MINT PAYMENTS™

Annual Report

2018

Registered Office
Level 4, 450 Victoria Rd,
Gladesville NSW 2111

Principal Place of Business
Level 4, 450 Victoria Rd,
Gladesville NSW 2111

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Chairman's Message

Dear Fellow Shareholders,

I am pleased to present the 2018 Annual Report for Mint Payments Limited, my first as Non-Executive Chairman. It has been a year of continued growth for Mint as well as a year where we defined a new vision and purpose to drive the next phase of growth for our business. I am pleased at the progress we have made this year but understand we need to scale the business more rapidly to fully achieve our potential and reward the long-standing support of our shareholders. I believe we are positioned to do so and am excited about the prospects for the year ahead.

During the year in review the Board and Executive team undertook a series of initiatives to review the payments market at a regional and domestic level. We also engaged with our clients and customers in order to ascertain what made Mint valuable. As a direct result of this review we are pleased to have recently released Mint's new brand and vision – one that looks to not only provide our customers with a superior payment processing service but to reward them whilst so doing.

Over the next twelve months and beyond, the Company will unveil a series of "Rewarding Payments" experiences that will see Mint increase its focus on its Direct-to-Customer offering, particularly in the key verticals of Travel, Retail, Hospitality and On-the-Go businesses in Australia. Through this customer focus and centricity, we will also continue to work closely with our White-Label channel partners to deliver superior solutions in Australia and New Zealand, and our newer target markets in South-East Asia.

In order to support the continued growth of Mint, the Group successfully raised $6.6M of funding through the valued and continued support from existing shareholders as well as new institutional and sophisticated investors. On behalf of the Board I extend our deep gratitude to all who share the vision of the Company and supported this recent capital raising.

The past year provided challenges in transitioning from a pure-play White-Label channel business to include a Direct-to-Customer channel whilst also navigating the regulatory framework of our growth markets in South East Asia. Throughout, the Mint team have worked tirelessly to overcome these challenges and I would like to thank them all for their strong contributions and on-going loyalty to the Company.

We continue to see growth in all our key operating metrics of active users, transaction values and recurring revenues which is pleasing in an ever-increasing competitive landscape. As previously noted, our challenge this year is to scale through our new direct-to-market strategy in Australia, deepen and extend our relationship with our long-term partner in New Zealand and finally start to reap the rewards from our investments in South East Asia.

I look forward to an exciting year ahead as we continue to build, grow and execute against our vision of becoming the most "Rewarding" option for merchants to accept payments.

I would like to thank my fellow Board members for their insight and counsel to the business through the year but mostly I would like to acknowledge and thank our shareholders, clients and customers for their strong and continued support of the business as we strive to deliver against our vision and plan.

Peter Wright
Non-Executive Chairman

Managing Director/CEO's Report

Dear Shareholders,

The Group's total revenue was $3.7M (a decrease of 32%). This decrease in total revenue was impacted largely by a decrease in non-recurring revenues (services, sales of goods and R&D) of 58% from the previous financial year, largely due to the absence in one-off hardware sales this financial year. However, the Company is expecting non-recurring revenues to make a more significant contribution in FY19 based on existing inventory levels and product roadmap discussions with the Company's White-Label channel partners.

The performance of the Group's key operating metrics during the financial year has been strong. It is important to note that the Company's recurring revenues grew by 42% to $2.0M, in line with forecast. Driving the growth in recurring revenues were largely derived from an increase in transaction values processed through Mint by 67% to $624M and our active user base increasing by 27% to over 20,000 users for the year. We see significant scope for further growth in all the above metrics, especially from our focus on the Company's proven key industry verticals of Travel, Retail and Hospitality, in addition to the launch of Mint Payments business in South East Asia.

It is pleasing that this growth profile has been paired with improving underlying transaction profitability, declining customer churn and combined with Mint's operating leverage will assist the Company's path and goal to reach overall operating profitability.

During the year, we have laid the foundation as we transition from a pure-play White-Label channel payments business, which the Company derived the majority of its revenues in previous years; to establishing a strategy to invest into the Mint brand. We unveiled our new vision and position in market, which is to help companies and their customers transact in more rewarding ways – whenever, wherever and however the world wants to pay.

As a result of this transition and investment into the Mint brand, we are pleased to report that the most significant growth this financial year has been derived from Mint's Direct to Customer channel; growing 80% in the 2018 financial year with total transaction values of over $400M, driven through an increased investment in sales and marketing initiatives, which has gained traction with the growth of active users and transactions processed from our core Travel, Retail and Hospitality verticals.

In the year ahead, the Company's Direct to Customer channel is being further enhanced by campaign optimisation, a redesign of the website optimised for online customer acquisition and fundamental improvements to customer experience and communication. These initiatives will ensure that transaction and revenue growth through its Direct to Customer channel continues to grow and gather momentum, complimenting the revenues derived from the Company's traditional White-Label partner channels.

From a White-Label channel perspective, the Bank of New Zealand ("BNZ"), New Zealand's largest business bank has continued to perform well with over 10,000 active users using Mint processing over $210M in transaction value. This year, Mint enhanced the BNZ PayClip platform to include the release of a "card not present" online payments solution that will accelerate the growth of transaction values for the Company from the BNZ channel. The Company has also continued to work strategically with BNZ, establishing a long-term product roadmap that ensures that they remain at the forefront of innovation in the New Zealand market.

In March 2018, Mint signed a Heads of Agreement with United Overseas Bank (Malaysia) Limited ("UOBM") for UOBM to license and distribute Mint's payment solutions in Malaysia, white-labelled under UOBM's brand to existing and new business customers. Through this white label partnership, the Company is aiming to replicate the same success it has had with the Bank of New Zealand. This partnership will also enable Mint to acquire business customers directly in Malaysia, where the Company will look to target high value and high-volume transactional business verticals.

In April 2018, the Company announced that NETS, Singapore's leading payments solutions group owned by Singapore's largest banks (DBS, OCBC & UOB), has launched Mint's "white-labelled" mPOS solution. Mint has commenced earning software and transaction revenues in Singapore from NETS merchants and channel partners signed up to the payment service. Although going live in Singapore has taken a lot longer than expected, largely due to regulatory and lengthy compliance processes, the Company remains very positive on the prospect of the growth and revenue opportunities deriving from its investment into Asia.

With the foundation of the business set and a clear direction and focus on being a leader in the provision of payment solutions in our key verticals of Travel, Retail and Hospitality, Mint is expecting FY19 to be a transformational year, with continued growth in our key operating and recurring revenue metrics.

We would like to thank our Shareholders and the Mint team for their continued support, hard work and patience as the Company completed the evolution and transition from largely a White-Label channel business to include a Direct to Customer channel with a focus on key verticals where there are opportunities for Mint to differentiate and profit from the inefficiencies within these verticals. Last but not least, we would like to thank our customers who have been very loyal and supportive, for which in the year to come, we will strive to continue to grow faster by designing our business and products around our valued customer.

Alex Teoh
Chief Executive Officer and Managing Director


Marketing Overview
Product Categories
Profit per Year
General tools
Health & Medical
Art Supply
Kids & Baby
Kitchen wear
Fashion
Furniture
Growth Percentage

Directors' Report

In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Mint Payments Limited (Mint) and its controlled entities (together referred to as the Consolidated Entity or Group) for the financial year ended 30 June 2018 and the Independent Audit Report thereon.

Directors

Details regarding the Directors of Mint at any time during or since the end of the financial year are as follows:

- Peter Wright
- William Bartee
- Terry Cuthbertson
- Anne Weatherston
- Alex Teoh

Current Director's qualifications, experience and special responsibilities are as follows:

Peter Wright
Non-Executive Chairman
MBA

Peter has over 40 years of experience in the Securities, Racing and Payments related sectors in Australia and has also worked extensively across Asia Pacific, North America and Europe. He has held senior leadership positions most recently as President of Asia Pacific for OmniPay Limited (2008 – 2015), an Irish domiciled global payments processing company.

Prior to 2008, Peter was the Managing Director of Australia and New Zealand at First Data Corporation (FDC), a global technology leader in the financial services industry. Peter joined FDC in 1994 where he held IT, Business Development and Sales Leadership roles. In 2002 he assumed responsibility for mergers & acquisitions in Asia Pacific and in 2004 led the largest and most successful acquisition outside of the United States in FDC's history.

Peter has held various other senior positions including 5 years as the second in charge for a major Australian payments processing company and prior to that 10 years in the securities industry. He holds a Post Graduate Diploma in Corporate Management from the University of New South Wales and a Master of Business Administration from the University of New England.

Peter is the Non-Executive Chairman effective from 10 July 2018 (previously Non-Executive Director). Peter was a member and Chairperson of the Remuneration & Nomination Committee till 10 July 2018. Peter is a member of the Audit & Risk Management Committee.

William Bartee
Non-Executive Director
B.Sc, MBA and Juris Doctor

William is currently with Main Sequence Ventures, a CSIRO $200 million Innovation Fund. William is also the co-founder and Managing Director of Blackbird Ventures and co-founding partner of Southern Cross Venture Partners. He was CEO and co-founder of successful companies including Mantara, a company that makes high performance, content based message routing systems for global trading systems. He also was instrumental in helping start up and launch both Dilithium Networks and Sensory Networks, where he was a founding investor and Board Member of both companies.

William is passionate about working with management teams that are focused on building important and innovative companies. His experience is across a range of companies including software, telecommunications, security and internet businesses.

From 1997 to 2001, William helped build and lead the early stage investing for Macquarie Technology Ventures ("MTV"), a venture fund focused on software, telecommunications, internet and life sciences. At MTV, William led investments in several market leaders including Altium (ASX: ALU), LookSmart (NASDAQ: LOOK), Seek (ASX: SEK) and Telera (acquired by Alcatel) and onebox (NASDAQ: OPWV).

Prior to moving to Australia, William had 12 years of research, operational and entrepreneurial experience in the United States and he holds a Bachelor of Science, MBA and Juris Doctorate degree.

William is a member of the Remuneration & Nomination Committtee and effective from 10 July 2018, the Chairperson of the Remuneration & Nomination Committee.

Terry Cuthbertson
Non-Executive Director
B. Bus, ACA

Terry is Chairman of ASX listed MNF Group, Australian Whisky Holdings Limited, Austpac Resources NL, South American Iron and Steel Corporation Limited and Malachite Resources Ltd. He is also the Non-Executive Director of ASX listed, iSentric Limited. Terry has extensive corporate finance expertise, having advised several businesses and government organisations in relation to mergers, acquisitions and financing.

Formerly, Terry was a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately $2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Terry is a Chartered Accountant and holds a Bachelor of Business Degree.

Terry is the Non-Executive Director effective from 10 July 2018 (previously Non-Executive Chairman). Terry is a member of the Audit & Risk Management Committee and effective from 10 July 2018, the Chairperson of the Audit & Risk Management Committee.

Anne Weatherston
Non-Executive Director
MBA

Anne has over 30 years of experience as a leader of business and technology change. She has operated at senior executive levels for most of her career and since 2015 with Energy Australia, currently as the Chief Transformation Officer.

Prior to Energy Australia, Anne was the Chief Information Officer and a member of the Management Board of ANZ Banking Group Limited (ASX: ANZ). Whilst at ANZ, Anne was responsible for the provision of all technology services across the Bank including the definition and oversight of the Bank's technology strategy to enable the super-regional ambition.

