

Appendix 4D

Half year Report

Half-year ended 31 December 2013

Introduced 01/01/03 Amended 17/12/10

Name of entity

MNEMON LIMITED

ABN

94 125 736 914

- | | | |
|-----------|---|--|
| 1. | Half-year ended
(‘current reporting period’)
31 December 2013 | Half-year ended
(‘previous corresponding period’)
31 December 2012 |
|-----------|---|--|

2. Results for announcement to the market

\$A'000

2.1	Revenue from ordinary activities	up /down	99.96%	To 3
2.2	Profit from ordinary activities after tax attributable to members	up/ down	186.90%	To 37
2.3	Profit for the period attributable to members	up/ down	1407.81%	To 562

Dividends		Amount per security	Franked amount per security
2.4	Final dividends	N/A	N/A
2.4	Interim dividends	N/A	N/A

2.5	Record date for determining entitlements to the dividends	N/A
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2.6	<p>Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:</p> <p>This report should be read in conjunction with Mnemon Limited's most recent Annual and Interim Financial Reports</p>
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3. NTA Backing

	Current reporting period	Previous corresponding period
3.1 Net tangible assets per security	0.71 cents	0.69 cents

4. Control gained over entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date of gain of control	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.4 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

4.5 Name of entity (or group of entities)	N/A
4.6 Date of loss of control	N/A
4.7 Aggregate price received for the sale of subsidiaries	N/A

5. Dividends/distributions

Date the dividend/distribution is payable

N/A

Amount per security of foreign source dividend/distribution

N/A

Total dividends/distributions

Ordinary securities

N/A

Preference securities

N/A

6. Dividend/distribution plans

Dividend or distribution investment plans in operation:	N/A
The last date(s) for receipt of election notices for participation in dividend or distribution reinvestment plans	N/A

7. Details of aggregate share of profits (losses) of associates and joint venture entities

Name of associate/joint venture	N/A	
Holding in entities	N/A	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. Foreign entities

Which set of accounting standards are used in compiling the report (e.g. International Financial Reporting Standards):	N/A
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9. All entities

A description of accounts subject to audit dispute or qualification	N/A
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Mnemonic Limited

ABN: 94 125 736 914

**Interim Financial Report
For the half-year ended
31 December 2013**

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Mnemon Limited

Corporate Directory

Directors	Ms Naseema Sparks	Chairman	(appointed 17 January 2014)
	Mr David Leslie		(appointed 17 January 2014)
	Mr Elliott Kaplan		(appointed 17 January 2014)
	Mr Alexander Beard	Chairman	(resigned 17 January 2014)
	Mr Ben Grootemaat		(resigned 17 January 2014)
	Mr John Hunter		(resigned 17 January 2014)
Company secretary	Mr Mark Tayler		(appointed 17 January 2014)
	Mr John Hunter		(resigned 17 January 2014)
Registered office	Celtic Holdings Pty Ltd Level 9 77 Pacific Highway North Sydney NSW 2060 Telephone: +61 8 9340 9400 Facsimile: +61 8 9340 9401		
Principal place of business	DealsDirect Group Pty Limited Inglis Road Ingleburn NSW 2565 Telephone: +61 2 9641 2222 Facsimile: +61 2 9641 2299		
Share register	Computershare Investor Services Pty Limited Level 5 115 Grenfell Street Adelaide SA 5000 Telephone: 1300 55 61 61 or +61 8 8236 2300 Facsimile: +61 3 9473 2408		
Stock exchange listing	ASX: MNZ		
Legal advisors	Thomsons Lawyers Sydney NSW 2001		
Bankers	Westpac Banking Corporation Sydney NSW 2000		
Auditors	Ernst & Young Sydney NSW 2000		
Internet address	www.mnemon.com.au		

Mnemon Limited

Directors' Report

The directors of Mnemon Limited (the **Company**) present the report of the Company for the half-year ended 31 December 2013.

In order to comply with the *Corporations Act 2001*, the directors report as follows:

1. Directors

Ms Naseema Sparks	Chairman	(appointed 17 January 2014)
Mr David Leslie		(appointed 17 January 2014)
Mr Elliott Kaplan		(appointed 17 January 2014)
Mr Alexander Beard	Chairman	(resigned 17 January 2014)
Mr Ben Grootemaat		(resigned 17 January 2014)
Mr John Hunter		(resigned 17 January 2014)

2. Principal activities

During the half-year ended 31 December 2013 there were no operating activities of the Company. All subsidiaries ceased trading by 30 June 2013 and were sold off or dissolved by 30 June 2013.

