spent the first decade of his career (1983-1995) in the UK magazine publishing industry with VNU Business Publications in London, rising through the ranks from Sales Executive to become Publisher of several technology titles.

In 1995 he moved his family to Australia and joined APN Computing Group as Ad Sales Manager for Computer Week. In 1996 he became Group Publisher of three titles and helped launch the Australian versions of websites ZDNet and Gamespot. This early exposure to the development of the commercial internet then led to Tony launching Yahoo! Australia & NZ in 1997 as its first General Manager. He went on to become Regional Vice President, South Asia for Yahoo! in 2001-2002, and then left in 2002 to pursue his own early-stage business ideas.

The first of these was the online DVD rental company HomeScreen Entertainment, which he co-founded and of which he was CEO from 2003-05, until the business was acquired by the listed Quickflix. During this period Tony was a member of the boards of Seek and One Digital. From 2006 to 2008 he was CEO of ninemsn, a leading Australian digital media company jointly owned at the time by PBL and Microsoft, and was a Non-Executive Director of i-select.

He left ninemsn in 2008 to found his own company t-4 which actively invests in digital businesses. He was a non-executive director of Australian Independent Business Media (publisher of Business Spectator & Eureka Report) from 2009 until its acquisition by News Limited in 2012 and was Chairman of Lastix from 2009 to 2011. Tony is currently Chairman of the Company. He is also the Chairman of Dealised Pty Limited, data analytics company Torque and youth publishing business, The Sound Alliance.

Tony is also a director of Pollenizer Holdings Pty Limited, Pollenizer Pty Limited, The Sound Alliance Pty Limited, Torque Pty Limited, Hassana Investments Pty Limited, Transire Pty Limited, Dealised Pty Limited and Flikgift Pty Limited.





**(b) Philip David Morle, Chief Executive Officer/Executive Director**

43-year-old Phil, completed a BA (Hons) in Creative and Performing Arts at the University of Northumbria in the UK in 1991. After graduation he founded his own theatre company, KAOS Theatre, which grew into a major company in the UK and Australia over the next 10 years attracting Arts Council of UK and Australia Council funding, touring the world and performing commissions for international arts festivals.

He moved to Perth, Australia whilst Artistic Director of KAOS Theatre and developed a passion for building websites and this became his main focus in 1999 when he retired from theatre to join Sydney company, Access Gaming Systems as a Senior Games Designer. Here, he designed online games for a fully regulated casino platform. In 2000, he moved to Brilliant Digital Entertainment in the role of VP Web Services where he led the team to build the web environment around 3D animation products for the likes of Warner Brothers.

Between 2002 and 2006, Phil was the CTO of Kazaa at LEF Interactive, where he met Michael John Liubinskas (Mick Liubinskas) of the Company. Phil and the team grew the Kazaa business to be one of the most downloaded applications on Download.com with over 300 million downloads. 5 million users at any one time used Kazaa. Phil led an international product and engineering team that spanned Estonia, Israel and Australia.

In 2007, Phil was the CTO of Omnidrive, one of the first cloud storage platforms. He managed an engineering team between India, Australia and USA.

In 2008, Phil formed Pollenizer Pty Limited with Mick Liubinskas. Phil's role in Pollenizer Pty Limited began as the head of product and engineering teams and has since become to lead the development of a platform for building new internet companies. He was one of the co-founders of Spreets, which Pollenizer sold to Yahoo!7 in 2010.

Phil teaches Startup practice to entrepreneurs and corporate houses across Australia and Southeast Asia including teams from Fairfax, Macquarie Group, Optus, Singtel and Globe Telecom.

Phil is also a director of Pollenizer Holdings Pty Limited, Pollenizer Pty Limited, Pollenizer Investments Pty Limited, Pollenizer Pte Limited, Pollenizer Labs1 Pty Limited, Dealised Pty Limited, Ryuu Pty Limited, MythofMe Pty Limited, Pygg Pty Limited, Tiwala Pty Limited, Friendorse Pty Limited, Noble Village Pty Limited and From Little Things Events Pty Limited.



**(c) Michael John Liubinskas, Executive Director**

38-year-old Mick has been working with technology companies for 17 years in marketing, sales and operational roles. Over that time he has started three businesses, worked for six companies and advised many Startups around the world. He is a passionate and high energy public speaker and media spokesperson.

Mick completed a Bachelor of Business at Newcastle University in 1995 with a focus on marketing. He started his career in the direct marketing department at IBM Australia in 1996 working on marketing campaigns for mainframes, software and early eBusiness services. His next role was marketing and media manager for Virgin Interactive Australia responsible for promotional activities, PR management and channel marketing for computer games.

In 1999, Mick started his own company, Dynamic Realm, to offer internet marketing consulting services. He also started a subsidiary internet Startup called eCoast which focused on building and selling regional portal technology.

In 2002, Mick joined LEF Interactive, which was an Australian technology management company formed to manage the Kazaa file sharing business globally. Mick's role was Head of Marketing with responsibility for web content, business partner integration, advertising partners and digital content promotion. Kazaa was downloaded more than 230 million times. Mick was the media spokesperson for Kazaa.

In August 2005 Mick joined personal storage software business Zingee (later renamed Zapr) as Chief Marketing Officer which he launched on stage at the DEMO conference in Phoenix USA in 2006. Mick spent considerable time in San Francisco building partnerships, working with key media and working to attract venture capital investors. In November 2006, Mick joined Tangler, a live discussion technology company as Chief Marketing Officer to help its launch in the USA. Mick orchestrated the launch at the Techcrunch40 event in San Francisco and managed media and investor relations in Silicon Valley.

With Philip David Morle of the Company, Mick co-founded Pollenizer Pty Limited in 2008. Mick's main responsibilities are to work with the Investee Companies to develop products, drive sales and marketing activities and raise required capital.

Mick is employed full time by Pollenizer Pty Limited and is available to attend all board meetings.

Since 2005, Mick has played a lead role in the Australian Startup community as co-founder of Silicon Beach drinks, speaking on numerous panels and by delivering his Startup Focus talk more than 20 times around Australia.

Mick is also a director of Pollenizer Holdings Pty Limited, Pollenizer Pty Limited, Pollenizer Investments Pty Limited, Pollenizer Labs1 Pty Limited, Mogeneration Pty Limited, Coachy Pty Limited and Wooboard Pty Limited





**(d) Mark Alexander Greig, Non-Executive Director**

37-year-old Mark is the Managing Partner of Elevation Capital Pty Limited, a privately owned and operated early-stage venture investment fund [[www.elevationcapital.com.au](http://www.elevationcapital.com.au)].

Mark is an active investor and mentor in Australia's early stage venture and Startup community and strives to help entrepreneurs by providing them with expansion capital and hands on strategic support. Mark sits on the boards of successful Australian technology Startups, Brandscreen and My Media Gaming Network (MMGN).

Mark first became involved with Pollenizer in 2010 as an early investor. Mark has also invested directly in Pollenizer portfolio companies Posse Holdings Limited, Dealised Pty Limited, Wooboard Pty Limited and Pygg Pty Limited, as well as being one of the founding investors in the Company. Mark believes that to create significant value from Startup investment, you need to surround yourself with passionate, smart people who have the skills required to deliver a venture to full commercialisation. Simply having a good idea does not guarantee success.

Mark is a Graduate of the Australian Institute of Company Directors. As a Director, Mark is involved in investment decisions, strategic partnerships, international growth strategy, corporate governance and capital development.

Mark has also previously worked locally and internationally in the mobile industry in senior sales and marketing roles for global blue-chip operators like SingTel Optus and Vodafone (UK).

Mark is also a director of Pollenizer Holdings Pty Limited, Pollenizer Pty Limited, MMGN.com Pty Limited, Brandscreen Holdings Pte Limited, Elevation Capital Pty Limited and APN Inception Limited.



**(e) Martin Peter Dagleish, Non-Executive Director**

49-year-old Martin is a highly experienced media and technology executive, director and investor. His experience, which extends across many of the leading Australian “internet” plays in multiple market segments, ensures his insights, expertise and relationships are of real value to the Pollenizer Group and the Investee Companies.

Martin has nearly three decades of experience in Australia and the UK with blue-chip companies including IBM, PepsiCo, Rank Leisure, Dixons Group, Optus, PBL and CMH. He holds an MBA from a leading UK business School at Cranfield University, and a Bachelor of Business from the Western Australian Institute of Technology.

In his most recent executive role, he was Executive Director at Consolidated Media Holdings (CMH) in 2007-08, the listed Media investment business with interests in FOXTEL, Fox Sports and SEEK. Prior to the formation of CMH, Martin was CEO of New Media at PBL in 2005-07. In that capacity, he drove the digital and new media strategy across PBL’s portfolio of Media interests. He served as a Director of PBL Media (Nine and ACP), Hoyts, Ticketek, NineMSN, Betfair Australia, Myhome, Australian News Channel (SKy News) and Fox Sports (Premier Media Group). He was also an alternate Director on the boards of FOXTEL, Carsales and SEEK.

Prior to his media career, Martin was the Managing Director of the Consumer and Multi-Media division of Optus in 2001-2004. He oversaw a turnaround of this division, with revenues in excess of \$1.5bn, and nearly 4000 employees - accountable for home telephony, Broadband and Pay Television.

Martin was Chairman of iSelect Limited from 2009-2012, having first led PBL’s investment into iSelect in 2006. He has overseen iSelect into a public unlisted entity with substantial revenue and earnings growth and brand presence in multiple categories.

Martin today holds a number of portfolio roles. He is Chairman and a major investor in Favourit Global Pty Limited, a Melbourne based social media platform around sports and wagering content. He is a Director of Intrepica Pty Limited, a Gold Coast based Education platform provider to Schools with a best in class literacy product (Literacy Planet). He is also a Director of the Deals Direct Group, a leading Australian pure-play retailer. Martin also serves as an advisor to Ellerston Capital and is an active investor in their Special Opportunities Platform for emerging Australian growth technology plays.



## 10.2

### MANAGEMENT TEAM

#### (a) Philip David Morle – CEO

Please see section 10.1 (b) to this IM.



#### (b) Clare Hallam – General Manager (Finance and Operations)

Clare's 15 years of experience has been in finance and operation management. She has been managing the finance and operations department for Pollenizer Holdings Pty Limited and the Pollenizer Group since its inception, covering cloud computing, corporate governance, human resource management, payroll and employment legislation and team management. She has also set up and managed the accounts for previous and current Investee Companies, including multiple capital raising rounds and exits.



#### (c) Robert Love – General Manager (Product and Engineering)

Robert leads the Product, Engineering and Design departments at Pollenizer Group. He is one of the earliest members of the Sydney Web Standards Group and an invited expert on the W3C HTML Working Group. Before joining the Pollenizer Group, Robert led technology teams in a range of sectors including local government (Randwick City Council), media (News Digital Media) and travel (HotelClub-Orbitz Worldwide).