Prior to joining the ANZ in 2010, Anne was Group Chief Information Officer for the Bank of Ireland for four years. Previous senior leadership positions also included Information Technology Director at Abbey / Santander, Direct of UK Business Integration at Gaz de France, as well as Director of Business Strategy, Development and IT for the Student Loans Company in the UK. She has an MBA from the Strathclyde Business School, UK.

Anne is a member of Audit & Risk Management Committee and was the Chairperson of the Audit & Risk Management Committee till 10 July 2018. Anne is a member of the Remuneration & Nomination Committee.

Alex Teoh
Chief Executive Officer and Managing Director
B. Sc (Business and Information Systems)

Alex has over 15 years experience in the IT, Telecommunications and Financial Services sector.

Alex was previously a Principal Consultant at the Hong Kong office of PricewaterhouseCoopers (PwC) Consulting. He was a member of the practice's senior management team responsible for its Customer Relationship Management strategy and solutions offering in East Asia (which includes Hong Kong, Singapore, Thailand, Malaysia and the Philippines). Prior to PwC, Alex worked as a Senior Consultant at Cap Gemini Ernst & Young Consulting, assisting in securing and implementing supply chain and application development contracts.

Prior to Mint, Alex has held senior management positions in companies involved in the IT and supply chain industries.

Alex is one of the founders of the Mint Business and is primarily responsible for the strategic and corporate activities of Mint. Alex has been on the Board of Mint since 15 November 2006.

Alex was a member of the Remuneration & Nomination Committee till 10 July 2018.

David Owyong
Company Secretary
B.Comm (Accounting and Economics), CA

David has over 15 years of commercial, operational and finance experience. David brings experience in working with listed and non-listed entrepreneurial companies that have grown both through acquisition and organically.

David was previously Financial Controller at Virgin Money (Australia) which specialised in providing competitive financial products such as credit card, insurance and superannuation and before that the Group Finance Manager at Landis+Gyr, the global leader in electricity smart metering. David began his career with Ernst & Young where he qualified as a Chartered Accountant. At Ernst & Young, David was involved with providing assurance and advisory services to a variety of listed and non-listed companies and funds.

Principal Activities

The principal activities of the consolidated entity during the year were innovative mobile payments and transaction services.

Operating Results

Key financial results for the year ended 30 June 2018 were:

- The Company saw a 42% increase in recurring revenues to $2,039,265 over the previous financial year. The growth in our recurring revenues was a key financial highlight for the Company, as these revenues will create a more durable and predictable revenue stream for the Company, particularly as we are expecting the growth trend to continue in the forthcoming financial year.
- Total revenue was down and impacted largely by the decrease in non-recurring revenues (services, sales of goods and R&D). Non-recurring revenues decreased by 58% from the previous financial year, largely due to the absence in one-off hardware sales this financial year. However, we are expecting non-recurring revenues to make a more significant contribution in FY19 based on existing inventory levels and product roadmap discussions with the Company's partners.
- Reported loss from ordinary activities was $5,271,600, which was similar to last year's position, despite the decrease in overall revenues. This was partly due to the cost saving initiatives the Company implemented effectively from Q4 FY18. The Company continues to benefit from a lower operating cost structure in FY19, as it continues to focus on driving growth in revenues from existing and new customers and markets.

Review of Operations

The highlights for the year ended 30 June 2018 include:

- In October 2017, Mint signed 5-year agreement with Sektor to broaden distribution of payment solutions in retail, hospitality and enterprise mobility markets in Australia through Sektor's respected nationwide network of IT integrator Partners.
- In November 2017, Mint became an approved AFTA Chargeback Scheme (ACS) payment provider. ACS provides protection to thousands of travel agents against charge backs with Mint Payments as one of the select few Scheme's payment partner, which is another strategic milestone.
- In March 2018, Mint signed a Heads of Agreement with United Overseas Bank (Malaysia) Limited ("UOBM") for UOBM to license and distribute Mint's payment solutions in Malaysia, white-labelled under UOBM's brand to existing and new business customers. This partnership will also enable Mint to acquire business customers directly in Malaysia, where the company will look to replicate the same growth that Mint is experiencing through high value and high volume transactional business verticals in Australia.
- In April 2018, the Company announced that NETS, Singapore's leading payments solutions group owned by Singapore's largest banks (DBS, OCBC & UOB), has launched Mint's "white-labelled" Unified mPOS solution. Mint will commence earning software and transaction revenues in Singapore from NETS merchants and channel partners signed up to the payment service.
- In May 2018 and June 2018, to expand Mint's footprint across Southeast Asia, accelerate growth in its burgeoning Direct to Customer channel in Australia and support general working capital requirements, Mint successfully raised funds totalling $6.6 million. The funding is in the form of:
  - $2.9 million raised from sophisticated and professional investors through a placement of 96,666,664 fully paid ordinary shares;
  - $1.2 million through a Share Purchase Plan of 40,131,965 fully paid ordinary shares; and
  - $2.5 million of finance through additional working capital borrowing facilities negotiated with major shareholders Roadhound Electronics Pty Ltd ($1.5 million) and TAAJ Corporation Pty Ltd ($1.0 million). This brings the total working capital borrowing facilities to $10.5 million from these shareholders which have an extended term to September 2020. Further details of the working capital borrowing facilities are contained in Note 4.

Further information about the Consolidated Entity's results of its operations together with the information about the financial position of the Consolidated Entity is in the attached Financial Report.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Events Subsequent to Reporting Date

In August 2018, the Company received the R&D Grant with respect to the financial year ended 30 June 2018 of $1.68M.

There have not been any other matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

Likely Developments

FY19 is expected to be a transformational year for Mint with its continued growth in core markets of Australia and New Zealand combined with the launch of Mint's partners in Asia. The business is focussed on:

- Growth in Mint's key performance metrics of users and transaction values; and
- Driving revenue growth, operating leverage and cost savings to deliver monthly cashflow positive.

Dividends

No dividend was paid, recommended for payment nor declared during the year.

Share Options

Unissued Shares under Option

As at the date of this Report, unissued ordinary shares of Mint are as follows:

Issuing Authority	Exercise Date	Number of Options	Exercise Price ($)	Expiry Date
Mint Payments Limited	27-Nov-15	5,000,000	0.150	27-Nov-18

For details of options issued to Directors and Executives, refer to the Remuneration Report.

Shares issued on exercise of options

There were no ordinary shares of Mint Payments Limited issued during or since the end of the financial year as a result of the exercise of an option.

Directors' Meetings

Mint has an Audit and Risk Management Committee and Remuneration and Nomination Committee. The number of Directors' meetings, number of committee meetings and the number of meetings attended by each of the Directors during the financial year under review are:

Director	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended
P Wright (i)	11	11	3	3	1	1
W Bartee	11	8	N/A	N/A	1	1
T Cuthbertson (ii)	11	11	3	3	N/A	N/A
A Weatherston	11	9	3	3	1	1
Alex Teoh (i)	11	11	N/A	N/A	1	1
Andrew Teoh (iii)	5	3	N/A	N/A	N/A	N/A

(i) P Wright and Alex Teoh were members of the Remuneration and Nomination Committee till 10/07/18

(ii) T Cuthbertson is member of Remuneration and Nomination Committee effective from 10/07/18

(iii) Andrew Teoh ceased to be an executive director effective from 5/12/17

Directors' Interests

Particulars of Directors' interests in securities as at the date of this report are as follows:

Director	Ordinary Shares	Options over Ordinary Shares
Alex Teoh (i), (ii)	104,113,714	1,500,000
P Wright	1,437,408	500,000
T Cuthbertson	9,740,950	500,000
W Bartee	977,113	500,000
A Weatherston	394,735	500,000

(i) 101,485,147 securities are held by TAAJ Corporation Pty Ltd of this 61,227,016 are held on behalf of TAAJ Trust and 40,258,131 securities are held on behalf of Tygon Superannuation Fund. TAAJ Corporation Pty Ltd is the trustee of the TAAJ Trust, of which Alex Teoh is a beneficiary, and of the Tygon Superannuation Fund, of which Alex Teoh is a member.

(ii) As at the date of report, Alex Teoh has 1,107,617 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has 1,520,950 fully paid ordinary shares.

Other than that stated above in relation to the options, there are no contracts to which the Director is a party or under which the Director is entitled to a benefit that confers a right for the Director to call for shares in Mint.

Indemnification and Insurance of Officers and Auditors

Directors and the Secretary are indemnified by Mint against any liability incurred in their capacity as an officer of Mint or a related body corporate to the maximum extent permitted by law. Mint has Directors and Officers Liability insurance.

Mint has not paid any premiums in respect of any contract insuring its auditor against a liability incurred in that role as an auditor of Mint. Pitcher Partners, Mint's auditor has the benefit of an indemnity to the extent Pitcher Partners reasonably relies on information provided by Mint which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ended 30 June 2018 or to the date of this Report.

Non-Audit Services

Details of the amounts paid to Pitcher Partners as the auditor of Mint for audit and non-audit services provided during the year are set out in Note 20 to the financial statements.

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is set out on page 19 and forms a part of the Directors' Report for the period ended 30 June 2018.

Proceedings on behalf of the Consolidated Entity

During the year under review and in the interval between the end of the financial year and the date of the report, no person has applied for leave of Court to bring proceedings on behalf of the Company or the Consolidated Entity under section 237 of the Corporations Act 2001.

Environmental Regulation

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

Remuneration Report (Audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Mint Payments Limited's key management personnel for the financial year ended 30 June 2018, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based compensation
D. Other transactions with key management personnel and their related parties

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

Remuneration Policies and Practices

In relation to remuneration issues, the Board has established policies to ensure that Mint remunerates fairly and responsibly. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Key Management Personnel and employees.

The Remuneration and Nomination Committee conducts reviews and provides recommendations to the Board on matters of remuneration policy and specific emolument recommendations in relation to Key Management Personnel. The remuneration is structured to reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders.

The remuneration of Directors and the other Key Management Personnel is fixed annually. Further Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which will be periodically approved by shareholders in general meeting. The current limit is $500,000 per annum. Executive Key Management Personnel and employees are entitled to a performance incentive based on achievement of Key Performance Indicators ("KPIs"). The KPIs generally include measures relating both to company specific targets including revenues, profit, users and transaction value and performance targets specific to each role. Ultimately, any performance incentives (either short-term or long-term) to Key Management Personnel and employees are at the discretion of the Board.

Mint makes statutory employer contributions on behalf of Executives to the superannuation fund of their choice.

Non-Executive Directors' retirement payments are limited to compulsory employer superannuation. There are no retirement and termination benefits for Key Management Personnel apart from those that accrue from the relevant laws such as unpaid annual leave, superannuation, long service leave and notice of termination. Mint may consider payments on termination even though legally not required, to protect its rights if it is commercially beneficial to its interests.

Remuneration and other terms of employment of Key Management Personnel are formalised in employment agreements. These agreements may be terminated by either party with between one and six months' notice depending on the circumstance.

Remuneration Review

During the 2018 financial year we conducted a review of our remuneration arrangements having received a 'first strike' vote. The Board with the assistance of the Human Resources and Remuneration Committee, has made a number of changes to the Company's executive remuneration framework, following extensive consultation with a number of shareholders. The Board believes these improvements address the main concerns raised by shareholders.

The key changes include:

- Executive and Non-executive key management personnel fixed remuneration policy being reduced up to 15% (where they remained in existing roles), and
- Board renewal policy and change as announced to the market in December 2017.