3. Review of operations

The profit of the Company after income tax on a consolidated basis for the half-year ended 31 December 2013 was \$562,359 representing a significant improvement on the previous corresponding period's loss of (\$42,563).

The operating results of the Group for the half-year are summarised as follows:

	6 months 31 Dec 2013	6 months 31 Dec 2012
	\$	\$
Revenue and other income	752,623	5,931,932
Total expenses	(16,173)	(5,901,051)
Profit / (loss) before tax	736,450	30,881
Income tax benefit / (expense)	(174,091)	(73,444)
Profit / (loss) after tax	562,359	(42,563)

The Company did not trade on the open market during the consolidation and subsequent event period.

At an Extraordinary General Meeting (EGM) on 18 December 2013, the Company completed a 200:1 consolidation on its shares, which was completed on 10 January 2014.

Additional to the consolidation, the Shareholders approved the raising of further capital, contingent upon the acquisition of Deals Direct Group Limited. This was successfully completed on 17 January 2014 with the Company receiving a further \$6,152,708 in capital funds.

The acquisition of DealsDirect Group Pty Limited was completed on 17 January 2014, which resulted in a material change in Mnemon's operations.

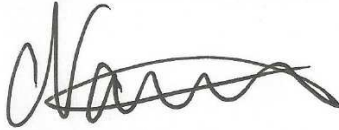
Further information on the share offering and acquisition activities can be found in Note 6, Subsequent Events.

Mnemon Limited
Directors' Report
(Continued)

4. Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found on page 14.

This report is made in accordance with a resolution of directors.



Ms Naseema Sparks
Chairman
27 February 2014

Mnemon Limited

Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2013

	Note	Half-year ended 31 Dec 2013 \$	Half-year ended 31 Dec 2012 \$
<u>Continuing operations</u>			
Revenue and other income		2,623	-
		2,623	-
Expenses			
Administrative expenses		61,922	273,816
Other expenses		-	21,236
Total expenses		61,922	295,052
Profit / (loss) before tax		(59,299)	(295,052)
Income tax benefit / (expense)		14,696	21,271
Profit / (loss) from continuing operations		(44,603)	(273,781)
<u>Discontinued Operations</u>			
Revenue and other income			
Sale of goods and services		-	5,903,108
Other income		-	28,824
Consideration on sale of business	3	750,000	-
		750,000	5,931,932
Expenses			
Selling and distribution expenses		-	3,344,751
Administrative expenses		(45,749)	347,512
Employment expenses		-	1,788,790
Financing costs		-	11,203
Other operating expenses		-	113,743
Total expenses		(45,749)	5,605,999
Profit / (loss) before tax		795,749	325,933
Income tax benefit / (expense)		(188,787)	(94,715)
Profit / (loss) from discontinuing operations		606,962	231,218
Profit (loss) for the year		562,359	(42,563)
Other comprehensive income		-	-
Total comprehensive income		562,359	(42,563)
Profit (loss) is attributable to:			
Owners of Mnemon Limited		562,359	(42,563)
		562,359	(42,563)
Total comprehensive income attributable to:			
Owners of Mnemon Limited		562,359	(42,563)
		562,359	(42,563)

Mnemon Limited

Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income (continued)

Note	Half-year ended 31 Dec 2013 \$	Half-year ended 31 Dec 2012 \$
	<u>Cents</u>	<u>Cents</u>
Basic and diluted earnings per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company	(3.56)	(26.20)
Basic and diluted earnings per share for profit / (loss) from discontinuing operations attributable to the ordinary equity holders of the Company	48.43	22.13
Basic and diluted earnings per share for profit / (loss) from the operations attributable to the ordinary equity holders of the Company	44.87	(4.07)

AASB 133: Earnings Per Share require basic and diluted earnings per share presented in the Income Statement to be retrospectively presented when there are changes in the share structure.

On 18 December 2013, approval was received from the Shareholders of Mnemon Limited to consolidate publicly listed shares on issue on a 200:1 basis. The consolidation of shares was achieved on 31 December 2013.

The share consolidation decreased the volume of shares on issue from 233,788,584 to 1,170,012.

Notes to the financial statements form part of the Financial Report and are included on pages 9 to 11.

Mnemon Limited

Consolidated Financial Statements

Consolidated statement of financial position

As at 31 December 2013

	Note	As at 31 Dec 2013 \$	As at 30 Jun 2013 \$
Current Assets			
Cash and cash equivalents		30,006	269,675
Trade and other receivables	3	795,615	36,996
Other current assets		290,390	-
Total current assets		1,116,011	306,671
Non-current assets		-	-
Total assets		1,116,011	306,671
Current Liabilities			
Trade and other payables		126,648	184,674
Current tax liabilities		172,595	17,588
Total current liabilities		299,243	202,262
Non - current liabilities		-	-
Total liabilities		299,243	202,262
Net assets		816,768	104,409
Equity			
Contributed equity	4	4,843,995	4,693,995
Reserves		-	-
Accumulated losses		(4,027,227)	(4,589,586)
Total equity		816,768	104,409

Notes to the financial statements form part of the Financial Report and are included on pages 9 to 11.