#### (d) Isaac Souweine – General Manager (Southeast Asia)

Isaac heads up operations at Pollenizer in Singapore. His background is in product management and product marketing. He has experience working in Startups and at corporate houses such as Scholastic and Yahoo! and has an MBA from INSEAD. His strong team building skills and business acumen ensures he is the right person to build the Pollenizer expansion into Asia.

# Corporate Governance

## (a) Summary

The Board is responsible for the overall governance of the Company. This includes setting the strategic direction of the Company within the context of its objectives. In addition to their role of pursuing the objectives of the Company, the Directors monitor the business affairs of the Company, including those of its Investee Companies, on behalf of Shareholders and have adopted corporate governance policies which are designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct.

## (b) The Board of Directors

The constitution of the Company provides that the Company must have at least three directors at all times. Each of Tony Faure, Philip David Morle, Michael John Liubinskis and Mark Alexander Greig have a right to appoint a director for so long as they hold no less than 2.5% of the total issued capital of the Company.

If the Company's activities increase in size, nature and scope, the size of the Board may be reviewed and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the constitution and as circumstances demand. The membership of the Board, its activities and its composition are subject to periodic review.

The criteria for determining the identification and appointment of suitable candidates for the Board include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

The Board has an Audit, Risk Committee and an Investment Committee. The Directors consider that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of other committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

## (c) Continuous review of Corporate Governance

The Directors consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. The corporate governance policies of the Company require that such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that involvement in the Startup sector is an inherently risky business and that operational strategies adopted should, notwithstanding this risk, be directed towards improving or maintaining the net worth of the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the development of governance practices will be given further consideration.



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# Financial Accounts

Attached as Annexure A is the audited financial report for the period ended 31 December 2012.

# Investment Risks

Investors should consider the risk factors associated with an investment in the Company including but not limited to the following:

## 13.1 BUSINESS SPECIFIC RISK

The Pollenizer Group is involved in the Startup industry. As Investee Companies are companies that are in their early stage of growth and development, they may not have fully developed businesses, customer bases and management and operation processes in place.

Generally, Investee Companies have untested technology, little or no operating history and untested operating processes and management systems.

In addition to these uncertainties, Investee Companies have unknown capital requirements.

This could involve high risk and result in some of the Investee Companies not being successful. Additionally the Company will be exposed to risks specific to the business that each Investee Company operates, and in general to the technology sector.

It is possible some of the Pollenizer Group's investments in Investee Companies will not be successful and will result in a loss of capital by the Pollenizer Group.

## 13.2 ILLIQUIDITY OF SHARES IN THE COMPANY

Since the Shares are not listed on any stock exchange, Investors may find it difficult to dispose their shareholding in the Company.

It is not intended that the Shares will be listed on a stock exchange.

## 13.3 ILLIQUIDITY OF SHARES IN INVESTEE COMPANIES

Typically there is a very limited market for shares in Startups and early-stage development companies. Accordingly, the investments held by the Pollenizer Group in the Investee Companies are likely to be highly illiquid and the Pollenizer Group may be unable to realise an investment in an Investee Company at any particular point in time.

In certain circumstances it may be difficult to exit or sell an Investee Company, especially if that Investee Company has not performed to the best of its ability in creating growth and profit.



## 13.4 **MEDIUM TO LONG-TERM INVESTMENT**

The nature of investing in Startups demands that there be a significant length of time between initial investment and realisation of gains. Early stage investments take time to reach maturity and liquidity where exits are possible. Investment in the Company is to be considered a medium to long-term investment.

## 13.5 **RISK ON RETURN ON INVESTMENT**

For investors, the return on investment will depend on the success of the Investee Companies. The Company provides no assurance that the Investee Companies will generate income or produce returns. Neither the affiliates of the Company nor the Directors guarantee any specific rate of return on the investments made by investors. Additionally, there is no assurance by the Company of distribution of returns to investors at any time.

## 13.6 **ADDITIONAL REQUIREMENTS OF THE COMPANY FOR CAPITAL**

The Company's capital requirements depend on numerous factors. The Company may require further funding in addition to amounts raised under the IM. Any additional equity financing may dilute shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may adversely affect the capacity of the Pollenizer Group to achieve its goals.

## 13.7 **FUTURE CAPITAL RAISINGS BY INVESTEE COMPANIES**

Investee Companies, if they are successful, will require funding in addition to the capital contributed by the Pollenizer Group. If the Pollenizer Group does not contribute further capital, any future capital raisings will dilute the Pollenizer Group's holding in the Investee Company.

## 13.8 **ABSENCE OF DIVIDENDS**

The Directors make no forecasts about any profits, dividends or distributions that the Company may make. It is not anticipated that the Company will be able to pay dividends, in the foreseeable future. If the Company does derive profits it is possible that these will be reinvested to further the objectives of the Company.

## 13.9 LIMITED OPERATING HISTORY

The Company has a limited operating history. However, the Pollenizer Group has a successful operating history.

## 13.10 LACK OF DIVERSIFICATION

At any time, the Pollenizer Group will have interests in a limited number of Investee Companies. Accordingly, there may be a significant effect on the financial position of the Pollenizer Group if an Investee Company is unsuccessful.

The Investee Companies, and the Pollenizer Group's wider business, are likely to be concentrated in Australia and Southeast Asia. The Pollenizer Group will therefore be more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting those regions.

## 13.11 NON-CONTROLLING INTERESTS IN INVESTEE COMPANIES

The Company may hold a non-controlling interest in certain Investee Companies and, therefore, may have limited ability to protect its position in such Investee Companies. However, as a condition to provide investment in an Investee Company, it is expected that appropriate rights generally will be sought to protect the Company's interests to the extent possible.

## 13.12 ECONOMIC CLIMATE RISK

The investor must be aware that the success of an Investee Company is dependent to some extent on the global economic environment and therefore growth of Investee Companies may be impacted from time to time on account of market conditions. The Company will be focused on Investee Companies that are primarily located in Australia and Southeast Asia. To the extent that the Company concentrates on investments in Australia and Southeast Asia, the investments will be impacted by adverse economic and business conditions affecting these two regions.

## 13.13 LOANS

The Directors have the discretion to decide whether the investment in the Investee Companies will be by way of equity or loan. These decisions will be decided on a case by case basis, dependent on the financial health of the Investee Companies, potential risk factors attached to the investment and other broad macro-economic factors. The loans extended to the Investee Companies may be unsecured and investors should be aware that such lending activities may be risky and result in a loss of capital in the event of a default. As far as practically possible, the Board will endeavour to reduce this risk by ensuring that the loan amount is a small fraction of the total investment.



## 13.14 **LEGISLATIVE CHANGE**

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Pollenizer Group.

## 13.15 **UNFORESEEN EXPENSES**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, this would have a negative effect on the financial position of the Pollenizer Group.

## 13.16 **KEY EMPLOYEE RISKS**

The Company and the Investee Companies are heavily reliant on its ability to attract new key personnel and retain existing key personnel.

The Company and the Investee Companies heavily rely on existing key personnel to maintain business and client relationships. If the Company is unable to retain and motivate these key employees, it may have a detrimental impact on the Company and the Investee Companies.

## 13.17 **EXCHANGE RATE**

The revenues, earnings, assets and liabilities of the Pollenizer Group may be exposed adversely to exchange rate fluctuations.

## 13.18 **LEGAL ACTION AGAINST THE COMPANY**

There is a general risk that legal action may be taken against the Company. The Company has no knowledge of any circumstances that may give rise to such action or any threat of such action.

## 13.19 **EFFECT OF COMPETITION**

The advent of increased competition may result in lower than expected market share and impact negatively on the business of the Pollenizer Group.

# Other Material Information

## 14.1 RIGHTS ATTACHING TO SHARES

A summary of the rights attaching to the Shares issued pursuant to an investment in the Company, are set out below. This summary does not purport to be an exhaustive or definitive statement of the rights and liabilities of the Company's Shareholders:

### (a) Voting

At a general meeting of the Company, on a show of hands, every member present in person or by proxy, attorney or representative has one vote and upon a poll, every member present in person or by proxy, attorney or representative has one vote for every Share held by them.

### (b) Dividends

The Shares will rank equally with all other issued Shares and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any preferential rights, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them, irrespective of the amount paid up or credited as paid on them. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

### (c) Winding up

Once an applicant has paid the Subscription Monies, they will have no further liability to make payments to the Company if the Company is wound up under the Corporations Act. Subject to the rights of holders of shares with any preferential rights, the capital of the Company is divisible amongst the holders of Shares in proportion to the Shares held by them.

### (d) Transfer of Shares

Generally, the Shares will be freely transferable, subject to satisfying the usual requirements for the transfer of Shares under the Company's constitution. The Directors may refuse to register any transfer of Shares.

It needs to be noted that the Shares will be a relatively illiquid asset for investors as the Shares are not listed on any exchange.



## 14.2 EXISTING OPTIONS

At the date of this IM, there are 33,543,121 Existing Options on issue in the Company that have been issued to employees, Directors or their nominees.

## 14.3 CONVERTIBLE NOTES

As at the date of this IM, there are 18 investors in the Company holding convertible notes. The Existing Convertible Notes were issued in November 2012, December 2012 and January 2013 to sophisticated investors.

The Existing Convertible Notes will convert to 13,074,669 Shares in the Company if the Company raises \$2 million

## 14.4 DIVIDEND POLICY

Subject to compliance with the Corporations Act and any other applicable laws, the Board has absolute discretion to declare and pay dividends. It will only do so if it considers that it is prudent and tax effective to do so.

The Directors may determine the quantum of dividends, if any, from year to year having regard to matters such as current and expected financial performance in the succeeding years, retained profit and available cash.

## 14.5 FUTURE FUNDING

### (a) Borrowings

As determined by the Board, the Pollenizer Group may in certain circumstances obtain debt financing, as required.

### (b) Future Capital Raisings

The requirements for future capital depend on market opportunity. There may be a requirement for funding in addition to the capital raised under this Investment Opportunity. In such an event, the investors need to be aware that any future capital raisings may dilute shareholding.

## 14.6 COPYRIGHT MATERIAL

This IM, including the diagrams and graphs contained in it, are the copyright of the Company.

## 14.7 CONSENTS

Each of the Directors have given, and at the date of this IM have not withdrawn their consent to the issue of this IM and have authorised Tony Faure, Philip David Morle and Michael John Liubinskas to sign it.

Nexia Court & Co has given, and at the date of this IM has not withdrawn its consent to be named in this IM as Auditors of the Company and to the inclusion of its Financial Report. Nexia Court & Co has not authorised or caused the issue of this IM and takes no responsibility for any part of the IM, other than the Financial Report and references to its name.

Link Market Services Limited has given, and at the date of this IM has not withdrawn its consent to be named in this IM as Share Registry of the Company. Link Market Services takes no responsibility for any part of the IM other than the references to its name.