Relationship between Remuneration Policy and Mint's Performance (Audited)

i. Remuneration not dependent on satisfaction of performance condition

The non-executives remuneration policy is not directly related to company performance. The board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the company for shareholders.

ii. Remuneration dependent on satisfaction of performance condition

A portion of executive and employee remuneration is based on attainment of performance conditions. Performance-based remuneration includes short-term and long-term incentive plans.

Details of the short-term and long-term incentive plans are set out below which demonstrate Mint's willingness to design a remuneration philosophy for the benefit of its executives, employees and shareholders alike.

Description

Short-term incentive plan

Executives and employees may receive a performance based short term incentive (either in the form of shares or cash), measured against Board approved KPIs.

The KPIs are both objective and subjective and include company specific targets including revenues, profit, users and transaction value and performance targets specific to each role.

Shares are issued based on the volume weighted average share price of the relevant financial year in which the key performance indicators relate to and issued without consideration.

Rationale

The short term incentive plan is the shorter term "at risk" component of the Mint remuneration policy.

The achievement of specific and desirable key performance indicators by executives and employees will drive the growth, and is expected to improve the profitability of the Company.

Good financial and operational performance of the Company will increase shareholder value.

Long-term incentive plan

Executives and employees may receive a performance based long-term incentive (either in the form of shares or options), measured against Board approved KPIs and a period of employment.

Shares are issued based on the volume weighted average share price of the relevant period in which the key performance indicators relate to and issued without consideration.

Options are issued based on an exercise price which is payable upon conversion of options. Once exercisable options are converted into ordinary shares on a one-for-one basis.

Further details about the Plan are set out in Note 18 of the Financial Statements.

The long term incentive plan is the longer term "at risk" component of the Mint remuneration policy.

To support the achievement of the Company's business strategy by linking executive and employee rewards to improvements in the financial performance of the Company and aligning the interests of executives with those of shareholders and to offer executives and employees the opportunity

B. Details of Remuneration

The Key Management Personnel of Mint Payments Limited for the year ended 30 June 2018 were:

Directors	
Peter Wright	Non-executive Chairman (effective from 10 July 2018, previously Non-Executive Director)
William Bartee	Non-Executive Director
Terry Cuthbertson	Non-Executive Director (effective from 10 July 2018, previously Non-Executive Chairman)
Anne Weatherston	Non-Executive Director
Alex Teoh	Chief Executive Officer and Managing Director

Executives	
Adam Jones	Chief Growth Officer (appointed on 26 February 2018)
Alfred Wong	Chief Information Officer
David Owyong	Chief Operating Officer, Chief Financial Officer and Company Secretary
Andrew Teoh	Managing Director of Mint Payments Asia Pte Ltd (effective from 5 December 2017, previously Executive Director)

The individual details of remuneration of the Key Management Personnel are listed in the tables below:

Remuneration details for the financial year ended 30 June 2018

	Short Term		Total	Post Employment	Equity Based Payments	Total	Proportion of Remuneration Performance Related	Value of Equity Based Payments as Proportion of Remuneration
	Salary & Fees	Bonus		Super-annuation	Equity-settled			
	$	$	$	$	$	$	%	%
Directors								
P Wright	72,188	-	**72,188**	-	-	**72,188**	-	-
W Bartee	65,925	-	**65,925**	6,263	-	**72,188**	-	-
T Cuthbertson	72,188	-	**72,188**	-	-	**72,188**	-	-
A Weatherston	65,925	-	**65,925**	6,263	-	**72,188**	-	-
Alex Teoh	214,041	-	**214,041**	20,334	-	**234,375**	-	-
Executives								
A Jones (i)	61,587	-	**61,587**	5,851	-	**67,438**	-	-
D Owyong	191,379	-	**191,379**	18,181	-	**209,560**	-	-
A Wong	187,100	-	**187,100**	17,948	-	**205,048**	-	-
Andrew Teoh	183,790	-	**183,790**	17,460	-	**201,250**	-	-
TOTAL	**1,114,123**	**-**	**1,114,123**	**92,300**	**-**	**1,206,423**	**-**	**-**

(i) A Jones started on 26/02/2018

Remuneration details for the financial year ended 30 June 2017

	Short Term		Total	Post Employment	Equity Based Payments	Total	Proportion of Remuneration Performance Related	Value of Equity Based Payments as Proportion of Remuneration
	Salary & Fees	Bonus		Super-annuation	Equity-settled			
	$	$	$	$	$	$	%	%
Directors								
T Cuthbertson	75,000	-	**75,000**	-	-	**75,000**	-	-
W Bartee	68,493	-	**68,493**	6,507	-	**75,000**	-	-
A Weatherston	68,493	-	**68,493**	6,507	-	**75,000**	-	-
Alex Teoh	228,311	-	**228,311**	21,689	-	**250,000**	-	-
Andrew Teoh	191,781	-	**191,781**	18,219	-	**210,000**	-	-
Executives								
J Collins (i)	123,137	-	**123,137**	9,043	-	**132,180**	-	-
A Wong	182,648	-	**182,648**	17,352	100,000	**300,000**	33.33%	33.33%
D Owyong	177,998	-	**177,998**	16,910	97,500	**292,408**	33.34%	33.34%
TOTAL	**1,190,861**	**-**	**1,190,861**	**96,227**	**197,500**	**1,484,588**	**13.30%**	**13.3%**

(i) J Collins ceased employment on 25/11/2016

C. Share-based Compensation

Analysis of Movement in Options Held by Key Management Personnel

Details of the entitlement to options over ordinary shares in the Company that were granted as compensation during the reporting period and details on options that vested during the year are as follows:

	Balance 1-Jul-17	Granted as Remuneration	Options Exercised	Options Expired/ Forfeited	Balance 30-Jun-18	Total Vested 30-Jun-18	Total Exercisable 30-Jun-18	Total Un-Exercisable 30-Jun-18
Directors								
P Wright	500,000	-	-	-	500,000	500,000	500,000	-
W Bartee	500,000	-	-	-	500,000	500,000	500,000	-
T Cuthbertson	500,000	-	-	-	500,000	500,000	500,000	-
A Weatherston	500,000	-	-	-	500,000	500,000	500,000	-
Alex Teoh	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
Executives								
Andrew Teoh	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
Total	**5,000,000**	**-**	**-**	**-**	**5,000,000**	**5,000,000**	**5,000,000**	**-**

Nil shares were issued to Directors or Executives on the exercise of options or rights previously granted as compensation, during the year.

Analysis of Options and Rights over Equity Instruments Granted as

Name	Grant Date	Granted Number	Value per Option at Grant Date	% Vested During Year	Financial Year in which Grant Vests	Value Exercised During the Year	Value Lapsed During the Year	% Forfeited in Year	Exercise Price	First Exercise Date	Expiry Date
Alex Teoh	27-Nov-15	1,500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18
P Wright	27-Nov-15	500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18
W Bartee	27-Nov-15	500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18
T Cuthbertson	27-Nov-15	500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18
A Weatherston	27-Nov-15	500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18
Andrew Teoh	27-Nov-15	1,500,000	$0.0429	100%	30-Jun-16	-	-	-	$0.150	27-Nov-15	27-Nov-18

Shareholding of Key Management

	Balance 01-Jul-17	Received as Remuneration	Purchased in their capacity as Investors	Options Exercised	Net Change Other	Balance 30-Jun-18
Directors						
Alex Teoh (i) (ii)	100,074,872	-	4,038,842	-	-	104,113,714
P Wright	942,359	-	495,049	-	-	1,437,408
W Bartee	977,113	-	-	-	-	977,113
T Cuthbertson	9,245,901	-	495,049	-	-	9,740,950
A Weatherston	394,735	-	-	-	-	394,735
Executives						
A Wong	2,413,750	-	-	-	(720,000)	1,693,750
D Owyong	8,193,040	-	-	-	-	8,193,040
Andrew Teoh (i)	98,386,403	-	3,098,744	-	-	101,485,147
Total	**220,628,173**	**-**	**8,127,684**	**-**	**(720,000)**	**228,035,857**

(i) 101,485,147 securities are held by TAAJ Corporation Pty Ltd of this 61,227,016 are held on behalf of TAAJ Trust and 40,258,131 securities are held on behalf of Tygon Superannuation Fund. TAAJ Corporation Pty Ltd is the trustee of the TAAJ Trust, of which Alex Teoh and Andrew Teoh are beneficiaries, and of the Tygon Superannuation Fund, of which Alex Teoh and Andrew Teoh are members.

(ii) As at the date of report, Alex Teoh has 1,107,617 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has 1,520,950 fully paid ordinary shares.

D. Other transactions with key management personnel and their related parties

Mint (Aust) Pty. Ltd. has a $3,000,000 unsecured working capital borrowing facility (2017: $2,000,000) with TAAJ Corporation Pty Ltd, an entity associated with Alex Teoh. The working capital borrowing facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and is due to expire in September 2020. During the year, Mint (Aust) Pty Ltd has paid $8,844 in interest expense to TAAJ Corporation Pty Ltd.

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

Alex Teoh
Chief Executive Officer and Managing Director
Sydney, New South Wales
31 August 2018

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINT PAYMENTS LIMITED
ABN 51 122 043 029

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Mint Payments Limited and the entities it controlled during the financial year.

Mark Godlewski

M A Godlewski
Partner

PITCHER PARTNERS
Sydney

31 August 2018

	Notes	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Revenue and other income	7	3,696,668	5,400,000
Network and service delivery		1,356,873	1,031,476
Purchases & changes in inventories of finished goods		31,439	892,428
Employee benefits expense (excluding share option expense)		5,149,154	6,020,496
Share payments & option expense		(19,228)	233,341
Depreciation and amortisation expense	6	333,088	320,417
Finance costs		515,809	527,114
Professional fees		487,015	594,292
Selling expense		411,471	186,381
Administration, property & communication expenses		437,081	442,748
Other expenses	6	265,566	431,513
Total expenses		**8,968,268**	**10,680,206**
Loss before income tax		**(5,271,600)**	**(5,280,206)**
Income tax (expense)/ credit	8	-	-
Net loss for the year		**(5,271,600)**	**(5,280,206)**
Loss attributable to:			
Equity shareholders	22	(5,271,600)	(5,280,206)
Loss for the year		**(5,271,600)**	**(5,280,206)**

		Consolidated Entity 2018 $	Consolidated Entity 2017 $
Loss for the year		**(5,271,600)**	**(5,280,206)**
Other comprehensive income **Items that may be reclassified subsequently to profit or loss**			
Foreign currency translation		(11,447)	(6,225)
Total comprehensive loss for the year		**(5,283,047)**	**(5,286,431)**
Total comprehensive attributable to:			
Equity shareholders		(5,283,047)	(5,286,431)
Earnings per share for loss to equity holders			
Basic earnings per share (cents)	**22**	(0.78)	(0.88)
Diluted earnings per share (cents)	**22**	(0.78)	(0.88)

	Notes	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current assets			
Cash and cash equivalents	**4**	3,022,758	1,824,562
Trade and other receivables	**9**	2,252,784	3,815,658
Inventories	**10**	701,322	183,256
Other financial assets	**11**	262,548	271,361
Total current assets		**6,239,412**	**6,094,837**
Non current assets			
Plant and equipment	**12**	195,396	116,522
IT development	**13**	292,383	484,896
Total non current assets		**487,779**	**601,418**
Total assets		**6,727,191**	**6,696,255**
Current liabilities			
Payables	**14**	1,285,163	1,824,199
Provisions	**15**	452,353	538,569
Short term borrowings	**4**	-	-
Total current liabilities		**1,737,516**	**2,362,768**
Non current liabilities			
Provisions	**15**	71,484	65,537
Long term borrowings	**4**	6,525,000	4,500,000
Total non-current liabilities		**6,596,484**	**4,565,537**
Total liabilities		**8,334,000**	**6,928,305**
Net assets/ (liabilities)		**(1,606,809)**	**(232,050)**
Equity			
Contributed equity	**16**	46,709,299	42,781,783
Reserves	**17**	2,497,270	2,527,945
Accumulated losses	**17**	(50,813,378)	(45,541,778)
Total equity/ (deficiency)		**(1,606,809)**	**(232,050)**