Mnemon Limited

Consolidated Financial Statements

Consolidated statement of changes in equity

For the half-year ended 31 December 2013

	Contributed equity	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
At 1 July 2013	4,693,995	-	(4,589,586)	104,409
Comprehensive income				
Profit or (loss) for the half-year	-	-	562,359	562,359
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	562,359	562,359
Issue of ordinary shares	150,000	-	-	150,000
Share- based payment expense	-	-	-	-
Total comprehensive income for the half-year	150,000	-	-	150,000
Balance at 31 December 2013	4,843,995	-	(4,027,227)	816,768
	\$	\$	\$	\$
At 1 July 2012	10,540,067	323,358	(6,917,557)	3,945,868
Comprehensive income				
Profit or (loss) for the half-year	-	-	(42,563)	(42,563)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(42,563)	(42,563)
Issue of ordinary shares	-	-	-	-
Share- based payment expense	-	14,953	-	14,953
Total comprehensive income for the half-year	-	14,953	-	14,953
Balance at 31 December 2012	10,540,067	338,311	(6,960,120)	3,918,258

Notes to the financial statements form part of the Financial Report and are included on pages 9 to 11.

Mnemon Limited

Consolidated Financial Statements

Consolidated statement of cash flows

For the half-year ended 31 December 2013

	Note	6 months 31 Dec 2013 \$	6 months 31 Dec 2012 \$
Cash flows from operating activities			
Receipts from customers		-	6,589,303
Payments to suppliers and employees		(166,778)	(6,013,379)
Income tax paid		(19,084)	(4,925)
Interest received		2,623	17,878
Interest paid		-	(670)
Net cash used in operating activities		(183,239)	588,207
Cash flows from investing activities			
Payments for plant and equipment		-	(4,841)
Payments for intangible assets		-	(51,133)
Net cash used in investing activities		-	(55,974)
Cash flows from financing activities			
Proceeds from capital raising activities		150,000	-
Payments for capital raising activities		(206,430)	-
Net cash provided by financing activities		(56,430)	-
Net increase / (decrease) in cash and cash equivalents		(239,669)	532,233
Cash and cash equivalents at the beginning of the reporting period		269,675	1,866,019
Cash and cash equivalents at the end of the reporting period		30,006	2,398,252

Notes to the financial statements form part of the Financial Report and are included on pages 9 to 11.

Mnemon Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2013

1: Statement of significant accounting policies

Mnemon Limited (the Company) is a publicly listed entity on the Australian Stock Exchange (ASX) and trades under the symbol MNZ. The Company is incorporated in Australia. The financial report includes the financial statements of the consolidated financial report of the Company.

a) Statement of compliance

The half year financial report is a set of general purpose financial statements for the half-year reporting period ended 31 December 2013 and has been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Act 2001*.

The historical cost basis has been used.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2013 and any public announcements made by Mnemon Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

b) Adoption of new and revised Accounting Standards

In addition, the following accounting standards are effective for the year ended 30 June 2014 and have been adopted by the Company for the period. Adoption of these standards did not have a material impact on the Company's financial position or financial performance:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities – disclosure requirements only, refer to Note 6
- AASB 13 Fair Value Measurement

c) Going Concern

The Directors have presented the interim report on the basis that the Group will continue as a Going Concern.

Following an Extraordinary General Meeting on 18 December 2013, the shareholders of Mnemon Limited approved the acquisition of DealsDirect Group Pty Limited and to raise further capital funds. Subsequent to the Extraordinary General Meeting, the Company has received \$6,152,708 in new capital.

2: Segment information

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors. The basis of determining segments has changed significantly from the last annual financial statements.

Mnemon operated in three operating segments: the provision of mobile phone content, mobile services and caller tones. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and similar types of products and/or services provided.

For the half-year ended 31 December 2013, the operating segments changed due to the sale of the Company's subsidiaries and the business has operated on a holistic basis as one single business unit.

Operating segments reported are all discontinued operations.