Azure Group Pty Limited has given, and at the date of this IM has not withdrawn its consent to be named in this IM as Accountants for the Company. Azure Group Pty Limited takes no responsibility for any part of the IM other than the references to its name.

Spark Helmore Lawyers has given, and at the date of this IM has not withdrawn its consent to be named in this IM as Solicitors for the Company. Spark Helmore Lawyers takes no responsibility for any part of the IM other than the references to its name.

Axstra Capital Pty Ltd has given, and, at the date of this IM, has not withdrawn its consent to be named in this IM as Corporate Advisors for the Company. Axstra Capital Pty Ltd takes no responsibility for any part of the IM other than references to its name.

# Glossary

**\$** means Australian dollars. All amounts in this IM are in Australian dollars unless otherwise stated.

**Board** means the board of directors of the Company.

**Closing Date** means 28 March 2013, or such later period determined by the Board in its absolute discretion.

**Company** means Pollenizer Global Limited ACN 158 493 639.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time.

**Directors** mean the directors of the Company.

**Existing Options** means all existing options to subscribe for Shares currently on issue as at the date of this IM.

**Existing Convertible Notes** means all existing convertible notes on issue as at the date of this IM.

**Financial Report** means the financial report for the period ended 31 December 2012.

**IM** means this Information Memorandum.

**Investment Opportunity** means the opportunity for investors to apply for a maximum of 33,333,333 fully paid Shares at an issue price of \$0.15 per Share.

**IPO** means an initial public offering of an IPO entity to the official list of the ASX Limited or any other recognised stock exchange.

**Online Application Form** means the application form, which may be downloaded from [www.pollenizer.com/invest](http://www.pollenizer.com/invest)

**Paper Application Form** means the paper application form, which may be obtained (free of charge) by emailing [invest@pollenizer.com](mailto:invest@pollenizer.com)

**Pollenizer Group** means the Company and/or Pollenizer Pte Limited, Pollenizer Investments Limited and Pollenizer Pty Limited.

**Pollenizer Offer Account** means a bank account designated by the Company that is separate to all other bank accounts maintained by the Company.

**Pollenizer Singapore** means Pollenizer Pte Limited, a wholly owned Subsidiary of the Company.

**Shares** mean ordinary shares of the Company.

**Shareholder** means a shareholder of the Company.

**Share Registry** means Link Market Services Limited.

**Startup** means a newly created company mostly associated with technological ventures, designed for high-growth and designed to search for a repeatable and scalable business model.

**Subscription Monies** means an amount equal to the offer price per Share multiplied by the amount of Shares applied for in the Online Application Form or the Paper Application Form.

Dated this 13th day of March 2013



Tony Faure  
Chairman



Phillip David Morle  
Chief Executive Officer



Michael John Liubinskas  
Executive Director

# Annexure A – Financial Accounts



**POLLENIZER GLOBAL PTY LTD**  
**(in the process of name change to**  
**POLLENIZER GLOBAL LIMITED)**  
**AND CONTROLLED ENTITIES**

**ACN: 158 493 639**

**Financial Report For The Period Ended**  
**31 December 2012**

# **POLLENIZER GLOBAL PTY LTD**

**(in the process of name change to POLLENIZER GLOBAL LIMITED)**

## **AND CONTROLLED ENTITIES**

### **Financial Report For The Period Ended 31 December 2012**

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*The financial report covers Pollenizer Global Limited and controlled entities. The financial report is presented in the Australian currency. The financial report was authorised for the issue by Directors on 26 February 2013. The company has the power to re-issue and amend the financial report.*

## **POLLENIZER GLOBAL PTY LTD ACN: 158 493 639 AND CONTROLLED ENTITIES DIRECTORS' REPORT**

Your directors present their report, together with the financial statements of the Group, being Pollenizer Global Pty Ltd ('the Company') and its controlled entities for the financial period 1 July 2012 to 31 December 2012.

### **Principal Activities and Significant Changes in Nature of Activities**

The principal activity of the consolidated group during the financial period was to create new internet businesses. The company provides management and technical services, capital, talent scouting and training for the business it forms. The company has developed processes and tools for startup internet companies that it is commercialising through publishing and education programs.

There were no other significant changes in the nature of the consolidated group's principal activities during the financial period.

### **Operating Results and Review of Operations for the period**

#### **Operating Results**

The consolidated loss of the Group amounted to \$282,625 after providing for income tax and eliminating non-controlling equity interests. This mostly represented the Company's investment in structuring its team, process and tools for future growth and in portfolio companies and expanding into South East Asia. Further discussion of the Group's operations is provided below.

#### **Review of Operations**

Pollenizer Global Pty Ltd has had a significantly progressive past six months. In line with the business strategy of developing significant commercial potential in early stage technology companies, the parent entity acquired 100% of Pollenizer Pty Ltd on the 15 September 2012, including a capital raising of \$700,000 to support the acquisition and funding for the business expansion.

Following the acquisition of Pollenizer Pty Ltd, we continued to develop our Pollenizer operations and systems to increase the chance of success at a early stage in technology businesses when risks are highest but the opportunity for considerable equity growth is also highest. New technology businesses may take a period of years to discover and optimise a business model but, if successful, become assets worth millions of dollars. Our business operations are designed to get business to a point of scale or exit faster and more efficiently, minimising the cost to the company, minimising the need to 're-invent the wheel' and maximising access to capital markets and commercial partnerships which help the business grow. We can now systematically create new companies more efficiently than ever before and will need to continue to invest in this area. We re-introduced our corporate program in 2012 and feel well placed to grow a commercial revenue stream around our process, tools and consulting over 2013.

We invested into a more scalable process that we have tested through taking the business to South East Asia via Pollenizer Pte Ltd, publishing projects ("Startup Focus" book), training programs ("Pollenizer Academy") and in developing our Technology Events & Media business ("From Little Things Events Pty Ltd").

We invested in five technology companies in either a control, associate or investment capacity being, Flikgift Pty Ltd, Wooboard Pty Ltd, APN Inception Pty Ltd ("Accruto") and Tiwala Pty Ltd. These businesses will continue to grow over 2013. Additionally, we have continued to support more mature portfolio companies from wider afield with our specialist technology services, including Pygg Pty Ltd, Mogeneration Pty Ltd and Dealised Pty Ltd ("Soda").

We completed a hybrid capital raising via the issue of Convertible Notes in November and December 2012 for \$1,101,721.

#### **Financial Position**

The net assets of the consolidated group are \$451,710 as at 31 December 2012. This is representative of the following factors:

- Managed expenditure program and investment in the business;
- Proceeds from share issues raising \$700,000; and
- Investment in various associate companies.

The directors believe the Group is in a stable financial position and is currently undertaking a capital raising via an Information Memorandum to provide for more capital to expand and grow its current operations.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639 AND CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Significant Changes in State of Affairs**

The following significant changes in the state of affairs of the Company occurred during the financial period:

- (i) On 2 August 2012, Pollenizer established a company in Singapore called Pollenizer Pte Ltd with 100 Shares on issue to Pollenizer Global Ltd for SGD\$100.
- (ii) On 20 August 2012, Pollenizer established a portfolio company called Tiwala Pty Ltd and invested \$150,000 in the form of a loan of \$149,902 and share capital of \$98.
- (iii) During the month of September 2012, the Company issued 7,000,000 ordinary shares at \$0.10 each to support the acquisition of Pollenizer Pty Ltd and provide funding for operational activities.
- (iv) On 15 September 2012, the parent company completed the acquisition of Pollenizer Pty Ltd for \$100,000 representing the net assets of the Company. The company acquired 100% of the equity of Pollenizer Pty Ltd, the service business, thereby obtaining full control. The consideration was settled to the major shareholders, being Bitzfabriek Pty Ltd and Hollybridge Pty Ltd via the issue of shares in Pollenizer Global Pty Ltd, the Parent company (refer point (iii) above).
- (v) On 29 September 2012, Pollenizer established a staff incentive scheme via an Options Scheme and has issued 3.745 million Options up to the period ended 31 December 2012. (refer Note 6).
- (vi) On 11 October 2012, Pollenizer established an investment company called Pollenizer Investments Pty Ltd with 1 Ordinary share on issue to Pollenizer Global Ltd for \$1.00. The company was established to hold all future investments in subsidiaries and associates in Australia.
- (vii) On 13 December 2012, Pollenizer invested \$15,000 in the company, From Little Things Events Pty Ltd, in the form of a loan of \$14,700 and share capital of \$300 taking a 75% controlling interest in the company.
- (viii) During the months of November and December 2012, Pollenizer Global Pty Ltd raised hybrid capital via the issue of convertible notes to the value of \$1,101,721 during the financial period (refer Note 16).

**Dividends Paid or Recommended**

There were no dividends paid or recommended to be paid for the financial period ended 31 December 2012.

**Events after the Reporting Period**

- (i) On 31 January 2013, Pollenizer Global Pty Ltd entered into Convertible Note Deeds with Reuben James Buchanan and Jessica Felicity Buchanan ATF JRX Buchanan Superannuation Fund (\$50,000) and Azure Group Pty Ltd (\$25,000).
- (ii) On 5 February 2013, the Board resolved that Pollenizer Global Pty Ltd change its name to Pollenizer Global Limited and to convert the Company into a Public Company. The Board approved a new Constitution as part of its strategy to grow into a Global business.
- (iii) On 11 February 2013, the Board resolved that Pollenizer Global Pty Ltd undertake a share and option split of 8.74657:1. As a result of this share and option split, the number of shares on issue has increased from 7,000,002 to 61,226,053 and the options have increased from 3,655,000 to 31,968,737 on issue as at the reporting date.
- (iv) On 12 February 2013, Pollenizer Global Pty Ltd appointed Martin Dalglish as a Non Executive Director. He received 1,574,384 Options in the Employee Share & Option Scheme (refer Note 6).