	Notes	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Cash flow from operating activities			
Receipts from customers		3,390,032	2,807,415
Operating grant receipts		2,145,584	1,909,473
Payments to suppliers and employees		(9,613,485)	(9,786,536)
Interest received		39,366	45,479
Interest paid		(349,810)	(395,714)
Net cash used in operating activities	**21**	**(4,388,313)**	**(5,419,883)**
Cash flow from investing activities			
Payment for plant and equipment		(147,854)	(25,688)
Payment for IT development		(306,003)	(235,364)
Net cash used in investing activities		**(453,857)**	**(261,052)**
Cash flow from financing activities			
Proceeds for issue of shares		4,116,000	6,000,000
Cost of share issue		(100,634)	(229,769)
Proceeds from borrowings		2,530,000	-
Repayment of borrowings		(505,000)	(1,500,000)
Payment for other financial assets		-	477
Net cash provided by financing activities		**6,040,366**	**4,270,708**
Net (decrease)/increase in cash and cash equivalents		**1,198,196**	**(1,410,226)**
Cash and cash equivalents at beginning of year		1,824,562	3,234,788
Cash and cash equivalents at end of the year	**4**	**3,022,758**	**1,824,562**

	Share Capital	Share Based Payment Reserve	Foreign Exchange Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2016	**36,623,203**	**2,543,568**	**22,595**	**(40,261,572)**	**(1,072,206)**
Loss for the year	-	-	-	(5,280,206)	(5,280,206)
Other comprehensive loss	-	-	(6,225)	-	(6,225)
Total comprehensive loss for the year	**-**	**-**	**(6,225)**	**(5,280,206)**	**(5,286,431)**
Recognition of share based payments	-	(31,993)	-	-	(31,993)
Issue of ordinary shares	6,388,591	-	-	-	6,388,591
Share issue costs	(230,011)	-	-	-	(230,011)
Balance at 30 June 2017	**42,781,783**	**2,511,575**	**16,370**	**(45,541,778)**	**(232,050)**
Balance at 1 July 2017	**42,781,783**	**2,511,575**	**16,370**	**(45,541,778)**	**(232,050)**
Loss for the year	-	-	-	(5,271,600)	(5,271,600)
Other comprehensive loss	-	-	(11,447)	-	(11,447)
Total comprehensive loss for the year	**-**	**-**	**(11,447)**	**(5,271,600)**	**(5,283,047)**
Recognition of share based payments	-	(19,228)	-	-	(19,228)
Issue of ordinary shares	4,116,000	-	-	-	4,116,000
Share issue costs	(188,484)	-	-	-	(188,484)
Balance at 30 June 2018	**46,709,299**	**2,492,347**	**4,923**	**(50,813,378)**	**(1,606,809)**

Note 1: Corporate Information

The financial report of Mint Payments Limited (the Company or "Mint") for the year 30 June 2018 was authorised for issue on 31 August 2018 under delegated authority in accordance with a resolution of the Directors on 31 August 2018.

Mint Payments Limited (the Parent Entity) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report includes the Consolidated Entity comprised by Mint and its subsidiaries ("Group or Consolidated Entity").

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 2: Significant Accounting Policies

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of $5,271,600 and a net cash outflow from of operations $4,388,313 for the year ended 30 June 2018. As at 30 June 2018, the Group had cash assets of $3,022,758, current assets of $6,239,412 and current liabilities of $1,737,516. The Group also has unused working capital borrowing facilities of $3,975,000 available to be utilised throughout the next twelve months if required.

The financial report has nonetheless been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the year ending 30 June 2019 which includes the receipt of the R&D tax incentives and available working capital borrowing facilities.

b) Principles of consolidation

The consolidated financial statements are those of the Consolidated Entity comprising the Parent Entity and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Investments in controlled entities are carried at cost, as calculated based on the fair value of consideration paid by the Company.

c) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets (including business combinations). Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of the acquisition plus incidental costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

d) Cash and cash equivalents

Cash on hand and in banks and short-term deposits is stated at nominal value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 3 months, net of outstanding bank overdrafts.

e) Intangible assets

Patents, trademarks and licenses

Patents, trademarks and licenses are recorded at cost less accumulated amortisation and impairment.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

g) Revenue recognition

Sale of goods

Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Services

Revenue is recognised upon rendering of services and the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of expenses incurred that are recoverable.

Software licence fees

Revenue from the sale of software licences is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

h) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all conditions complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

The group is treating its actual and expected receipt of the new R&D Tax Incentive refund as a government grant. Where the expenditure has been expensed, the R&D tax incentive is recognised as revenue. Where the expenditure had been capitalised as an asset, the R&D Tax Incentive attributable to the capitalised expenditure, is deducted from the cost of the asset and released to the profit and loss account as a reduction in amortisation expense over the expected useful life of the asset.

i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, with the exception of accrued expenses and expense provisions, are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the Consolidated Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

j) Income tax

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

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

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

(i) except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(i) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(ii) in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company / Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

As at the date of this report, deferred tax assets have been recognised only to the extent to which they offset deferred tax liabilities as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised.

Tax consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group will also enter a tax funding agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

k) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise. The functional currency of Mint Payments Limited and all of its subsidiaries is Australian dollars.

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 profit or loss in the period in which the operation is disposed.

l) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Trade accounts are normally settled within 30-60 days.

Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method

m) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

n) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

o) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

p) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

q) Leased assets

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

r) Plant & equipment

Plant and equipment and fixtures & fittings are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	5 - 15 years

s) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Provisions are made in respect of the consolidated entity's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle warranty obligations. As the group has limited warranty experience the provision is based on current expectations.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

An onerous contract is considered to exist where the Consolidated Entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

t) Share based payments

Share-based compensation benefits are provided to employees via the Mint Payments Limited Employee Option Plan.

The fair value of options granted under the Mint Payments Limited Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a 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.

The fair value of the options granted is adjusted to reflected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and these benefits can be measured reliably

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

w) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately.

x) New standards and interpretations not yet adopted

AASB 9 Financial Instruments

These Standards will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Group on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';

- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost to be based on an expected loss approach.

This Standard will not significantly impact the performance of the Group as reported in the Group's financial statements.

The effective date is annual reporting periods beginning on or after 1 January 2018.

AASB 15 Revenue from contracts with customers

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. To give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- Step 1: Identify the contracts with the customer;
- Step 2: Identify the performance obligations under the contract(s);
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations under the contract(s); and
- Step 5: Recognise revenue when (or as) the entity satisfies the performance obligation.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

This Standard will not significantly impact the Group's financial statements.

The effective date is annual reporting periods beginning on or after 1 January 2018.

AASB 16 Leases

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
  - investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
  - property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

This Standard will not significantly impact the performance of the Group as reported in the Group's financial statements.

The effective date is annual reporting periods beginning on or after 1 January 2019.

y) Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

Note 3: Segment Information

The consolidated entity operates in one segment being mobile payments. This is based on the internal reports that are reviewed and used by the Board of Directors (identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity operates predominantly in one geographical region being Australia.

Note 4: Financial Risk Management Policies And Objectives

Mint Payments Limited's Audit and Risk Management Committee (Committee) assists the Board of Directors (Board) perform the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Committee and Board seek to balance the potential adverse effects of financial risks on Mint's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

AASB 7 Financial Instruments: Disclosures requires the disclosure of information to assist users of the financial report in assessing the extent of risks related to financial instruments faced by the Group. These risks include financial risks such as market risks (including currency risk, fair value interest rate risk and commodity price risk), credit risk & liquidity risk. These disclosures are not nor are they intended to be an exhaustive list of risks to which Mint is exposed.

a) Market risk

i) Foreign exchange risk

Mint Payments Limited is based in Australia, its shares are listed on the Australian Securities Exchange and the Consolidated Entity reports its financial performance and position in Australian dollars (A$). The Group operates internationally, with the result being that the Group is to some extent exposed to foreign exchange risk arising from fluctuations predominantly in the British Pounds (GBP), Singapore Dollars (SGD) and unless those exposures are appropriately hedged.

As at balance date, the Board's position is to hold foreign currencies where liabilities are expected to be settle in their currency at a future date or take up forward contracts where appropriate so as to minimise exposure to adverse foreign exchange fluctuations.

ii) Interest rate risk and fair values

As the Group has certain floating interest rate deposits there is a risk that the economic value of these deposits may fluctuate because of changes in market interest rates. This risk is considered an acceptable by-product of the Group's efforts to manage its cash flow obligations. As at balance date, the fair value of financial assets and liabilities is equivalent to their carrying amount.

The table below sets out the carrying amount of the financial instruments exposed to interest rate risk (all of which mature within one year):

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Financial Assets		
Cash Assets: Weighted average effective interest rate 0.37% (2017 - 1.90%)	3,022,758	1,824,562
Financial Liabilities		
Borrowings	6,525,000	4,500,000

The security and expiry for the borrowings facilities are as follows: -

A $7,500,000 working capital borrowing facility (2017: $2,500,000 working capital borrowing facility) secured through a fixed and floating charge over the assets and undertakings of Mint (Aust) Pty Ltd. In addition, $3,000,000 in working capital borrowing facility (2017: $5,500,000 working capital borrowing facility) unsecured is held by Mint (Aust) Pty Ltd. The working capital borrowing facilities attract an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum. $10,500,000 in working capital borrowing facilities expire in September 2020.

b) Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group can fund its operations and continue as a going concern
- To provide an adequate return to shareholders

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

The Group monitors capital on the basis of the carrying amount of equity plus borrowings less cash and cash equivalents as presented on the face of the statement of financial position.

There are no externally imposed capital requirements. There are no covenants on the borrowings.

Management effectively manage 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.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratio for the reporting periods under review is summarised as follows:

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Borrowings	6,525,000	4,500,000
Total debt	6,525,000	4,500,000
Total contributed equity	46,709,299	42,781,783
Debt to equity ratio	**14.0%**	**10.5%**

c) Credit risk

The Group trades only with recognised, trustworthy third parties and it is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Group. The Group's maximum exposure to credit risk arising from potential default of the counter-party is equal to the carrying value of receivables.

d) Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital.

The group has working capital borrowing facilities of $10,500,000 (2017: $8,000,000) of which $6,525,000 (2017: $4,500,000) was utilised at balance date.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets & financial liabilities to interest rate risk, foreign exchange risk & other price risk.

