
Financial Report

zipMoney Payments Pty Ltd (Formerly zipMoney Pty Ltd)
30 June 2014

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Income Statement

zipMoney Payments Pty Ltd 1 July 2013 to 30 June 2014

30 Jun 14

Income

Interest Revenue	197
Late Fee Revenue	45
Merchant Fee Revenue	3,572
Monthly Fee Revenue	456
Transaction Fee Revenue	63
Total Income	4,333

Gross Profit	4,333
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Plus Other Income

Interest Income	49
Other Revenue	146,530
Rental Income	13,584
Total Other Income	160,163

Less Operating Expenses

Accounting	5,080
Advertising	91
Amortisation - Formation Cost	240
Annual Leave Expense	20,311
Bad Debt Expense	1,668
Bank Fees	3,311
Computer and Web Hosting	7,033
Data Costs	1,865
Depreciation	15,717
Design - Int'l	1,656
Entertainment	792
Filing Expenses	1,075
Insurance	1,118
Interest Expense - Lenders	2
Legal expenses	19,711
Light, Power, Heating	1,494
Office Expenses	2,725
Printing & Stationery	1,136
Recruitment Fees	10,000
Rent	29,845
Software Vendors	4,292
Subscriptions	8,728
Superannuation	17,274
Telephone & Internet	1,641
Training	128
Travel - National	455
Travel and Conferences	4,387
Wages and Salaries	191,356

Income Statement

	30 Jun 14
Total Operating Expenses	353,131
Net Profit/(Loss) for the Year	(188,635)

Balance Sheet

zipMoney Payments Pty Ltd As at 30 June 2014

30 Jun 2014

Assets

Current Assets	
Accounts Receivable	1,236
Cash on Hand	1
CBA Saver Account	24
CBA Transaction Account	60,779
Loan Receivable (current)	21,515
Westpac Business One	39,355
Total Current Assets	122,910
Non-current Assets	
Loan Receivable	48,760
Loan Receivable Provision for Bad Debt	(1,668)
Office Equipment	1,035
Other Assets	720
Rental Bond	5,400
Software Development	190,460
Software Development Accumulated Depreciation	(15,717)
Total Non-current Assets	228,990
Total Assets	351,900

Liabilities

Current Liabilities	
Accounts Payable	46,960
GST	(6,162)
Income Tax Payable/Refundable	(146,450)
Loan - Briar Place Pty Ltd	100,000
Loan - Larry Diamond	68,785
Loan - TCF Services Pty Ltd	75,000
Loan - zipMoney Holdings Pty Ltd	247,567
PAYG Payable	24,894
Provision for Annual Leave	20,311
Wages Payable - Payroll	4,606
Total Current Liabilities	435,511
Total Liabilities	435,511
Net Assets / (Net Asset Deficiency)	(83,611)

Equity

Contribution from parent	70,100
Current Year Loss	(188,635)
Retained Earnings	34,923
Share Capital	1

Balance Sheet

	30 Jun 2014
Total Equity / (Deficiency in Equity)	(83,611)

Notes to the Financial Statements

zipMoney Payments Pty Ltd For the year ended 30 June 2014

1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Income Tax

The income tax expense for the year comprises current income tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 30 June 2014. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2014. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.
Revenue from the rendering of services is recognised upon the delivery of the services to customers.
Revenue from commissions is recognised upon delivery of services to customers.

Notes to the Financial Statements

Revenue from interest is recognised using the effective interest rate method.

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

Goods and Services Tax

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

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

Borrowings

All loans and 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 profit or loss over the period of the loans and borrowings using the effective interest method.

Software Development

Development costs are capitalised only when:

- a) the technical feasibility and commercial viability of the project is demonstrated;
- b) the company has an intention and ability to complete the project and use it or sell it; and
- c) the costs can be measured reliably

Such costs include payments to external contractors to develop the software, any purchase of materials and equipment and personnel costs of employees directly involved in the project.

No amortisation has been completed as the project has not been completed as at the reporting date.

Impairment

At the end of each reporting period, the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of 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.

Loans receivable

Loans receivable are measured at amortised cost using the effective interest rate method, less any impairment.

Research and development refunds

Research & Development refunds are recognised at their fair value where there is reasonable assurance that the refund will be received and the entity will comply with all the attached conditions.

Key Sources of estimation uncertainty - Impairment of loans receivable

The impairment of personal loans requires the company to assess impairment regularly. The credit provision raised represents management's best estimate of losses incurred in the loan portfolio at reporting date based on their experienced judgement. The collective provision is estimated on the basis of historical loss experience for assets with similar credit characteristics by the company and other companies with similar portfolios.

Directors Declaration

zipMoney Payments Pty Ltd For the year ended 30 June 2014

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes present fairly the company's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director: _____ 

Mr Larry Diamond

Director: _____ 

Mr Peter Gray

Dated: ¹ day of JULY 2015

INDEPENDENT AUDITOR'S REPORT

To the members of zipMoney Payments Pty Ltd

Report on the Financial Statement

We have audited the accompanying financial statement of zipMoney Payments Pty Ltd which comprises the Balance Sheet for the year ended 30 June 2014, other explanatory information, and director's declaration (together 'the financial statement'). The financial statement has been prepared by the Directors using the basis of preparation described in Note 1.

Directors' Responsibility for the Financial Statement

The Directors are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the directors determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the directors, as well as evaluating the overall presentation of the financial statement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements. We confirm that the independence declaration required by the Australian professional ethical pronouncements which has been given to the directors of zipMoney Payments Pty Ltd, would be in the same terms if given to the directors as at the time of this auditors report.



Opinion

In our opinion, the financial statement presents fairly, in all material respects, financial position for the year ended 30 June 2014, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

A handwritten signature in purple ink. The signature consists of the letters 'BDO' in a simple, blocky font, followed by a stylized signature that appears to be 'J Prue'.

Jarrad Prue
Director

Perth, 1 July 2015