**Future Developments, Prospects and Business Strategies**

To further improve the consolidated group's profit and maximise shareholder wealth, the following developments are intended for implementation in the near future:

- (i) The group commenced work on a new startup technology business on 29 January 2013, this startup will test current markets with a viable legal product by providing SMEs with a platform where business owners can access legal advice online for an annual subscription fee.
- (ii) The group restructured its teams, such that engineering and technology staff will now be employed by the Portfolio or Associate Company's directly. It will materially reduce the cost structure of Pollenizer Global Pty Ltd in building start up technology business and align the success of businesses with the respective teams. The Board believes this is more consistent with structuring of technology start up businesses and will generate more business value.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639 AND CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Information on Directors**

**Directors**

The following persons were directors of Pollenizer Global Ltd during the financial period:

Tony Faure	Chairman	Appointed on 26 August 2012
Philip David Morle	Chief Executive Officer	Appointed on date of incorporation being 22 May 2012
Michael John Liubinskis	Executive Director	Appointed on date of incorporation being 22 May 2012
Mark Alexander Grieg	Executive Director	Appointed on 26 August 2012
Martin Peter Dalgleish	Non Executive Director	Appointed on 12 February 2013

<u>Tony Faure</u>	—	Chairman
Qualifications	—	BA (Hons)
Experience	—	Tony spent the first decade of his career (1983-1995) in the UK magazine publishing industry with VNU Business Publications in London. In 1995 he joined APN Computing Group and in 1996 he became Group Publisher of three titles. Tony launched Yahoo! Australia & NZ in 1997 as its first General Manager. He went on to become Regional Vice President, South Asia for Yahoo! in 2001-2002. From 2003 to 2005 he co-founded and was CEO of the online DVD rental company HomeScreen. During this period Tony was a member of the boards of Seek and One Digital. From 2006 to 2008 he was CEO of ninemsn, and was a Non-Executive Director of iSelect. He formed his own company t-4 in 2008. Tony was a non-executive director of Australian Independent Business Media from 2009 until 2012 and was Chairman of Lasttix from 2009 to 2011. He is currently Chairman of the Company. He is also the Chairman of data analytics company, Torque and youth publishing business, The Sound Alliance.
<u>Philip David Morle</u>	—	CEO
Qualifications	—	BA (Hons)
Experience	—	Philip was first introduced to the technology sector in 1999 when he joined Access Gaming Systems as a Senior Games Designer. In 2000, he moved to Brilliant Digital Entertainment in the role of VP Web Services. Between 2002 and 2006, Phil was the CTO of Kazaa at LEF Interactive. In 2007, Phil was the CTO of Omnidrive, one of the first cloud storage platforms before co-founding Pollenizer Pty Ltd in 2008. Phil teaches Startup practice to entrepreneurs and corporate houses across Australia and Southeast Asia.
<u>Michael John Liubinskis</u>	—	Director
Qualifications	—	B.Bus
Experience	—	Michael started his career in the direct marketing department at IBM Australia in 1996. His next role was marketing and media manager for Virgin Interactive Australia. In 1999, Mick started his own company, Dynamic Realm, and also started the internet Startup, eCoast. In 2002, Mick joined LEF Interactive, and three years later joined personal storage software business Zingee (later renamed Zapr) as Head of Marketing & Business Development. In November 2006, Mick joined Tangler, a live discussion technology company before co-founding Pollenizer Pty Ltd in 2008.
<u>Mark Grieg</u>	—	Director
Qualifications	—	GAICD
Experience	—	Mark is the Managing Partner of Elevation Capital Pty Ltd, a privately owned and operated early-stage venture investment fund. Mark is an active investor and mentor in Australia's early stage venture and Startup community and had previously worked locally and internationally in the mobile industry in senior sales and marketing roles for global blue-chip operators like SingTel Optus and Vodafone (UK).
<u>Martin Peter Dalgleish</u>	—	Non Executive Director
Qualifications	—	B.Bus, MBA
Experience	—	Martin has nearly three decades of experience with companies including IBM, PepsiCo, Rank Leisure, Dixons Group, Optus, PBL and CMH. He was Managing Director of the Consumer and Multi-Media division of Optus from 2001 to 2004. From 2005 to 2007, Martin was CEO of New Media at PBL and in 2008 he was Executive Director at Consolidated Media Holdings. He served as Director of PBL Media (Nine and ACP), Hoyts, Ticketek, NineMSN, Betfair Australia, Myhome, Australian News Channel (SKY News) and Fox Sports (Premier Media Group). He was also alternate Director on the boards of FOXTEL, Carsales and SEEK. From 2009 to 2012, Martin was Chairman of iSelect Limited.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639 AND CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Information on Company Secretary**

The following person held the position of company secretary at the end of the financial period:

Clare Hallam	—	appointed on 22 May 2012 (current).
Experience	—	Clare's 15 years of experience has been in finance and operation management and she has worked in both large corporate houses and Startups across the UK and Australia. She has been managing the finance and operations department for Pollenizer Holdings Pty Ltd and the Pollenizer Group since its inception, covering cloud computing, corporate governance, human resource management, payroll and employment legislation and team management. She has also set up and managed the accounts for previous and current Investee Companies, including multiple capital raising rounds and exits.

**Meetings of Directors**

During the financial period, the following meetings of directors (including committees of directors) were held.

Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Michael Luibinskas	2	2
Phillip Morle	2	2
Tony Faure	2	2
Mark Greig	2	2

**Indemnifying Officers or Auditor**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they can be held personally liable, except where there is a lack of good faith.

During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

**Options**

At the date of this report, the unissued ordinary shares of Pollenizer Global Pty Ltd under option are as follows

Grant Date	Date of expiry	Exercise price	Number under option
28 September 2012	30 June 2015	\$0.17	3,745,000
			<u>3,745,000</u>

Following the share split on the 8 February 2013, the terms of the Options above were changed to the following:

Grant Date	Date of expiry	Exercise price	Number under option
28 September 2012	30 June 2015	\$0.0194	31,968,737
			<u>31,968,737</u>

New Options issued after the period ended 31 December 2012:

Grant Date	Date of expiry	Exercise price	Number under option
11 February 2013	30 June 2015	\$0.0343	1,574,384
			<u>1,574,384</u>

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639 AND CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Proceedings on Behalf of Company**

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

The company was not a party to any such proceedings during the period.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the period ended 31 December 2012 has been received and can be found on page 6 of the Financial Report.

This Report, is signed in accordance with a resolution of the Board of Directors.



-----  
**Philip Morle**

Dated: 02/26/2013

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Pollenizer Global Pty Limited and Controlled Entities**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pollenizer Global Pty Limited and controlled entities.

As lead audit partner for the audit of the financial statements of Pollenizer Global Pty Limited and controlled entities for the financial period ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



**Joseph Santangelo**  
Partner



**Nexia Court & Co**  
Chartered Accountants

Date: 26 February 2013  
Sydney

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD  
ENDED 31 DECEMBER 2012**

		Group	
		1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	Note	\$	\$
<b>Revenue</b>	3	713,003	-
<b>Expenses</b>		-	-
Employee benefits expense		(556,136)	-
Superannuation guarantee charges		(43,545)	-
Employee option expense		(37,095)	-
Rent expenses		(41,790)	-
Travel expenses		(27,476)	-
Contractor expenses		(155,043)	-
Depreciation expense		(3,718)	-
Other expenses		(83,765)	-
Share of net losses of associates	10	(36,500)	-
<b>Loss before income tax</b>	4	(272,065)	-
Income tax expense	5	(11,742)	-
<b>Net Loss for the period</b>	4	(283,807)	-
		(1,580)	-
<b>Foreign currency translation</b>		(1,580)	-
<b>Total comprehensive income for the period</b>		(285,387)	-
Net loss attributable to:			
Members of the parent entity		(282,625)	
Non-controlling interest		(1,182)	
		(283,807)	-
Total comprehensive income attributable to:			
Members of the parent entity		(284,205)	
Non-controlling interest		(1,182)	
		(285,387)	-

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,123,322	416
Trade and other receivables	9	650,083	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,773,405</b>	<b>416</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	9	50,000	-
Investments accounted for using the equity method	10	267,500	-
Other financial assets	11	100,000	-
Plant and equipment	13	72,302	-
Intangible assets	14	38,577	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>528,379</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>2,301,784</b>	<b>416</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	582,285	414
Other financial liabilities	16	1,104,663	-
Current tax liabilities	17	11,742	-
Provisions	18	144,923	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,843,613</b>	<b>414</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	18	6,461	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,461</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,850,074</b>	<b>414</b>
<b>NET ASSETS</b>		<b>451,710</b>	<b>2</b>
<b>EQUITY</b>			
Issued capital	19	700,002	2
Reserves	26	35,515	-
Retained earnings		(291,891)	-
Parent interest		443,626	2
Non-controlling interest		8,084	-
<b>TOTAL EQUITY</b>		<b>451,710</b>	<b>2</b>

The accompanying notes form part of these financial statements.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Share Capital		Reserves			Non-controlling interests	Total
	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Subtotal		
Note							
<b>Group</b>							
<b>Balance at 22 May 2012</b>	-	-	-	-	-	-	-
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
<b>Transactions with owners, in their capacity as owners, and other transfers</b>							
Shares issued during the period	2	-	-	-	2	-	2
<b>Total transactions with owners and other transfers</b>	2	-	-	-	2	-	2
<b>Balance at 30 June 2012</b>	2	-	-	-	2	-	2
<b>Balance at 1 July 2012</b>	2	-	-	-	2	-	2
<b>Comprehensive income</b>							
Profit for the period	-	(282,625)	-	-	(282,625)	(1,182)	(283,807)
<b>Total comprehensive income for the period</b>	-	(282,625)	-	-	(282,625)	(1,182)	(283,807)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>							
Shares issued during the period	700,000	-	-	-	700,000	-	700,000
Share Option Reserve	-	37,095	-	37,095	37,095	-	37,095
Foreign Currency Reserve	-	(1,580)	(1,580)	-	(1,580)	-	(1,580)
Recognition of non-controlling interest	-	(9,266)	-	-	(9,266)	9,266	-
<b>Total transactions with owners and other transfers</b>	700,000	(9,266)	(1,580)	37,095	726,249	9,266	735,515
<b>Balance at 31 December 2012</b>	700,002	(291,891)	(1,580)	37,095	443,626	8,084	451,710

The accompanying notes form part of these financial statements.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Group	
<b>Note</b>	1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	795,720	-
Interest received	4,538	-
Payments to suppliers and employees	(1,053,273)	-
Income tax paid	(9,258)	-
Net cash from operating activities	21a <u>(262,273)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(2,006)	-
Purchase of investment in associates	(354,000)	-
Net cash from investing activities	<u>(356,006)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	600,000	2
Proceeds from Convertible Note Issue	926,720	-
Loan from related parties		
- payments made	(3,998)	-
- proceeds from borrowings	152,177	414
Net cash from financing activities	<u>1,674,899</u>	<u>416</u>
Net increase in cash held	1,056,620	416
Cash and cash equivalents at beginning of financial period	8 <u>63,760</u>	-
Cash and cash equivalents at end of financial period	8 <u><u>1,120,380</u></u>	<u>416</u>

The accompanying notes form part of these financial statements.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies**

**Parent Entity Information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 2.

The financial statements were authorised for issue on 26 February 2013 by the directors of the company.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**(a) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pollenizer Global Pty Ltd as at 31 December 2012 and the results of all subsidiaries for the period then ended. Pollenizer Global Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'group'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

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

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

**Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

**(b) Income Tax**

The income tax expense (income) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies (continued)**

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(c) Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.5%
Plant and equipment	30% - 66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

**(e) Financial Instruments**

**Recognition and Initial Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iv) Available-for-sale investments**

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

**(v) Financial Liabilities**

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Financial Guarantees**

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

**Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(f) Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(g) Investments in Associates**

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investment in associates are shown at Note 10.