		Interest (AUD)				Foreign Exchange (AUD)			
		- 1% 2018 $		+ 1% 2018 $		- 10% 2018 $		+ 10% 2018 $	
	Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets									
Cash & cash equivalents	AUD2,917,099	(29,171)	(29,171)	29,171	29,171	n/a	n/a	n/a	n/a
	GBP 280	n/a	n/a	n/a	n/a	50	50	(50)	(50)
	NZD 64,686	n/a	n/a	n/a	n/a	5,933	5,933	(5,933)	(5,933)
	USD -	n/a	n/a	n/a	n/a	-	-	-	-
	SGD 46,190	n/a	n/a	n/a	n/a	4,583	4,583	(4,583)	(4,583)
Accounts receivable	SGD 10,962	n/a	n/a	n/a	n/a	1,088	1,088	(1,088)	(1,088)
Financial Liabilities									
Trade Payables	GBP 6,859	n/a	n/a	n/a	n/a	(1,217)	(1,217)	1,217	1,217
	SGD 4,063	n/a	n/a	n/a	n/a	(403)	(403)	403	403
	USD 1,030	n/a	n/a	n/a	n/a	(139)	(139)	139	139
Borrowings	AUD 6,525,000	65,250	65,250	(65,250)	(65,250)	n/a	n/a	n/a	n/a

Note 5: Critical Accounting Estimates And Judgements

In preparing this Financial Report the Group has made certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of IT development expenditure

The Group capitalised IT development expenditure on the basis either that this is expected to be recouped through future successful exploitation of the associated technology or through subsequent sale of the asset.

Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not yet considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of IT development expenditure

The future recoverability of capitalised IT development expenditure is dependent on a number of factors, including whether the Group decides to continue to exploit the related technology itself or, if not, whether it successfully recovers the related asset through sale. Factors that could impact the future recoverability include the level of market demand, future technological changes, costs of commercialisation, input costs, future legal changes and changes to the pricing structure for credit card payment gateways.

As at 30 June 2018, the carrying value of capitalised IT development is $292,383 after an impairment charge of $Nil for the current year.

Note 6: Loss

Loss before income tax has been determined after the following specific expenses:	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Depreciation and amortisation of non-current assets		
Plant and equipment	72,548	84,439
IT development	260,540	235,978
	333,088	**320,417**
Research and development expenses	3,872,200	4,631,935
Other expenses		
Defined contribution superannuation expense	387,653	447,466
Bad debts written off	3,786	31,667

Note 7: Revenue

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Sales Revenue		
Revenue from sale of goods	4,902	1,565,617
Revenue from services	40,410	345,556
Recurring revenues	2,039,265	1,435,797
	2,084,577	**3,346,970**
Other Income		
R&D grant income	1,593,672	2,014,892
Interest	18,419	38,138
Total revenue	**3,696,668**	**5,400,000**

Note 8: Income Tax

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
(a) The components of tax (expense)/credit:		
Current tax	-	-
Total income tax (expense)/ credit	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	**(5,271,600)**	**(5,280,206)**
At the statutory income tax rate of 27.5%	(1,449,690)	(1,452,057)
Non-deductible expenses	1,116,303	1,442,630
Non-assessable (income)/expenses	(530,198)	(642,499)
Change in unrecognised temporary differences	(291,897)	(53,422)
Tax rate differential on foreign income	3,539	6,232
Tax losses not recognised during current period	1,151,943	699,116
Income tax (expense) / credit	**-**	**-**

The Group has not recognised net deferred tax assets of $7,491,426 (2017: $6,421,521) at reporting date as it is not probable that the losses will be recouped in the short to medium term.

Note 9: Receivables

	Note	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Trade receivables		175,593	249,502
Allowance for doubtful debts		-	-
Net trade receivables	(i)	175,593	249,502
Other receivables		257,972	1,272,829
Prepayments and other assets		140,515	173,796
R&D receivable		1,678,704	2,119,531
		2,252,784	**3,815,658**

(i) Impaired receivables: as at 30 June 2018 current trade receivables of the group with a nominal value of $Nil (2017: $Nil) were impaired. The amount of the allowance for doubtful debt was $Nil (2017: $Nil).

0-3 months	-	-
3-6 months	-	-
Over 6 months	-	-
Allowance for doubtful debts	**-**	**-**

Note 9: Receivables (Continued)

		Consolidated Entity 2018 $	Consolidated Entity 2017 $
a) Movements in the provision for impairment of receivables			
At 1 July		-	-
Provision for impairment recognised during the year		-	-
At 30 June	(ii)	-	-
b) Receivables not impaired			
Not past due		79,462	226,301
31-60 days from invoice		4,950	5,435
61-90 days from invoice		-	5,644
more than 91 days from invoice		91,181	12,122
Net trade receivables	(iii)	**175,593**	**249,502**

(ii) The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(iii) As of 30 June 2018, trade receivables of $96,131 are past due (2017: $23,201) but not impaired.

Note 10: Inventories

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current		
Finished goods		
- at cost	701,322	183,256
- provision for obsolescence	-	-
Total inventories	**701,322**	**183,256**

Note 11: Other Financial Assets

		Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current	**Note**		
Security deposits	(i)	262,548	271,361
		262,548	**271,361**

(i) Security deposits are in relation to the Group's obligations for its Sydney Offices of $79,113 and as security for an indemnity for losses that may arise under a customer contract of $183,436. Security deposits are measured at amortised cost.

Note 11: Other Financial Assets (Continued)

a) Wholly–owned Group

Details of interests in wholly-owned controlled entities are set out at part (b) of this note. Details of dealings with controlled entities are as follows:

Inter-Company accounts

Mint Payments Limited provides working capital to its controlled entities. Transactions between Mint Payments Limited and other controlled entities in the wholly-owned Group during the year ended 30 June 2018 consisted of:

(i) Working capital advanced by Mint Payments Limited;

(ii) Provision of services by Mint Payments Limited; and

(iii) Expenses paid by Mint Payments Limited on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for repayment.

b) Investments in Controlled Entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2018 %	Equity Holding 2017 %
Controlled Entities				
Mint (Aust) Pty Limited	Australia	Ordinary	100	100
Mobile Content Management Pty Limited	Australia	Ordinary	100	100
Mint Wireless International UK Limited	United Kingdom	Ordinary	100	100
Mint Wireless International Limited	Hong Kong	Ordinary	100	100
Mint Payments Asia Pte. Ltd.	Singapore	Ordinary	100	100

c) Ultimate Parent Company

The ultimate parent company in the wholly-owned Group is Mint Payments Limited, a Company incorporated in Australia.

Note 12: Plant And Equipment

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Plant & equipment		
At cost	779,453	628,214
Accumulated depreciation	(584,057)	(511,692)
	195,396	**116,522**
Plant and equipment		
Carrying amount at beginning	116,522	175,273
Additions	152,891	25,965
Disposals	(1,464)	(277)
Depreciation expense	(72,553)	(84,439)
	195,396	**116,522**

Note 13: IT Development

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
IT development	2,678,168	2,545,845
Accumulated amortisation change	(2,385,785)	(2,060,949)
Net carrying amount	**292,383**	**484,896**
Year ended 30 June 2018		
Opening net book amount	484,896	473,099
Additions	153,059	352,414
R&D Tax Incentive received in respect of expenditure capitalised	(85,032)	(104,639)
Disposals	-	-
Amortisation charge	(260,540)	(235,978)
Closing net book value	**292,383**	**484,896**

a) Impairment tests for IT development

The recoverable amount of the IT Development is determined based on value-in-use calculations. These calculations utilised cash flow projections for five years based on the FY2019 budget and a detailed three year plan which has been risk adjusted, reviewed and approved by management. No growth rates have been applied to extrapolate these plans for years four and five of the value in use model.

On this basis, the Group determined that the recoverable amount of IT Development of $292,383 (2017: $484,896) exceeded its carrying value and no impairment charge was required in this financial year (2017: $Nil).

The value-in-use calculations are sensitive to discount rates, revenue and cash flow forecasts. The Group has performed detailed sensitivity analysis as part of its impairment testing to ensure that the results of its testing are reasonable.

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

Revenue projections are based on sales for the year ended 30 June 2018 and revenue projections for 2019 to 2021 based on the key drivers in the current business. Expenses are based on detailed knowledge of the business, historic activity, and detailed plans for the year ended 30 June 2018 and projections for 2019 to 2021 based on the key drivers in the current business. These have been extrapolated in years 4 and 5 but no growth rate has been applied.

The discount rate applied to cash flow projections is 15.50% post-tax. Discount rate applied reflects management's estimate of the time value of money and the consolidated entities weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

There is no terminal value used in the value-in-use calculation due to the nature of the IT development asset.

c) Sensitivity

The directors have made judgements and estimates in respect of impairment testing of IT Development. Should these judgements and estimates not occur, the resulting IT Development may vary in carrying value.

The points noted below are sensitivities of these estimates:

- Revenue would need to decrease by more than 40% over the five-year period before IT Development would be impaired, with all other assumptions remaining constant.
- The discount rate would need to increase by more than 390% before IT development would be impaired, with all other assumptions remaining constant.

Management believes that any reasonable change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Note 14: Payables

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current		
Trade payables	450,454	719,780
Other payables, accruals and income in advance	834,709	1,104,419
	1,285,163	**1,824,199**

Note 15: Provisions

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current		
Employee benefits	364,753	450,969
Make good provision	87,600	87,600
	452,353	**538,569**
Non-current		
Employee benefits	71,484	65,537
	71,484	**65,537**
	523,837	**604,106**
Movements in provisions for employee benefits		
Carrying amount at the beginning of the year	516,506	408,656
Additional provision recognised	(15,484)	345,669
Utilised during the year	(64,785)	(237,819)
Carrying amount at the end of the year	**436,237**	**516,506**

Note 16: Contributed Equity

		2018 No.	2017 No.
a) Issued and paid up capital			
Ordinary Shares		**785,303,405**	**648,504,776**
b) Movements in shares on issue			
	Date	No. of Shares	$
Beginning of the financial year	**1-Jul-17**	**648,504,776**	**42,781,783**
Issue of ordinary shares under employee share plan	17-May-18	96,666,664	2,900,000
Issue of ordinary shares under employee share plan	15-Jun-18	40,131,965	1,216,000
Share issue costs			(188,484)
Closing Balance	**30-Jun-18**	**785,303,405**	**46,709,299**

Ordinary Share

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held. Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital, nor par value in respect of its issued shares.

Note 17: Reserves And Accumulated Losses

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
a) Share based payment reserve		
Balance at the beginning of year	2,511,575	2,543,568
Movement during the year	(19,228)	(31,993)
Balance at end of year	**2,492,347**	**2,511,575**
b) Foreign exchange reserve		
Balance at the beginning of year	16,370	22,595
Movement during the year	(11,447)	(6,225)
Balance at end of year	**4,923**	**16,370**
	2,497,270	**2,527,945**
c) Accumulated Losses		
Balance at the beginning of year	(45,541,778)	(40,261,572)
Net loss for the year	(5,271,600)	(5,280,206)
Balance at end of year	**(50,813,378)**	**(45,541,778)**

The share based payment reserve is used to record items recognised as expenses on valuation of employee shares and options.

The foreign exchange reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Note 18: Share Based Payments

a) Employee option plan

As at balance date, the Company had the following class of options on issue:

Description	Number	Exercise Price (cents)	Expiry
Unlisted options	5,000,000	15.0	27/11/2018
Total	**5,000,000**		

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Each option granted under the Mint Payments Limited Employee Option Plan entitles the employee to acquire one ordinary share of Mint Payments Limited. There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Mint shares are issued and quoted on the ASX. The options cannot be transferred and will not be quoted on the ASX.

All options expire on the earlier of their expiry date or termination of the individual's employment.