Mnemon Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2013

Half-year ended 31 December 2012	Mobile Phone Content	Mobile Services	Caller Tones	Other	Total
Revenue	467,384	5,434,472	1,252	-	5,903,108
Interest revenue	-	-	-	18,624	18,624
Total Segment Revenue	467,384	5,434,472	1,252	18,624	5,921,732
Unallocated other income	-	-	-	10,200	10,200
Total group revenue & other income	467,384	5,434,472	1,252	28,824	5,931,932
Segment Profit or loss	86,598	690,918	(60,411)	-	717,105
Reconciliation of Segment results to group profit before tax					
Unallocated items:					
Interest revenue	-	-	-	18,624	18,624
Other income	-	-	-	10,200	10,200
Depreciation expense	-	-	-	(20,589)	(20,589)
Employee benefits expense	-	-	-	(280,678)	(280,678)
Professional fees	-	-	-	(308,871)	(308,871)
Administration expenses	-	-	-	(104,910)	(104,910)
Net profit / (loss) before tax	-	-	-	(686,224)	30,881

Segment Assets and Liabilities

Segment assets and liabilities are not disclosed because all assets and liabilities are the parent entity assets and liabilities only and are not disclosed to the chief operating decision maker.

3: Trade and other receivables

	31 Dec 2013	30 Jun 2013
	\$	\$
Trade receivables	750,000	-
Other receivables	45,615	36,996
	795,615	36,996

Trade receivables represent a final tranche from an earn-out agreement between Ring Back Australia Pty Ltd to RealNetworks Australia Pty Limited.

4: Issued capital

	31 Dec 2013		31 Dec 2012	
	No	\$	No	\$
<i>Ordinary shares</i>				
Issued and fully paid		4,843,995		10,540,067
<i>Movements in ordinary shares</i>				
Balance at beginning of period	208,788,584	4,693,995	208,788,584	10,540,067
Movements throughout the year				
Shares issued	25,000,000	150,000	-	-
Reduction on share consolidation	(232,618,572)	-		
Balance at end of period	1,170,012	4,843,995	208,788,584	10,540,067

Mnemon Limited

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2013

(continued)

25,000,000 shares were issued at \$0.006 per share to non-related parties during the half-year.

At an Extraordinary General Meeting held on 18 December 2013, shareholders approved the consolidation of its current shareholding on a 200:1 basis to meet ASX listing obligations due to the ASX listing price per share being below the minimum share pricing requirement of \$0.20 per share.

The consolidation was completed on 31 December 2013 and changed the volume of shares on offer from 233,788,584 fully paid shares to 1,170,012 fully paid shares.

5: Commitments and contingent liabilities

There were no other material changes to commitments or contingent liabilities to those disclosed in the Company's annual report for the year ended 30 June 2013

6: Subsequent events

Share Offering

At an Extraordinary General Meeting held on 18 December 2013, shareholders approved a further capital raising, contingent upon the acquisition of DealsDirect Group Pty Limited.

A placement to sophisticated/professional investors and a public offer via prospectus was undertaken at an issue price of \$1.20 per share.

The capital raising was completed on 17 January 2014 with the Company receiving \$6,152,708 (issuing 5,127,257 shares).

Acquisition of DealsDirect Group Pty Limited

On 18 December 2013, shareholders approved the acquisition of DealsDirect Group Pty Limited.

The acquisition was completed on 17 January 2014 by acquiring all the issued equities in DealsDirect Group Pty Limited.

Further information on the acquisition can be found in the Prospectus (available on the Australian Stock Exchange (www.asx.com.au) under announcements.

Accounting for the acquisition of DealsDirect Group Pty Limited will be treated as a reverse acquisition and accounted for in accordance with AASB 2: Share Based Payments.

Mnemon Limited

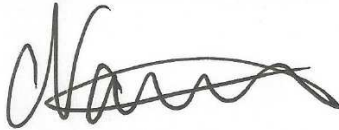
Directors' Declaration

For the half-year ended 31 December 2013

In the opinion of the directors of Mnemon Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Ms Naseema Sparks

Chairman

27 February 2014

Mnemon Limited

Auditors' Independence Declaration

For the half-year ended 31 December 2013



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
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Auditor's Independence Declaration to the Directors of Mnemon Limited

In relation to our review of the financial report of Mnemon Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Lisa Nijssen-Smith'.

Lisa Nijssen-Smith
Partner
27 February 2014

Mnemon Limited

Independent Review Report

For the half-year ended 31 December 2013



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2648 Sydney NSW 2001

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To the members of Mnemon Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mnemon Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mnemon Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included, by reference, in the Directors' Report.

Mnemon Limited

Independent Review Report

For the half-year ended 31 December 2013
(continued)



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mnemon Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'Edna Jay'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Lisa Nijssen-Smith'.

Lisa Nijssen-Smith
Partner
Sydney
27 February 2014