**(h) Intangibles**

**Intellectual Property and trademarks**

Intellectual property and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Intellectual property and trademarks are amortised over their useful lives.

**(i) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

**Group companies**

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

**(j) Employee Benefits**

Wages and salaries and annual leave

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 current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in non current liabilities. The liability is 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 currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies (continued)**

Share-based payments

Equity-settled and cash-settled share based compensation benefits are provided to employees.

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

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

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

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

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

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

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

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

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

**(k) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(l) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**(m) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

**(n) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses. Trade receivables are generally due for settlement within 30 days.

**(o) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(p) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(q) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(r) Financial Period and Financial Comparatives**

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

The company was incorporated on 22 May 2012. Consequently, the comparative period is for the period 22 May 2012 to 30 June 2012. The current financial period is for the period 1 July 2012 to 31 December 2012.

**(s) Going Concern**

The company has current assets of \$1,773,405 compared to current liabilities of \$1,843,613. However due to the terms of the convertible notes as explained in Note 16, the company is not exposed to a cash loan repayment before 31 December 2014. The convertible notes are treated as current liabilities due to the potential for settlement via equity within 12 months. As a result the company actual has liquid net current assets of \$1,034,455.

The company's strategy is to invest in start up technology businesses and it is therefore reliant on either the divestment of portfolio businesses or future capital raisings. It is currently in the process of completing an Information Memorandum to raise between \$2 million and \$5 million. While the capital raising is uncertain the Directors are confident with the going concern position of the company as the business model is dynamic enough to be scaled according to fund availability.

**Note 2 Parent Information**

	31-Dec-12	30-Jun-12
	\$	\$
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.		
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current Assets	1,702,155	416
Non-current Assets	100,179	-
<b>TOTAL ASSETS</b>	<b>1,802,334</b>	<b>416</b>
<b>LIABILITIES</b>		
Current Liabilities	1,129,878	414
Non-current Liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>1,129,878</b>	<b>414</b>
<b>EQUITY</b>		
Issued Capital	700,002	2
Retained earnings	(64,641)	-
Option reserve	37,095	-
<b>TOTAL EQUITY</b>	<b>672,456</b>	<b>2</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit	(64,641)	-
Total comprehensive income	(64,641)	-

**Guarantees**

Pollenizer Global Pty Ltd has not entered into any guarantees, in the current or previous financial period, in relation to the debts of its subsidiaries.

**Contingent liabilities**

At 31 December 2012, Pollenizer Global Pty Ltd had no contingent liabilities.

**Note 3 Revenue and Other Income**

	Group	
	1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	\$	\$
<b>(a) Revenue from continuing operations</b>		
Sales revenue		
— provision of services	708,465	-
	708,465	-
Other revenue		
— interest received	4,538	-
	4,538	-
Total revenue	713,003	-
Interest revenue from:		
— ultimate parent entity	3,989	-
— wholly-owned controlled entities	533	-
— partly owned subsidiaries	16	-
Total interest revenue on financial assets not at fair value through profit or loss	4,538	-

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 4 Profit for the Period**

	Group	
	1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Expenses		
Employee benefits expense		
— defined contribution superannuation expense	43,545	
Rental expense on operating leases		
— minimum lease payments	45,210	-

**Note 5 Income Tax Expense**

	Group	
	1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	\$	\$
(a) The components of tax expense comprise:		
Current tax	11,742	
	11,742	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)		
— Group	(81,620)	-
Add:		
Tax effect of:		
— non-deductible depreciation	740	-
— under provision for income tax in prior period	11,129	-
— Share of net losses of subsidiaries	81,300	-
— Share of net losses of associates	10,950	-
— Share of taxable income of tax consolidated subsidiaries	-	-
	22,499	-
Less:		
Tax effect of:		
— tax losses transferred from controlled entities	2,901	-
— Other allowable items	7,856	-
Income tax attributable to entity	11,742	-

**Note 6 Key Management Personnel Compensation**

**Other Key Management personnel**

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial period:

Clare Hallam	Company Secretary and General Manager - Finance & Operations
Robert Love	General Manager - Product & Engineering
Isaac Souweine	General Manager - SEA
Pierre Sauvignon	Head of Product

The totals of remuneration paid to KMP of the company and the Group during the period are as follows:

	Group	
	1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
	\$	\$
Short-term employee benefits	471,489	-
Post-employment benefits	-	-
Other long term benefits	6,461	-
Termination benefits	-	-
Share-based payments	37,095	-
Total KMP compensation	515,045	-

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 6 Key Management Personnel Compensation**

**KMP Options and Rights Holdings**

The number of options over ordinary shares held during the financial period by each KMP of the Group is as follows:

	Balance at beginning of period	Granted during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
<b>31 December 2012</b>								
Michael John Liubinskas	-	300,000	-	-	300,000	-	-	-
Philip David Morle	-	300,000	-	-	300,000	-	-	-
Tony Faure	-	1,200,000	-	-	1,200,000	-	450,000	-
Mark Alexander Grieg	-	1,200,000	-	-	1,200,000	-	450,000	-
Clare Hallam	-	325,000	-	-	325,000	-	175,000	-
Pierre Sauvignon	-	190,000	-	-	190,000	-	100,000	-
Isaac Souweine	-	115,000	-	-	115,000	-	25,000	-
Robert Love	-	115,000	-	-	115,000	-	25,000	-
	-	3,745,000	-	-	3,745,000	-	1,225,000	-

**KMP Shareholdings**

The number of ordinary shares in Pollenizer Global Pty Ltd held by each KMP of the Group during the financial period is as follows:

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Other changes during the period	Balance at end of period
<b>31 December 2012</b>					
Michael John Liubinskas	1	-	-	500,000	500,001
Philip David Morle	1	-	-	500,000	500,001
Tony Faure	-	-	-	250,000	250,000
Mark Alexander Grieg	-	-	-	250,000	250,000
	2	-	-	1,500,000	1,500,002

**30 June 2012**

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Other changes during the period	Balance at end of period
Michael John Liubinskas	-	-	-	1	1
Philip David Morle	-	-	-	1	1
	-	-	-	2	2

**Other KMP Transactions**

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to Note 24: Related Party Transactions.

For details of loans to KMP, refer to Note 24: Related Party Transactions.

**Note 7 Auditors' Remuneration**

Remuneration of the auditor for:

— auditing or reviewing the financial report

Group	
1 Jul 2012 to 31 Dec 2012	22 May 2012 to 30 June 2012
\$	\$
11,000	-
<u>11,000</u>	<u>-</u>

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 8 Cash and Cash Equivalents**

	Note	Group	
		31-Dec-12	30-Jun-12
Cash at bank and on hand		\$ 370	2
Short-term bank deposits		1,122,952	414
	25	<u>1,123,322</u>	<u>416</u>

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		1,123,322	416
Bank facilities	16	<u>(2,942)</u>	<u>-</u>
		<u>1,120,380</u>	<u>416</u>

**Note 9 Trade and Other Receivables**

	Note	Group	
		31-Dec-12	30-Jun-12
		\$	\$
<b>CURRENT</b>			
Trade receivables		3,753	-
Provision for impairment		-	-
		<u>3,753</u>	<u>-</u>
Other receivables	9a	175,000	-
Amounts receivable from related parties			
— associated companies		162,912	-
— other related parties	24(b)	91,021	-
— key management personnel		217,397	-
Total current trade and other receivables		<u>650,083</u>	<u>-</u>
<b>NON-CURRENT</b>			
Amounts receivable from related parties:			
— other related parties	24(b)	50,000	-
Total non-current trade and other receivables		<u>50,000</u>	<u>-</u>

	Opening Balance 1-Jul-12	Charge for the Period	Amounts Written Off	Closing Balance 31-Dec-12
	\$	\$	\$	\$
<b>Consolidated Group</b>				
(i) Current trade receivables	-	3,753		3,753
(ii) Current other receivables	-	175,000		175,000
(iii) Current related parties	24	91,021		91,021
(iv) Current associated companies	-	162,912		162,912
(v) Current key management personnel	24	217,397		217,397
(vi) Non-current related parties	-	50,000		50,000
	-	<u>700,083</u>	-	<u>700,083</u>

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 9 Trade and Other Receivables**

**Credit risk**

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
<b>2012</b>	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	257,710	-	203,043	5,641	332	48,694	203,043
Other receivables	392,375	-					392,375
<b>Total</b>	<b>650,085</b>	<b>-</b>	<b>203,043</b>	<b>5,641</b>	<b>332</b>	<b>48,694</b>	<b>595,418</b>

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
<b>2011</b>	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	-	-	-	-	-	-	-
Other receivables							
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) **Other Receivable**

Included in trade debtors is an amount owing to the parent company of \$175,000 at the end of the reporting period from Convertible Note holders (refer note 16)

(b) **Financial Assets Classified as Loans and Receivables**

Trade and other Receivables

— Total current

— Total non-current

Financial assets

Note	Group	
	31-Dec-12	30-Jun-12
	\$	\$
	650,083	-
	50,000	-
25	<u>700,083</u>	<u>-</u>

**Note 10 Associated Companies**

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment		
				31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12	
				%	%	\$	\$	
Unlisted:								
(i)	APN Inception Pty Ltd	Social online recruitment	Australia	Ord	20.00%	0.00%	148,855	-
(ii)	Flikgift Pty Ltd	Social online gifting platform	Australia	Ord	21.88%	0.00%	118,645	-
							<u>267,500</u>	<u>-</u>

(i) APN Investments is an online recruitment business which specialises in social network job referrals. As part of the Group's strategy to invest in online business the Group acquired a 20% ownership interest in APN Inception Pty Ltd at a cost of \$150,000. The Company has performed extremely well during the year in building its IP platform. The Group's carrying amount of the investment has remained at cost less the loss for the period.