	Weighted Average Exercise Price 2018 (Cents)	No. of Options 2018	Weighted Average Exercise Price 2017 (Cents)	No. of Options 2017
Outstanding at the beginning of the year	15.0	5,000,000	11.3	10,000,000
Forfeited during the year		-		(5,000,000)
Expired during the year		-		-
Exercised during the year		-		-
Granted during the year		-		-
Outstanding at the end of the year	**15.0**	**5,000,000**	**15.0**	**5,000,000**
Exercisable at the end of the year	**15.0**	**5,000,000**	**15.0**	**5,000,000**

The options outstanding at 30 June 2018 have a weight averaged exercise price of 15.0 cents and a weighted average contractual life of 0.4 years.

Note 18: Share Based Payments (Continued)

b) Employee share plan

During or since the end of the financial year, nil ordinary shares have been issued as result of exercise of options granted under the Mint Payments Limited Employee Option Plan and nil ordinary shares have been issued under the Mint Payments Limited Employee Share Plan.

Share issued under the employee share plan are based on the volume weighted average share price of the relevant period in which the key performance indicators relate to and issued without consideration. Shares issued under the employee share plan are fully paid ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Note 19: Key Management Personnel Disclosures

The Directors of Mint Payments Limited during the year were:

- **Peter Wright**, Non-Executive Chairman (effective from 10 July 2018, previously Non-Executive Director)
- **William Bartee**, Non-Executive Director
- **Terry Cuthbertson**, Non-Executive Director (effective from 10 July 2018, previously Non-Executive Chairman)
- **Anne Weatherston**, Non-Executive Director
- **Alex Teoh**, Chief Executive Officer and Managing Director

Other Key Management Personnel in office at any time during the financial year were as follows:

- **Adam Jones**, Chief Growth Officer (appointed on 26 February 2018)
- **Alfred Wong**, Chief Information Officer
- **David Owyong**, Chief Operating Officer, Chief Financial Officer and Company Secretary
- **Andrew Teoh**, Managing Director of Mint Payments Asia Pte Ltd (effective from 5 December 2017, previously Executive Director)

Other than the above personnel, no other persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the year.

The details of the remuneration of Directors and Key Management Personnel are disclosed in the Remuneration Report section of the Directors' Report.

a) Loans to Key Management Personnel

There were no loans made to Directors of Mint Payments Limited or other Key Management Personnel of the Group (or their personally related entities) during the year.

b) Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Short-term employee benefits	1,114,123	1,190,861
Post-employment benefits	92,300	96,227
Share-based payments	-	197,500
Total	**1,206,423**	**1,484,588**

c) Other transactions with Key Management Personnel

Mint (Aust) Pty. Ltd. has a $3,000,000 unsecured working capital borrowing facility (2017: $2,000,000) with TAAJ Corporation Pty Ltd, an entity associated with Alex Teoh. The working capital borrowing facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and is due to expire in September 2020. During the year, Mint (Aust) Pty Ltd paid $8,844 in interest expense to TAAJ Corporation Pty Ltd.

Note 20: Auditors Remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Amounts received or due and receivable by **Pitcher Partners** for:		
(i) Audit and other assurance services An audit or review of the financial report of the entity and any other entity in the consolidated entity	54,248	52,000
Total remuneration for audit and other assurance services	**54,248**	**52,000**
(ii) Other non-audit services	-	-
Total remuneration for non-audit services	**-**	**-**
Total remuneration of Pitcher Partners	**54,248**	**52,000**

Note 21: Reconciliation Of Loss After Income Tax To The Net Cash Used In Operations

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Net loss after income tax	**(5,271,600)**	**(5,280,206)**
Non-cash items		
Depreciation	72,548	84,439
Amortisation of IT development	260,540	235,978
Interest expenses accrued but not paid	46,442	23,132
Provision for obsolescence	32,356	-
Share options expense	(19,228)	233,341
Bad debts written off	3,786	31,667
Foreign exchange	7,857	26,602
	(4,867,299)	**(4,645,047)**
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	1,536,633	(990,582)
(Increase)/decrease in inventory	(518,066)	161,211
(Increase)/decrease in prepayments & other assets	33,280	(95,255)
(Decrease)/increase in trade & other payables	(492,592)	41,940
(Decrease)/increase in provisions	(80,269)	107,850
	478,986	**(774,836)**
Net cash used in operating activities	**(4,388,313)**	**(5,419,883)**

Note 22: Earnings Per Share

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Net loss attributed to equity shareholders	(5,271,600)	(5,280,206)
Earnings used in calculating basic and diluted earnings per share	**(5,271,600)**	**(5,280,206)**
	2018 No of shares	**2017 No of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	673,800,307	603,353,413
Effect of dilutive securities:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**673,800,307**	**603,353,413**
Basic earning per share to equity holders	(0.78)	(0.88)
Diluted earning per share to equity holders	(0.78)	(0.88)

Note 23: Subsequent Events

In August 2018, the Company received the R&D Grant with respect to the financial year ended 30 June 2018 of $1.68M.

There has not been any other matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

Note 24: Commitments And Contingencies

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Lease expenditure commitments **(a) Operating leases (non cancellable):**		
Minimum lease payments (i)		
- Not later than one year	5,478	4,436
- Later than one year and not later than five years	13,574	3,133
- Later than five years	-	64,172
- **Aggregate lease expenditure contracted for at reporting date**	**19,052**	**71,741**

(i) Relates predominately to the Sydney office equipment lease.

Note 25: Related Party Transactions

There have been no transactions with related parties during the year ended 30 June 2018 other than as disclosed elsewhere in the financial report.

Note 26: Parent Entity Details

Summarised presentation of the parent entity, Mint Payments Limited, financial statements:

	Parent Entity 2018 $	Parent Entity 2017 $
a) Summarised statement of financial position		
Assets		
Current assets	4,598,785	2,930,350
Non current assets	-	-
Total assets	**4,598,785**	**2,930,350**
Liabilities		
Current liabilities	464,803	649,800
Total liabilities	**464,803**	**649,800**
Net assets	**4,133,982**	**2,280,550**
Equity		
Share capital	46,709,300	42,781,783
Reserves	2,429,909	2,399,137
Accumulated losses	(45,005,227)	(42,900,370)
Total equity	**4,133,982**	**2,280,550**

The directors reassessed the recoverability of the intercompany loans and believe these were impaired in the prior years.

b) Summarised statement of comprehensive income		
Loss for the year	(2,104,857)	(8,058,742)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(2,104,857)**	**(8,058,742)**

c) Parent entity guarantees

The parent entity has not given any guarantee or indemnity in respect of the debt facilities of the controlled entities.

d) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2018 (2017: $Nil).

e) Parent entity contractual commitments

As at 30 June 2018, the parent entity did not have any contractual commitments for the acquisition of the property, plant and equipment.

Mint Payments Limited is a listed public Company, incorporated and operating in Australia.

Registered Office
Level 4, 450 Victoria Road
Gladesville, NSW 2111, Australia

Principal place of business
Level 4, 450 Victoria Road
Gladesville, NSW 2111, Australia

The entity has a formally constituted audit committee.

In the Directors' opinion:

(a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

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

(ii) compliance with Accounting Standards and Corporations Regulations 2001; and

(iii) compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

Alex Teoh
Chief Executive Officer and Managing Director

Sydney, New South Wales
31 August 2018

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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Pitcher Partners is an association of independent firms
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MINT PAYMENTS LIMITED
ABN 51 122 043 029

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MINT PAYMENTS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mint Payments Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Going Concern *Refer to Note 2(a) of the summary of significant accounting policies.*	
For the year ended 30 June 2018, the group reported a net loss of a net loss of $5,271,600 and a net cash outflow from operations of $4,388,313 for the year ended 30 June 2018. As at 30 June 2018, the Group had cash assets of $3,022,758, current assets of $6,239,412 and current liabilities of $1,737,516. The Group also has unused working capital borrowing facilities of $3,975,000 available to be utilised throughout the next twelve months if required. The Directors have prepared the financial report on a Going Concern basis taking into consideration the forecast cash flows for the following twelve months include the receipt of the R&D tax incentives and available working capital facilities. The cash flow forecast includes significant judgements, assumptions and estimates such as future revenue.	Our procedures included, amongst others: • Reviewing and challenging the key judgements, assumptions and estimates used in the cash flow forecast approved by the Directors; • Checking the mathematical accuracy of the cash flow forecast; • Applying sensitivities to the Directors' cash flow forecast to determine the extent of changes necessary to result in the Group not having sufficient resources to meet its forecast liabilities as they fall due for a period of 12 months from the date of this report; • Examining agreements in respect of the unused working capital facilities and determining the ability to draw down on these in the next 12 months; and • Assessing the adequacy of financial statement disclosures.
Existence and Impairment of Inventories *Refer to Note 10 in the Notes to the Financial Statements.*	
At 30 June 2018, the statement of financial position includes inventory amounting to $701,322. We focussed on this matter because of the significance of the inventory balance to the profit and statement of financial position.	Our procedures included, amongst others: • Attending the stock take and observing management's inventory count procedures to assess compliance with Group policy; • Selecting a sample of inventory items and comparing the quantities we counted to the quantities recorded; • Making enquiries regarding obsolete inventory items and observing the condition of items counted; and • Testing a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold or their value in use.

Recognition of R&D tax incentive *Refer to Note 9 in the Notes to the Financial Statements.*	
At 30 June 2018, the statement of financial position includes R & D receivable amounting to $1,678,704. This area is a key audit matter due to the inherent subjectivity that is involved in the Group making judgements in relation to the calculation and recognition of the R&D tax incentive income and receivable.	Our procedures included, amongst others: • Making enquiries with management to obtain and document an understanding of their process to calculate the R&D tax incentive; • Evaluating of management's processes and controls to determine if they appropriately address the risks; • Obtaining and evaluating the work of the management's expert and the calculations prepared and agree amounts claimed to supporting expenditure; • Reviewing historical reliability of estimates and budgets to support the reliability of the estimate; Involving our specialists to perform a review of the calculation to determine eligibility of costs claimed; and • Assessing the adequacy of financial statement disclosures.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Corporate Directory, Directors Report, Shareholders Information and Corporate Governance Statement, which was obtained as at the date of our audit report, and any other information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the Directors Report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Mint Payments Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Mark Godlewski

M A Godlewski

Partner

Pitcher Partners

PITCHER PARTNERS

Sydney

31 August 2018

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report is set out below:

A) Number of Security Holders and Securities on Issue

Mint has issued 785,303,405 fully paid ordinary shares, of which 785,303,405 are quoted on the ASX and are held by 1,301 shareholders.

B) Voting Rights

The voting rights attached to ordinary shares are that on the show of hands, every member present, in person or proxy has one vote and upon a poll, each share shall have one vote.

C) Distribution of Security Holders

Quoted ordinary fully paid ordinary shares.

Holding	Number of Shareholders	Number of Shares	%
1-1,000	66	8,334	0.00
1,001-5,000	194	584,691	0.08
5,001-10,000	157	1,323,208	0.17
10,001-100,000	556	23,414,773	2.98
100,001 and over	328	759,972,399	96.77
Total	**1,301**	**785,303,405**	**100.00**

D) Unmarketable Parcels of Shares

The number of shareholders holding less than a marketable parcel of ordinary shares of $0.03 (on 31 July 2018) is 522 and they hold 3,358,449 securities.

E) Substantial Shareholders

The number of securities held by the substantial shareholders and their associates are set out below:

Ordinary Fully Paid Shares

Name	Number of Shares	%
J P MORGAN NOMINEES AUSTRALIA LIMITED	123,578,265	15.74
TAAJ CORPORATION PTY LTD	101,485,147	12.93
BNP PARIBAS NOMS PTY LTD	69,273,147	8.82
ROADHOUND ELECTRONICS PTY LTD	68,566,856	8.73
DOBRANI PTY LTD	60,038,074	7.65

F) On-Market- Buy-Back

There is no current on-market buy-back.