(ii) Flikgift Pty Ltd is an online social gifting site which specialises in the collaboration of people in contributing towards a gift for a friend. As part of the Group's strategic plan to invest in online businesses, the Group acquired a 21.88% ownership interest in Flikgift Pty Ltd at a cost of \$154,000. Since the acquisition the carrying amount of the investment has remained at \$154,000 which is at cost less the loss for the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 10 Associated Companies (continued)**

	Note	Group	
		31-Dec-12	30-Jun-12
		\$	\$
(a) <b>Movements during the period in equity accounted investment in associated companies</b>			
Balance at beginning of the financial period		-	-
Add: New investments during the period		304,000	-
Share of associated company's profit after income tax	10b	(36,500)	-
Balance at end of the financial period		<u>267,500</u>	<u>-</u>
(b) <b>Equity accounted profits of associates are broken down as follows:</b>			
Share of associate's profit before income tax expense		(36,500)	-
Share of associate's income tax expense		-	-
Share of associate's profit after income tax		<u>(36,500)</u>	<u>-</u>
(c) <b>Summarised presentation of aggregate assets, liabilities and performance of associates</b>			
Current assets		262,449	-
Non-current assets		1,690	-
Total assets		<u>264,139</u>	<u>-</u>
Current liabilities		102,923	-
Non-current liabilities		-	-
Total liabilities		<u>102,923</u>	<u>-</u>
Net assets		<u>161,216</u>	<u>-</u>
Revenues		<u>3,454</u>	<u>-</u>
Profit after income tax of associates		<u>(673,562)</u>	<u>-</u>

**Note 11 Other Financial Assets**

	Note	Group	
		31-Dec-12	30-Jun-12
		\$	\$
NON-CURRENT			
Available-for-sale financial assets	11b	100,000	-
Total non-current assets		<u>100,000</u>	<u>-</u>
(b) <b>Available-for-sale financial assets</b>			
NON-CURRENT			
Unlisted investments, at cost			
— shares in other related parties	11c	100,000	-
Total available-for-sale financial assets	25	<u>100,000</u>	<u>-</u>

		Group	
		31-Dec-12	30-Jun-12
		\$	\$
(c) <b>Investments in related parties</b>			
Available-for-sale financial assets includes the following investments held in related party entities:			
(i) Unlisted			
(i) Wooboard Pty Ltd	Staff recognition platform	At cost	100,000
			<u>-</u>
			<u>100,000</u>
			<u>-</u>

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
				31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12
				%	%	\$	\$
Unlisted:							
Wooboard Pty Ltd	Staff recognition platform	Australia	Ord	4.15%	0.00%	100,000	-
						<u>100,000</u>	<u>-</u>

Wooboard Pty Ltd is a online staff engagement software which specialises in the recognition of work colleagues and cultural performance matrix's. As part of the Group's strategic plan to invest in online businesses, the Group acquired a 4.15% ownership interest in Wooboard at a cost of \$100,000. Since the acquisition the carrying amount of the investment has remained at \$100,000 which is at cost.

**Note 12 Controlled Entities**

(a) <b>Controlled Entities Consolidated</b>	Country of Incorporation	Percentage Owned (%)*	
		31-Dec-12	30-Jun-12
Subsidiaries of Pollenizer Global Pty Ltd:			
Pollenizer Pty Ltd	Australia	100.00%	0.00%
Pollenizer Investments Pty Ltd	Australia	100.00%	0.00%
Pollenizer Singapore Pte Ltd	Singapore	100.00%	0.00%
Tiwala Pty Ltd	Australia	100.00%	0.00%
From Little Things Events Pty Ltd	Australia	75.00%	0.00%

\* Percentage of voting power is in proportion to ownership

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**Note 12      Controlled Entities**

**(b) Acquisition of Controlled Entities**

On 15 September 2012 the parent entity acquired 100% interest in Pollenizer Pty Ltd for \$100,000 from Hollybridge Pty Ltd controlled by Mr Liubinskas (49% or \$49,000) & Bitzfabriek Pty Ltd controlled by Mr Morle (49% or \$49,000) & Dybitt Pty Ltd (2% or \$2,000). The acquisition was a result of the Group's strategy to build a global technology start up business by utilising the Intellectual Property and systems developed by Pollenizer. The acquisition resulted in Pollenizer Global Pty Ltd obtaining control of Pollenizer Pty Ltd. The acquisition was settled via the issue of 500,000 shares respectively to Hollybridge Pty Ltd and Bitzfabriek Pty Ltd in the parent company, Pollenizer Global Pty Ltd with each company having a loan owing of \$1,000.

On 12 December 2012 the parent entity purchased 300 shares at \$1 per share in From Little Things Events Pty Ltd representing a 75% shareholding in the Company. The investment was a result of the Group's strategy to build a Australian based events and media business in the technology sector. The investment resulted in Pollenizer Global Pty Ltd obtaining control of From Little Things Events Pty Ltd.

	Pollenizer Pty Ltd	From Little Things Events Pty Ltd
	Fair value	Fair value
	\$	\$
- Purchase consideration:		
- Cash	-	-
- Issue of Ordinary shares (i)	100,000	-
- Contingent consideration	-	-
	100,000	-
- Previously held 0% equity interest		
- Non-controlling interest		
	100,000	-
<b>Less:</b>		
Receivables	145,873	3,138
Inventories	691,819	3,442
Property, plant and equipment	76,978	-
Payables	(814,670)	(43,647)
<b>Identifiable assets acquired and liabilities assumed</b>	<b>100,000</b>	<b>(37,067)</b>
	-	37,067

**Intellectual Property (ii)**

- (i) The consideration paid to acquire Pollenizer Pty Ltd involved issuing 1,000,000 ordinary shares at \$0.10 each issued to related parties of the vendors of Pollenizer Pty Ltd. The fair value of the shares has been determined based on the current market price of the shares at the date of acquisition.
- (ii) The consideration paid to invest in From Little Things Events Pty Ltd consisted of \$300 in cash. The goodwill is attributable to the brand name and future profitability of the acquired business and the significant synergies expected to arise after the Group's acquisition of From Little Things Events Pty Ltd.

**Note 13      Plant and Equipment**

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Leasehold improvements		
At cost	35,484	-
Accumulated amortisation	(1,229)	-
<b>Total Leasehold Improvements</b>	<b>34,255</b>	<b>-</b>
Furniture Fixtures & Fittings		
At cost	39,973	-
Accumulated depreciation	(13,702)	-
	26,271	-
Computer Equipment		
At cost	55,062	-
Accumulated depreciation	(43,286)	-
	11,776	-
<b>Total property, plant and equipment</b>	<b>72,302</b>	<b>-</b>

**(a) Movements in Carrying Amounts**

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$
<b>Group:</b>			
Balance at 22 May 2012	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2012	-	-	-
Additions	-	2,006	2,006
Additions through business combinations	34,255	36,041	70,296
Balance at 31 December 2012	34,255	38,047	72,302

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**Note 14 Intangible Assets**

	Group	
	31-Dec-12 \$	30-Jun-12 \$
Intellectual Property		
Cost	37,067	-
Accumulated impaired losses	-	-
Net carrying amount	37,067	-
Trademarks and licences		
Cost	1,510	-
Accumulated impairment losses	-	-
Net carrying amount	1,510	-
Total intangibles	38,577	-

**Group:**

**Period ended 31 December 2012**

	Intellectual Property \$	Trademarks & Licences \$	Totals
Balance at the beginning of period	-	-	-
Acquisitions through business combinations	37,067	1,510	38,577
Closing value at 31 December 2012	37,067	1,510	38,577

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an indefinite useful life.

**Note 15 Trade and Other Payables**

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
<b>CURRENT</b>			
Unsecured liabilities			
Trade payables		98,400	-
Sundry payables and accrued expenses		65,747	-
Amounts payable to related parties	24(d)	-	414
— wholly-owned subsidiaries		-	-
— associated companies		100,000	-
— other related parties	24(b)	311,855	-
— key management personnel related entities		6,283	-
		582,285	414

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
Trade and other payables			
— Total current		582,285	414
— Total non-current		-	-
		582,285	414
Less: construction contract advances and payables			
Less: other payables (net amount of GST payable)			
Financial liabilities as trade and other payables	25	582,285	414

**Note 16 Other Financial Liabilities**

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
<b>CURRENT</b>			
Unsecured liabilities			
Bank facilities		2,942	-
Convertible notes		1,101,721	-
Total current borrowings		1,104,663	-
Total borrowings	25	1,104,663	-

The parent entity completed a capital raising via the issue of Convertible Notes under a Information Memorandum Statement to a number of sophisticated investors in the months of November 2012 and December 2012. The Convertible Notes will automatically convert to ordinary shares following a qualifying transaction, being a equity fund raising of no less than \$2,000,000 within 2 years of the date of issue, being the Maturity Date. Each note will convert to Ordinary shares at a 40% discount to the average share price for the capital raising. Underlying the Convertible Note deed interest is payable and will accrue at 7.00% p.a from the first anniversary of the date of issue.

If a Qualifying Transaction has not occurred on or before the Maturity Date, a Noteholder may either convert the Notes into Ordinary Shares or request to redeem the Notes. In the event of a redemption of the Notes the Group will repay \$250,000 per annum to the notes on the Maturity Date and within 30 days of each anniversary of the Maturity Date and then \$500,000 on each subsequent anniversary of the Maturity Date until the Notes are redeemed in full.

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**Note 17 Tax**

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
<b>CURRENT</b>		
Income tax payable	11,742	-
	11,742	-
	11,742	-

Deferred tax assets (\$) not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:

- temporary differences \$32,388
- tax losses: operating losses \$81,109

Deferred tax liabilities (\$) not brought to account, the costs of which will be offset by the Deferred Tax Assets as set out in Note 1(b) occur:

- temporary differences \$2,433

**Note 18 Provisions**

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
<b>CURRENT</b>		
Short-term Employee Benefits		
Opening balance at 1 July 2012	-	-
Additional provisions	144,923	-
Balance at 31 December 2012	144,923	-
	144,923	-
<b>Total</b>	144,923	-

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
<b>NON CURRENT</b>		
Long-term Employee Benefits		
Opening balance at 1 July 2012	-	-
Additional provisions	6,461	-
Balance at 31 December 2012	6,461	-
	6,461	-
<b>Total</b>	6,461	-

**Analysis of Total Provisions**

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
Current	144,923	-
Non-current	6,461	-
	151,384	-

**Provision for Employee Benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Group does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(j).

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**Note 19 Issued Capital**

	Group		Group	
	31-Dec-12 Shares	30-Jun-12 Shares	31-Dec-12 \$	30-Jun-12 \$
Ordinary shares - full paid	7,000,002	2	700,002	2
	<u>7,000,002</u>	<u>2</u>	<u>700,002</u>	<u>2</u>

*Movements in ordinary share capital*

	Group	
	31-Dec-12 No.	30-Jun-12 No.
(a) <b>Ordinary Shares</b>		
At the beginning of the reporting period	2	
Shares issued during the period		
— 22 May 2012 on incorporation		2
— 6 September 2012	1,500,000	
— 27 September 2012	5,500,000	
At the end of the reporting period	<u>7,000,002</u>	<u>2</u>

*Ordinary shares*

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) **Options**

- (i) For information relating to the Pollenizer Global Pty Ltd employee option plan, including details of options issued, exercised and lapsed during the financial period and the options outstanding at period-end. Refer to Note 22: Share-based Payments.
- (ii) For information relating to share options issued to key management personnel during the financial period. Refer to Note 22: Share-based Payments.

(c) **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, convertible notes and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
Total borrowings	15, 16	1,686,948	414
Less cash and cash equivalents	8	<u>(1,123,322)</u>	<u>(416)</u>
Net debt		563,626	(2)
Total equity		451,710	2
Total capital		<u>1,015,336</u>	<u>-</u>
Gearing ratio		56%	

**Note 20 Capital and Leasing Commitments**

	Group	
	31-Dec-12 \$	30-Jun-12 \$
(a) <b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	166,072	-
— between 12 months and 5 years	66,861	-
— later than 5 years	-	-
	<u>232,933</u>	<u>-</u>

Pollenizer Pty Ltd has a ongoing lease arrangement with its landlord at 180 Commonwealth Street, Surry Hills that expires in May 2014. The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be increased by the consumer price index (CPI) per annum. An option exists to renew the lease at the end of the three-year term for an additional term of two years.

Pollenizer Pty Ltd has a few computers on operating leases for the next 12 to 24 months. It is company policy to update computers at the end of the Operating Lease. Due to the nature of the business the latest technology is required.

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**Note 21 Cash Flow Information**

	Group	
	31-Dec-12	30-Jun-12
	\$	\$
(a) <b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	(283,807)	-
Cash flows excluded from profit attributable to operating activities		
Finance costs on debentures		
Non-cash flows in profit		
Amortisation	1,889	
Depreciation	1,829	
Share options expensed	37,095	
Foreign exchange reserve	(1,579)	
Flood losses — plant and inventories		
Share of associated companies' net profit after income tax and dividends	36,500	
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	101,654	
(Increase)/decrease in unearned income	(111,669)	
Increase/(decrease) in trade payables and accruals	(11,627)	
Increase/(decrease) in income taxes payable	2,485	
Increase/(decrease) in provisions	(35,043)	
Cash flow from operations	<u>(262,273)</u>	-

**Note 22 Share-based Payments**

(i) On 28 September 2012, 3,745,000 share options were granted to employees under the Pollenizer Global Pty Ltd Employee Option Plan to take up ordinary shares at an exercise price of \$0.17 each. The options are exercisable on various vesting dates in accordance with years of service. All options expire five years from issue date being 28 September 2017. The options hold no voting or dividend rights and are not transferable.

(ii) Options granted to key management personnel are as follows:

Grant Date	Number
28 September 2012	3,745,000

These options vest over a four year period with a percentage vesting on grant date. Vesting subsequent to grant date is also subject to KMP meeting specified performance and employment criteria. Further details of these options are provided in the director's report. The options hold no voting or dividend rights but have been listed. The options lapse when a KMP ceases their employment with the group. Since the end of the reporting period, Pierre Sauvignon retired from the Group. His options that had not vested have been subsequently forfeited totalling 90,000 options and reducing the Options outstanding to 3,655,000 as at the reporting date. During the financial year, 1,225,000 options vested with KMP.

(iii) The company established the Employee Share Option Scheme on 28th September 2012 as a long term incentive scheme to recognise talent and motivate executives to strive for Group performance. Executive employees are only offered by Directors to participate in the scheme. Employees are granted options which vest over five years, subject to meeting specified performance criteria. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group. The number available to be granted is determined by the Board and is based on performance measures including growth in shareholder return, return on equity, cash earnings, and group EPS growth.

Options are forfeited immediately upon receiving a Cessation of Employment Notice by the Group, unless the Board determines otherwise (this is usually only in the case of redundancy, death or disablement).

The options are issued with a strike price that is in line with the market price of the underlying shares determined at the time.

A summary of the movements of all company options issued is as follows:

	Group	
	Number	Weighted average exercise price
<b>Options outstanding as at 30 June 2012</b>		
Granted	3,745,000	\$0.17
Forfeited	-	
Exercised	-	
Expired	-	
<b>Options outstanding as at 31 December 2012</b>	3,745,000	\$0.17
Options exercisable as at 31 December 2012:	3,745,000	\$0.17

The weighted average remaining contractual life of options outstanding at year end was 4 years and 9 months. The exercise price of outstanding options at the end of the reporting period was \$0.17 per option.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was \$37,095. These values were calculated using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price:	\$0.17
Weighted average life of the option:	5 years
Expected share price volatility:	40%
Risk free interest rate:	3.5%

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**Note 23 Events After the Reporting Period**

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

- (i) On 31 January 2013, Pollenizer Global Pty Ltd entered into Convertible Note Deeds with Reuben James Buchanan and Jessica Felicity Buchanan ATF JRX Buchanan Superannuation Fund (\$50,000) and Azure Group Pty Ltd (\$25,000).
- (ii) On the 5 February 2013, the Board resolved that Pollenizer Global Pty Ltd change its name to Pollenizer Global Limited and to convert the Company into a Public Company. The Board approved a new Constitution as part of its strategy to grow into a Global business.
- (iii) On the 12 February 2013, the Board resolved that Pollenizer Global Pty Ltd undertake a share and option split of 8.74657:1. As a result of this share and option split, the number of shares on issue has increased from 7,000,000 to 61,226,053 and the options have increased from 3,655,000 to 31,968,737.
- (iv) On the 12 February 2013, Pollenizer Global Pty Ltd appointed Martin Dalgliesh as a Non Executive Director. He received 1,574,384 Options in the Employee Share & Option Scheme.

**Note 24 Related Party Transactions**

**(a) The Group's main related parties are as follows:**

**i. Entities exercising control over the Group:**

The ultimate parent entity that exercises control over the Group is Pollenizer Global Pty Ltd, which is incorporated in Australia.

**ii. Subsidiaries:**

Interests in subsidiaries are set out in note 12.

**iii. Key Management Personnel:**

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

For details of disclosures relating to key management personnel, refer to Note 6: Interests of Key Management Personnel Compensation.

**iv. Entities subject to significant influence by the Group:**

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

For details of interests held in associated companies, refer to Note 10: Associated Companies.

**v. Other Related Parties**

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

**(b) Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

**i. Ultimate controlling entity: Pollenizer Holdings Pty Ltd ATF Pollenizer Unit Trust ("Holdings")**

On the 27 September 2012, Pollenizer Holdings Pty Ltd ATF Pollenizer Unit Trust ("Holdings") was issued 5,500,000 ordinary shares at \$0.10 per share in Pollenizer Global Pty Ltd in accordance with a share subscription deed, representing a total paid up capital of \$550,000 and representing a 78% shareholding in the Group .

As at 31 December 2012, the Group owed \$94,480.00 to Holdings.

On the 12 August 2010, Holdings put in place an employee share scheme whereby units were issued to staff via a back to back loan with Pollenizer Pty Ltd. -The loan remains in place as at the reporting date. The loan is a subordinated loan secured only by the underlying units in the trust. The total amount of this loan between Holdings and Pollenizer Pty Ltd is \$217,375.

Several of Holdings investee companies have been loaned funds by Holdings at the foundation stage for each company. Please refer to each entities related party note for further details.

The terms of each loan listed below are set out in their individual shareholders agreements. In general, they are non-recourse loans which are only payable in an exit event.

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**Note 24      Related Party Transactions (continued)**

ii.    **Associated Companies**

*Flikgift Pty Ltd*

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided one full time startup team (including a Lean Product Manager, a Platform Engineer and support from the Finance and Operations Team and the User Interface Team) for a total of \$348,700. R&D preparation services to a total of \$5,500 were also provided.

No investments have been made by Holdings after 15 September 2012, however as at 31 December they held 37.5% and had previously made an investment of \$192,000

On the 28 September 2012, Pollenizer Investments Pty Ltd was issued 56 fully paid ordinary shares at \$2,750 each for a total investment of \$154,000. At 31 December 2012 they held 21.88%.

*APN Inception Pty Ltd*

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided one full time startup team (including a Lean Product Manager, a Platform Engineer and support from the Finance and Operations Team and the User Interface Team) for a total of \$348,700. R&D preparation services to a total of \$5,500 were also provided.

No investments have been made by Holdings after 15 September 2012, however as at 31 December they held 38.4% and had previously made an investment of \$168,000.

On the 28 September 2012, Pollenizer Investments Pty Ltd was issued 50 fully paid ordinary shares at \$3,000 each for a total investment of \$150,000. As at 31 December 2012 they held 20%.

iii.    **Other Related Parties**

*Wooboard Pty Ltd*

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided one full time startup team (including a Lean Product Manager, a Platform Engineer and support from the Finance and Operations Team and the User Interface Team) for a total of \$378,360. R&D preparation services to a total of \$2,200 were also provided.

On 28 September 2012, Pollenizer Investments Pty Ltd was issued 128,514 fully paid ordinary shares at \$0.7781 each for a total investment of \$100,000. At 31 December 2012 they held 4.15%. As at the reporting date Pollenizer Investments Pty Ltd had outstanding paid up capital owing to Wooboard Pty Ltd for \$50,000.

No investments have been made by Holdings after 15 September 2012, however at 31 December 2012 they held 51.07% and had previously made an investment of \$176,264.97 and loaned \$138,735.03 to Wooboard Pty Ltd. Michael Liubinskas is a Director of Wooboard Pty Ltd. It is noted that the key terms of the loan include:

- the loan is interest free;
- the loan is unsecured; and
- the loan is only repayable upon the occurrence of an Exit Event.

*Big Happy Pty Ltd*

At 31 December 2012, Holdings had invested a total of \$40 and held 400,000 fully paid ordinary shares in Big Happy Pty Ltd. A loan of \$49,960 from Holdings to Big Happy Pty Ltd was in place.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 to Big Happy Pty Ltd under commercial terms. Michael Liubinskas is a Director of Big Happy Pty Ltd.

*Coachy Pty Ltd*

At 31 December 2012, Holdings had invested a total of \$250,000 and held 67.86% (190,000 fully paid ordinary shares) in Coachy Pty Ltd.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 and R&D preparation services to a total of \$11,000 to Coachy Pty Ltd. Michael Liubinskas is a Director of Coachy Pty Ltd.

*Friendorse.com Pty Ltd*

At 31 December 2012, Holdings had invested a total of \$74,650 and held 19.66% (672,948 fully paid ordinary shares) in Friendorse.com Pty Ltd. A loan of \$35,940 from Holdings to Friendorse.com Pty Ltd was in place.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 and R&D preparation services to a total of \$11,000 to Friendorse.com Pty Ltd. Philip Morle is a Director of Friendorse.com Pty Ltd.

*Mogeneration Pty Ltd*

At 31 December 2012, Holdings had invested a total of \$31,000 and held 9.52% (fully paid ordinary shares) in Mogeneration Pty Ltd.

For the period 1 July 2012 to 31 December 2012, Mogeneration Pty Ltd provided training in using their Oomph system to Pollenizer Pty Ltd for a total of \$338.12. Michael Liubinskas is a Director of Mogeneration Pty Ltd.

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**Note 24      Related Party Transactions (continued)**

Mythofme Pty Ltd

At 31 December 2012, Holdings had invested a total of \$15,002 and held 20.57% (215,000 fully paid ordinary shares) in Mythofme Pty Ltd.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 to Mythofme Pty Ltd. Philip Morle is a Director of Mythofme Pty Ltd.