G) Statement Regarding Use of Cash and Assets

Mint has used its cash and assets readily convertible to cash that it had at the time of ASX admission in a way consistent with its business objective.

H) Twenty Largest Shareholders

Details of the 20 largest shareholders by registered shareholding are:

Name	Number of Shares	%
J P MORGAN NOMINEES AUSTRALIA LIMITED	123,578,265	15.74
TAAJ CORPORATION PTY LTD	101,485,147	12.93
BNP PARIBAS NOMS PTY LTD	69,273,147	8.82
ROADHOUND ELECTRONICS PTY LTD	68,566,856	8.73
DOBRANI PTY LTD	60,038,074	7.65
NATIONAL NOMINEES LIMITED	27,445,235	3.49
BNP PARIBAS NOMS PTY LTD	20,178,787	2.57
AUST EXECUTOR TRUSTEES LTD	11,253,007	1.43
MR RODNEY DAVID TIGHE	11,000,000	1.40
KORE MANAGEMENT SERVICES PTY LTD	9,740,950	1.24
MONEX BOOM SECURITIES (HK) LTD	9,241,074	1.18
CITICORP NOMINEES PTY LIMITED	8,798,693	1.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,747,444	1.11
MR JIWA NADAN	7,670,127	0.98
TRANDARA PTY LTD	6,830,481	0.87
EML INVESTMENTS PTY LIMITED	5,400,000	0.69
MRS CLARICE YU KWAN OWYONG	5,347,990	0.68
GENERAL & PRIVATE FUNDS MANAGEMENT PTY LTD	5,300,000	0.67
MR LESLIE KROLL	5,060,726	0.64
JETOSEA PTY LTD	5,052,154	0.64
Total	**570,008,157**	**72.58**

I) Unquoted equity securities

	Number on Issue	Number of holders
Options over ordinary shares issued	30,379,740	40

The Board of Directors **(Board)** is responsible for the corporate governance of Mint Payments Limited **(Company)**. The Board guides and monitors the business and affairs of the Company on behalf of the security holders by whom it is elected and to whom it is accountable.

In accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 3rd Edition **(the Principles)**, the Company's Corporate Governance Statement must contain specific information and also report on the Company's adoption of the Council's best practice recommendations, whereby disclosure is required of any recommendations that have not been adopted by the Company. The Company's corporate governance principles and policies are therefore structured with reference to the Principles, which are as follows:

1. Lay solid foundations for management and oversight
2. Structure the board to add value
3. Act ethically and responsibly
4. Safeguard integrity in corporate reporting
5. Make timely and balanced disclosure
6. Respect the rights of security holders
7. Recognise and manage risk.
8. Remunerate fairly and responsibly.

A number of the Recommendations under the Principles recommend that certain governance documents should be made publicly available, ideally by posting such information on the Company's website. All corporate governance principles and policies regarding the Company as required by the Principles are set out in this Corporate Governance Statement.

Principle 1: Lay Solid Foundations for management and oversight

Recommendation 1.1: A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management; and (b) those matters expressly reserved to the Board and those delegated to management.

The Board is committed to maximising Company and management performance, thereby generating appropriate levels of security holder value and financial return. The Board, therefore, ensures that the Company is properly managed to protect and enhance security holder interests and that the Company, its directors, officers and employees operate in an appropriate environment of corporate governance.

The Board is responsible for, inter alia, development of strategy, oversight of business and Company management, risk management and compliance systems and monitoring performance. The Board has established certain policies and protocols in relation to the Company's operations, some of which are summarised in this Corporate Governance Statement.

For further details regarding the respective roles and responsibilities of the Board and management, please refer to the Board Charter as contained in **Annexure 1** to this Corporate Governance Statement.

Recommendation 1.2: A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Board, through its Remuneration and Nomination Committee, is responsible for the selection, appointment and induction of directors. It assesses the appropriate mix of skills and experience required and obtains information and assistance from management and external advisers when appropriate. Nominees are assessed against their background, professional skills and experience, personal attributes and availability to commit to Board activities. All Board candidates must then stand for election at the next general meeting of security holders, where all material information is provided to security holders regarding a decision on whether or not to elect or re-elect a director.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company maintains written agreements with each director and senior executive. The written agreements outline all relevant roles and obligations. Further, directors and senior executives are provided with all other information they may require to fulfil their obligations and duties.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The Company Secretary is accountable to the Board, through the Chairman, and is responsible for the following:

- Advising the Board and its Committees on governance matters;
- Monitoring that Board and Committee policies and procedures are followed;
- Coordinating the timely completion and despatch of Board and Committee papers;
- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of directors.

Recommendation 1.5: A listed entity should: (a) have a diversity policy which includes requirements for the Board or relevant Committee of the Board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or the relevant Committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under the Act.

The Company has a commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability. The Company's commitment to diversity means that it works to ensure that it has an environment supportive of equal opportunity and with equal access to career development, remuneration and benefits through the implementation of practices, procedures and policies which support, among other matters, diversity. The Company believes that diversity is about recognising and valuing the contribution of people from different backgrounds, with different perspectives and experiences. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background.

The Company's workforce is split female 25% and male 75%. The Company operates in Australia and Singapore, and, to date, diversity initiatives have been focused at the local level, having regard to the legislative requirements of those countries.

For the purposes of this statement, "Senior Executive" is defined as an employee that forms part of the Company's management team, as listed on the Company's website.

The Company's diversity policy provides that the Company will:

- use recruitment and selection processes and the performance management system to draw on the diverse backgrounds and skills of staff and to develop these qualities in the workplace;
- ensure that when employment decisions are made, they are based on merit, not on irrelevant attributes or characteristics that an individual may possess;
- comply with anti-discrimination legislation to prevent and eliminate any employment related disadvantage;
- promote workplace diversity and remain proactive in eliminating all forms of harassment and bullying in the workplace;
- develop and maintain workplace practices that provide flexibility for employees in relation to balancing their work and personal lifestyle commitments; and
- create a work environment which promotes good working relationships.

Recommendation 1.6: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The performance of the Board, its Committees and individual directors is reviewed regularly, and has taken place during this reporting period. The process is to include the assessment of all of the Board's key areas of responsibility. The Board's contribution as a whole is reviewed and areas where improvement can be made are noted. The performance evaluation process is as follows:

- each director will periodically evaluate the effectiveness of the Board and its committees and submit observations to the Chairman;
- the Chairman of the Board will make a presentation incorporating his assessment of such observations to enable the Board to assess, and if necessary, take action;
- the Board will agree on development and actions required to improve performance;
- outcomes and actions will be minuted; and
- the Chairman will assess during the year the progress of the actions to be achieved.

This process aims to ensure that individual directors and the Board as a whole contribute effectively in achieving the duties and responsibilities of the Board.

Recommendation 1.7: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company has established a Remuneration and Nomination Committee where the performance of its senior executives is discussed and resolved at Board meetings. A performance evaluation was undertaken during this reporting period as part of the Company's annual review process.

Principle 2: Structure the board to add value

Recommendation 2.1: The Board of a listed entity should: (a) have a Nomination Committee which: (1) has at least 3 members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the Charter of the Committee; (4) the members of the Committee; and (5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company has established a Remuneration and Nomination Committee where remuneration and nomination issues are discussed and resolved at Board meetings and accordingly, the Board is responsible for determining and reviewing the remuneration and nomination of directors and senior executives. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining directors and senior executives with the skills to manage the Company's operations.

The Remuneration and Nomination Committee consists of the following members, the majority of whom are independent directors:

From 10 July 2018
Chairperson: William Bartee
Other Members: Anne Weatherston and Terry Cuthbertson

From 1 July 2017 to 9 July 2018
Chairperson: Peter Wright
Other Members: Anne Weatherston, Terry Cuthbertson and Alex Teoh

The number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings are detailed in the Directors' Report section of the Annual Report.

Please refer to the Remuneration and Nomination Committee Charter as contained in **Annexure 2** to this Corporate Governance Statement.

Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Information relating to the directors of the Company, including whether they are independent, their experience, skills and periods of office is detailed in the Directors' Report section of the Annual Report or in ASX announcements if directors were appointed after the completion of the Annual Report.

Recommendation 2.3: A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation why the Board is of that opinion; and (c) the length of service of each director.

The majority of the Company's Board consists of independent directors. At the date of this statement, the Board comprises of 4 non-executive directors: Terry Cuthbertson, Anne Weatherston, Peter Wright and William Bartee. The Board is of the view that the current ratio of executive to non-executive directors provides a sufficient mix of independence.

Information relating to the directors of the Company, including whether they are independent, their experience, skills and periods of office is detailed in the Directors' Report section of the Annual Report or in ASX announcements if directors were appointed after the completion of the Annual Report.

Recommendation 2.4: A majority of the Board of a listed entity should be independent.

Please refer to 2.3, above.

Recommendation 2.5: The Chairman of the Board of a listed entity should be an independent director, and in particular, should not be the same person as the CEO of the entity.

From 10 July 2018
The Chairman of the Board, Peter Wright, is an independent, non-executive director.

From 1 July 2017 to 9 July 2018
The Chairman of the Board, Terry Cuthbertson, is an independent, non-executive director.

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company has established an induction program for new directors and the Company Secretary is responsible for overseeing directors' ongoing professional development.

Principle 3: Act ethically and responsibly

Recommendation 3.1: A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.

The Board has adopted a Code of Conduct & Ethics that provides a framework in which the Company and its representatives conduct their business and activities in a fiscally efficient and socially responsible manner whilst seeking to maximise security holder returns. The Code of Conduct & Ethics also outlines how the Company expects directors, management and employees to behave and conduct business in a range of circumstances. In particular, the Code of Conduct & Ethics requires awareness of, and compliance with laws and regulations relevant to the Company's operations.

The Code of Conduct & Ethics can be viewed on the Company's website: ***http://www.mintpayments.com/code-of-conduct-ethics/***

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1: The Board of a listed entity should: (a) have an Audit committee which (1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the Chairman of the Board, and disclose (3) the charter of the Audit Committee; (4) the relevant qualifications and experience of the members of the Audit Committee; and (5) in relation to each reporting period, the number of times the Audit Committee met throughout the period and individual attendances of the members at those meetings; or (b) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established an Audit and Risk Management Committee which meets on a regular basis.

Through the Audit and Risk Management Committee, the Board has maintained an internal control framework to examine the effectiveness and efficiency of the management of the Company and significant business processes such as the safeguarding of assets, the maintenance of proper accounting records and the integrity of financial information, the implementation of quality assurance practices and procedures and ensuring compliance with environmental regulations.

The Audit and Risk Management Committee consists of the following members, all of which are independent directors:

From 10 July 2018
Chairperson: Terry Cuthbertson
Other members: Peter Wright and Anne Weatherston

From 1 July 2017 to 9 July 2018
Chairperson: Anne Weatherston
Other members: Terry Cuthbertson and Peter Wright

The number of times the Audit and Risk Management Committee met throughout the period and the individual attendances of the members at those meetings are detailed in the Directors' Report section of the Annual Report.

Please refer to the Audit and Risk Management Committee Charter as contained in **Annexure 3** to this Corporate Governance Statement.

Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the relevant accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Both the Chief Executive Officer and the Chief Financial Officer have provided declarations in accordance with Section 295A of the Corporations Act. Each of the directors have reviewed the Financial Reports and the Chairman on behalf of the Board has declared that the Financial Reports are founded on a sound system of risk management, internal compliance and control which implements the policies adopted by the Board. The Chairman has also declared that the Company's risk management, internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company's external auditor, Pitcher Partners, attends the Company's AGM and is available to answer questions from security holders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.

The Board and senior executives are aware of the continuous disclosure requirements of the ASX and the Company has written policies and procedures in place to disclose any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. Furthermore, the directors and senior executives of the Company acknowledge that they each have an obligation to immediately identify and immediately disclose information that may be regarded as material to the price or value of the Company's securities.

The directors are authorised to make statements and representations on the Company's behalf. The Company Secretary is responsible for overseeing and coordinating the disclosure of information to the ASX, analysts, stockbrokers, security holders, the media and the public.

The directors of the Company ensure that the Company Secretary is aware of all information to be presented at briefings with analysts, stockbrokers, security holders, the media and the public. Prior to being presented, information that has not already been the subject of disclosure to the market and is not generally available to the market is the subject of disclosure to the ASX. Only when confirmation of receipt of the disclosure and release to the market by the ASX is received may the information be presented.

If information that would otherwise be disclosed comprises of matters of supposition or is insufficiently definite to warrant disclosure, or if the effect of a disclosure on the value or price of the Company's securities is unknown, the Company may request that the ASX grant a trading halt or suspend the Company's securities from quotation. Management of the Company may consult the Company's external professional advisers and the ASX in relation to whether a trading halt or suspension is required.

Principle 6: Respect the rights of the security holders

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company has implemented a Communications Policy to ensure that investors are informed of relevant major developments affecting the affairs of the Company. Such information is communicated via the Company's website, the annual and half year reports, disclosures made to the ASX, notices of meetings and occasional letters to investors where appropriate. All investors are invited to contact the Company Secretary regarding any queries they may have.

The Communications Policy can be viewed on the Company's website: ***http://www.mintpayments.com/shareholder-communications-policy/***

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Please refer to 6.1, above.

Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Security holders are encouraged by the Board to participate in the Annual General Meeting so as to promote transparency and accountability.

Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Security holders are given the option to receive communications from, and send communications to, the Company and its security registry Link Market Services, electronically.

Principle 7: Recognise and manage risk

Recommendation 7.1: The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least 3 members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company's Board is responsible for providing leadership and direction for the Company, for establishing a context which fosters a risk management culture and for ensuring business, financial and risk management approaches are integrated during the planning, implementation and reporting of major ventures at all levels within the organisation.

The Company has established an Audit and Risk Management Committee as recommended under Recommendation 7.1 and the Audit and Risk Management Committee meets on a regular basis.

The Audit and Risk Management Committee consists of the following members, all of which are independent directors:

From 10 July 2018
Chairperson: Terry Cuthbertson
Other members: Peter Wright and Anne Weatherston

From 1 July 2017 to 9 July 2018
Chairperson: Anne Weatherston
Other members: Terry Cuthbertson and Peter Wright

The number of times the Audit and Risk Management Committee met throughout the period and the individual attendances of the members at those meetings are detailed in the Directors' Report section of the Annual Report.

Please refer to the Audit and Risk Management Committee Charter as contained in **Annexure 3** to this Corporate Governance Statement.

The Board, through the Audit and Risk Management Committee, has procedures in place to recognise and manage risk. The risk oversight and management system covers:

- operations risk;
- financial reporting; and
- compliance.

The Company is committed to the proper identification and management of risk. The Company regularly undertakes reviews of its risk management procedures, which include implementation of a system of internal approvals to ensure not only that it complies with its legal obligations, but that the Board and security holders can take comfort that an appropriate system of checks and balances is in place in those areas of the business that present financial or operating risks. As part of this risk management process, the Company's management has reported to the Board in relation to its management of the Company's material business risks.

The Company has also adopted a Code of Conduct which sets out the Company's commitment to maintaining a high level of integrity and ethical standards in all business practices.

Recommendation 7.2: The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose it, in relation to each reporting period, whether such a review has taken place.

A review of the Company's risk management framework by the Board was conducted this reporting period and is scheduled for review annually.

Recommendation 7.3: A listed entity should disclose: (a) if it has an internal audit function, how that function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function. The Company's Audit and Risk Management Committee is responsible for carrying out the processes that would be employed by an internal audit function and are detailed in the Audit and Risk Management Committee's Charter.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company does not have any exposure to economic, environmental and social sustainability risks to disclose during this reporting period.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1: The Board of a listed entity should: (a) have a Remuneration Committee which: (1) has at least 3 members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Remuneration Committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has established a Remuneration and Nomination Committee where remuneration and nomination issues are discussed and resolved at Board meetings and accordingly, the Board is responsible for determining and reviewing the remuneration of senior executives. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executives with the skills to manage the Company's operations. A performance evaluation was undertaken during this reporting period as part of the Company's annual review process.

The Remuneration and Nomination Committee consists of the following members, the majority of whom are independent directors:

From 10 July 2018
Chairperson: William Bartee
Other Members: Anne Weatherston and Terry Cuthbertson

From 1 July 2017 to 9 July 2018
Chairperson: Peter Wright
Other Members: Anne Weatherston, Terry Cuthbertson and Alex Teoh

The number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings are detailed in the Directors' Report section of the Annual Report.

Please refer to the Remuneration and Nomination Committee Charter as contained in **Annexure 2** of this Corporate Governance Statement.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The performance of the Board, individual directors and senior executives is reviewed annually, and has taken place during this reporting period.

The Company has established a Remuneration and Nomination Committee as a subcommittee of the Board. Remuneration and Nomination issues are discussed and resolved at Board meetings and accordingly, the Board is responsible for determining and reviewing the remuneration of the directors and senior executives. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining directors and senior executives with the skills to manage the Company's operations. In making decisions regarding the appointment of directors, the Board as a whole periodically assesses the appropriate mix of skills and experience represented on the Board. The Board may also obtain information from, and consult with management and external advisers, as it considers appropriate.

It is the Company's objective to provide maximum security holder benefit from the retention of high quality Board members having regard to the Company's level of operations and financial resources. Directors are remunerated with reference to market rates for comparable positions. Remuneration policies for each Executive and Non-Executive Director are disclosed in the Directors' Report.

The remuneration of senior executives is dependent on the terms of the employment agreement with those executives. The remuneration structure of Non-Executive Directors and senior executives is clearly distinguishable.

There are no schemes for retirement benefits, other than statutory superannuation, in existence for the Non-Executive Directors.

Recommendation 8.3: A listed entity which has an equity based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.

Participants in the Company's Employee Share Scheme are prohibited from entering into any transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Annexure 1 – Board Charter

1. Role of the Board

The Board's key objectives are to:

(a) increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and

(b) to ensure the Company is properly managed.

2. Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

(a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (a) to (i);

(b) ensuring the Company is properly managed for example by:

(i) appointing and removing the managing director (when applicable) of the Company;

(ii) ratifying the appointment and, where appropriate, the removal of the chief financial officer (when applicable) and the Company secretary;

(iii) input into and final approval of management's development of corporate strategy and performance objectives;

(iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;

(v) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;

(c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(d) approval of the annual budget;

(e) monitoring the financial performance of the Company;

(f) approving and monitoring financial and other reporting;

(g) overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

(h) liaising with the Company's external auditors and Audit & Risk Management Committee; and

(i) monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold as defined below).

3. Materiality Threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

(a) Materiality – Quantitative

Balance sheet items
Balance sheet items are material if they have a value of more than 10% of net assets.

Profit and loss items
Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

(b) Materiality – Qualitative

Items are also material if:

(i) they impact on the reputation of the Company;

(ii) they involve a breach of legislation;

(iii) they are outside the ordinary course of business;

(iv) they could affect the Company's rights to its assets;

(v) if accumulated they would trigger the quantitative tests; or

(vi) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items.

(vii) They will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

(c) Material Contracts

Contracts will be considered material if:

(i) they are outside the ordinary course of business;

(ii) they contain exceptionally onerous provisions in the opinion of the Board;

(iii) they impact on income or distribution in excess of the quantitative tests

(iv) there is a likelihood that either party will default and the default may trigger any of the quantitative tests;

(v) they are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost of such a quantum as trigger any of the quantitative tests;

(vi) the contain or trigger change of control provisions;

(vii) they are between or for the benefit of related parties; or

(viii) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("Materiality Threshold").

4. The Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

5. Independent Directors

Where the chairperson is not an independent director, the Company will appoint a lead independent director. The lead independent director will take over the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

6. The Managing Director

The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

7. Role and Responsibility of Management

The role of management is to support the managing director (where a managing director has been appointed) and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or if the matter concerns the managing director then directly to the chairperson or the lead independent director, as appropriate. Where a managing director has not been appointed, all matters which fall within the Materiality Threshold must be reported by management to the chairperson.

Annexure 2 - Remuneration and Nomination Committee Charter

1. Composition

The Chairperson and members of the Remuneration and Nomination Committee are detailed in the Company's Corporate Governance Statement.

2. Role

The purpose of the Remuneration and Nomination Committee is to discharge the Board's responsibilities in relation to remuneration and nomination of the Company's executives including share and benefit plans.

3. Operations

- The committee shall consider issues of remuneration annually and otherwise as required.
- Minutes of all meetings of the committee are to be kept.
- Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

4. Resources

- The Company to provide the committee with sufficient resources to undertake its duties, including provision of educational information on remuneration policies and other topics relevant to the Company and such other relevant materials requested by the committee.

5. Reporting to the Shareholders

- The directors' report to contain a separate section that describes the role of the committee and what action it has taken.

6. Responsibilities

The responsibilities and functions of the Remuneration and Nomination Committee are as follows:

- review the competitiveness of the Company's executive compensation programs to ensure:
  (a) the attraction and retention of corporate officers;
  (b) the motivation of corporate officers to achieve the Company's business objectives; and
  (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders.
- review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;
- review the performance of executive management;
- review and approve Chairperson and managing director goals and objectives, evaluate Chairperson and managing director performance in light of these corporate objectives, and set Chairperson and managing director compensation levels consistent with company philosophy;
- approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;

- review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and
- review periodic reports from management on matters relating to the Company's personnel appointments and practices.

Annexure 3 – Audit and Risk Management Committee Charter

1. Composition

- The Chairperson and members of the Audit and Risk Management Committee are detailed in the Company's Corporate Governance Statement.
- At least one member to have significant, recent and relevant financial experience.

2. Role

- To monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- to review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- to monitor and review the effectiveness of the Company's internal audit function;
- to consider the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

3. Operations

- The committee meets at least once each half year, with further meetings on an as required basis.
- Minutes of all meetings of the committee are to be kept.
- Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

4. Resources

- The Company to provide the committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company and such other relevant materials requested by the committee.

5. Reporting to the Shareholders

- The directors' report to contain a separate section that describes the role of the committee and what action it has taken.
- The chairperson of the Audit and Risk Management Committee to be present at the AGM to answer questions, through the chairperson of the Board.

6. Responsibilities

- Responsibilities of the committee are as set out in the Audit and Risk Management Committee Responsibilities Calendar, which is available upon request.


delete
enter
return
shift
command
option
GYM
YOGA
ME DAY
PACK
PLAN TRIP
VACATION
CAMPING
ROAD TRIP
GIRLS TRIP
· WEEKLY PLANNER ·
TUESDAY
WEDNESDAY
THURSDAY
FRIDAY
SATURDAY
SUNDAY

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