Noble Village Pty Ltd

At 31 December 2012, Holdings had invested a total of \$100 and held 100% (100 shares) in Noble Village Pty Ltd. As at the reporting date, a loan of \$24,900 from Holdings to Noble Village Pty Ltd was in place.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 and R&D preparation services to a total of \$11,000 to Noble Village Pty Ltd. Philip Morle is a Director of Noble Village Pty Ltd.

Ryuu Pty Ltd

At 31 December 2012, Holdings had invested a total \$45 and held 45% (450,000 fully paid ordinary shares). A loan of \$139,955 from Holdings to Ryuu Pty Ltd was in place. Holdings is a shareholder in Pollenizer Global Pty Ltd.

For the period 1 July 2012 to 31 December 2012, Pollenizer Pty Ltd provided Finance and Operations services to a total of \$165 and R&D preparation services to a total of \$11,000 to Ryuu Pty Ltd. Philip Morle is a Director of Ryuu Pty Ltd.

iv. **Key Management Personnel**

Tony Faure

Tony Faure ("Tony") is a Director of Faurtune Pty Ltd ("Faurtune") which is also his consulting company. On 1 November 2012, Pollenizer Global Pty Ltd engaged Faurtune for professional consulting and advisory services. For the period 1 July 2012 to 31 December 2012, Faurtune provided consulting and advisory services to a total of \$17,600 to Pollenizer Global Pty Ltd.

Tony is a Director of Pollenizer Holdings Pty Ltd. For the period 1 July 2012 to 31 December 2012, Faurtune provided consulting services to a total of \$22,400 to Pollenizer Holdings Pty Ltd. Faurtune is a unitholder in Holdings.

On 6 September 2012, Pollenizer Global Pty Ltd issued 250,000 ordinary shares at \$0.10 to Faurtune representing a total paid up capital of \$25,000.

Tony is a Director of Flikgift Pty Ltd and he was not remunerated in this capacity.

Philip Morle

Philip Morle ("Philip") is a Director of Bitzfabriek Pty Ltd ATF the Bitzfabriek Family Trust ("Bitzfabriek"). Bitzfabriek is a shareholder in Pollenizer Global Pty Ltd and unitholder in Holdings.

On 6 September 2012, Pollenizer Global Pty Ltd issued 500,000 fully paid ordinary shares at \$0.10 to Bitzfabriek.

On 14 September 2012, Pollenizer Global Pty Ltd purchased 5,000 ordinary shares at \$9.80 from Bitzfabriek shares for 49% of Pollenizer Pty Ltd. The settlement of the purchase consideration was settled by way of script for script share issue (per above). The difference represented a loan balance owing by the trust to Pollenizer Global Pty Ltd as at the reporting date.

Philip is a Director of Pollenizer Holdings Pty Ltd.

Michael Liubinskas

Michael Liubinskas ("Michael") is a Director of Hollybridge Pty Ltd ATF the Hollybridge Unit Trust ("Hollybridge"). Hollybridge is a shareholder in Pollenizer Global Pty Ltd and unitholder in Holdings.

On 6 September 2012, Pollenizer Global Pty Ltd issued 500,000 fully paid ordinary shares at \$0.10 to Hollybridge.

On 14 September 2012, Pollenizer Global Pty Ltd purchased 5,000 fully paid ordinary shares at \$9.80 from Hollybridge representing 49% of Pollenizer Pty Ltd. The settlement of the purchase consideration was settled by way of script for script share issue (per above). The difference represented a loan balance owing by the trust to Pollenizer Global Pty Ltd as at the reporting date.

Michael is a Director of Pollenizer Holdings Pty Ltd.

Mark Grieg

Mark Grieg ("Mark") is a Director of Grieg Holdings Pty Ltd ATF Grieg Family Trust ("Grieg") which is his consulting company.

On 15 October 2012 Pollenizer Global Pty Ltd engaged Grieg for professional consulting and advisory services. For the period 1 July 2012 to 31 December 2012, Grieg provided consulting services to a total of \$13,750 to Pollenizer Global Pty Ltd.

Mark is a Director of Pollenizer Holdings Pty Ltd. For the period 1 July 2012 to 31 December 2012, Grieg provided consulting services to a total of \$5,000 to Pollenizer Holdings Pty Ltd.

On 6 September 2012, Pollenizer Global Pty Ltd issued 250,000 ordinary shares at \$0.10 to Grieg representing a total paid up capital of \$25,000.

Mark is a Director of Elecap Pty Ltd his investment company. As at 31 December 2012, Elecap Pty Ltd had invested a total of \$47,870.60 and loaned a total of \$129,800.83 to Wooboard Pty Ltd. Elecap Pty Ltd is a unitholder in Holdings.

Mark is a Director of APN Inception Pty Ltd and he was not remunerated in this capacity.

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**Note 25 Financial Risk Management**

The Group's financial instruments consist mainly of on-call cash management deposits with banks, local money market instruments, accounts receivable and payable, loans to and from subsidiaries and convertible notes.

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

	Note	Group	
		31-Dec-12 \$	30-Jun-12 \$
<b>Financial Assets</b>			
Cash and cash equivalents	8	1,123,322	416
Loans and receivables	9b	700,083	-
Available-for-sale financial assets			
— at cost			
— unlisted investments	11b	100,000	-
Total available-for-sale financial assets	11b	100,000	-
<b>Total Financial Assets</b>		<b>1,923,405</b>	<b>416</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	15	582,285	414
— Borrowings	16	1,104,663	-
<b>Total Financial Liabilities</b>		<b>1,686,948</b>	<b>414</b>

**Financial Risk Management Policies**

Risk management is carried out by the Finance Executives ('finance') under policies approved by the Board of Directors ('Board'). Finance monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority.

Finance's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements and delivering finance reports to the Board on a monthly basis.

**Specific Financial Risk Exposures and Management**

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

**a. Credit risk**

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

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the customer, credit terms are generally 1 to 30 days from the invoice date. Most customers are related parties or associates of the Group and our Finance Division is involved in managing their finances, hence we are able to manage the credit risk actively.

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

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. On a geographic basis, the Group only has credit risk exposures in Australia. Details with respect to credit risk of Trade and Other Receivables is provided in Note 9.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 9.

Credit risk related to balances with banks and other financial institutions is managed by Finance in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

**b. Liquidity risk**

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources, including share capital raisings
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank credit cards have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

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

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**Note 25 Financial Risk Management**

**Financial liability and financial asset maturity analysis**

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12
<b>Consolidated Group</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Bank facilities	2,942	-					2,942	-
Convertible notes			1,101,721				1,101,721	-
Trade and other payables	164,147	414					164,147	414
Amounts payable to related parties	418,138	-					418,138	-
Total contractual outflows	585,227	414	1,101,721	-	-	-	1,686,948	414
Less bank overdrafts								
Total expected outflows	585,227	414	1,101,721	-	-	-	1,686,948	414

	1 to 5 years		Over 5 years		Total	
	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12
<b>Consolidated Group</b>	\$	\$	\$	\$	\$	\$
<b>Financial Assets - cash flows realisable</b>						
Cash and cash equivalents	1,123,322	416			1,123,322	416
Trade, term and loans receivables	650,083	-			650,083	-
Total anticipated inflows	1,773,405	416	-	-	1,773,405	416
Net (outflow) / inflow on financial instru	1,188,178	2	(1,101,721)	-	-	86,457

**c. Market Risk**

**i. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments which primarily expose the Group to interest rate risk are fixed rare convertible notes and cash and cash equivalents.

**Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using other valuation techniques commonly used by technology industry start up participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

	Note	31-Dec-12		30-Jun-12	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Consolidated Group</b>		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	1,123,322		416	
Trade and other receivables	(i)	178,753		-	
Loans and advances - related parties	(iii)	521,330		-	
<i>Financial assets at fair value through profit or loss</i>					
- at cost					
- unlisted investments		100,000		-	
Total available-for-sale financial assets	(iv)	100,000	-	-	-
<b>Total financial assets</b>		1,923,405	-	416	-
<b>Financial liabilities</b>					
Trade and other payables	15	582,285		414	
Convertible notes payable	16	1,101,721		-	
Credit card bank debt		2,942		-	
<b>Total financial liabilities</b>		1,686,948	-	414	-

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.
- (ii) Term receivables generally reprice to a market interest rate every six months, and fair value therefore approximates carrying amount.
- (iii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying amounts largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iv) The directors have determined that the fair values of the available-for-sale financial assets carried at cost and at recoverable amount cannot be reliably measured, as variability in the range of reasonable fair value estimates is significant. Consequently, such assets are recognised at cost and their fair values have also been stated at cost in the table above. There is no active market for these investments, and there is no present intention to dispose of these investments.

**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012**

**Note 26 Reserves**

- a. **Foreign Currency Translation Reserve**  
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.
- b. **Option Reserve**  
The option reserve records items recognised as expenses on valuation of employee share options.
- i. **Analysis of items of other comprehensive income by each class of reserve**

		Group	
	Note	31-Dec-12 \$	30-Jun-12 \$
<b>Foreign currency translation reserve</b>			
Exchange differences on translation of foreign controlled entities	5c	(1,580)	
Movement in foreign currency translation reserve		(1,580)	-
<b>Staff Option Reserve</b>			
Value calculated based on Black Scholes Model	5c	37,095	
Movement in financial assets reserve		37,095	-

**Note 27 Company Details**

The registered office of the company is:  
Pollenizer Global Pty Ltd  
180 Commonwealth Street  
Surry Hills NSW 2010

The principal places of business are:  
Pollenizer Global Pty Ltd  
180 Commonwealth Street  
Surry Hills NSW 2010


**POLLENIZER GLOBAL PTY LTD ACN: 158 493 639  
AND CONTROLLED ENTITIES  
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Pollenizer Global Pty Ltd, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 32, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

The company and a wholly-owned subsidiary, [insert company name], have entered into a deed of cross guarantee under which the company and its subsidiary guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

Director  \_\_\_\_\_  
[Select director name]

Dated this [day] 26 day of [month] February 2013 Philip Morle

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLENIZER GLOBAL PTY LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Pollenizer Global Pty Limited (the 'Company'), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the period end or from time to time during the financial period.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

#### **Nexia Court & Co**

Level 29, 264 George Street, Sydney NSW 2000  
PO Box H195, Australia Square NSW 1215  
p +61 2 9251 4600, f +61 2 9251 7138  
info@nxiacourt.com.au, www.nexia.com.au

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*Independence*

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

*Auditor's Opinion*

In our opinion:

- (a) the financial report of Pollenizer Global Pty Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.



**Joseph Santangelo**  
Partner



**Nexia Court & Co**  
Chartered Accountants

Date: 26 February 2013  
Sydney



