BPS Technology

Shannon Hong
ASX Compliance
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Ms Hong,

Re: Financial Report of BPS Technology Limited (the "Company") for the period to 30 June 2014

Attached is the first Financial Report of BPS Technology Limited for the period to 30 June 2014.

As can be noted from page 8 of the report the Company has not traded for the period to June 2014 and was publicly listed on the ASX on 9 September 2014.

Regards

TONY WIESE
Director and Company Secretary

BPS Technology Limited

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BPS Technology

BPS TECHNOLOGY LTD

ABN 43 167 603 992

FINANCIAL REPORT

2014

For the period ended
30 June 2014

Contents

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of BPS Technology Limited and its controlled entities for the financial period ended 30 June 2014, and is to be read in conjunction with the following information:

General Information

The company was incorporated under the *Corporations Act 2001* as a public company listed by shares on 17 January 2014 under the name of Big Payment Systems Limited. The name was changed on 28 March 2014 to BPS Technology Limited.

Directors

The following persons were directors of BPS Technology Limited during or since the end of the financial year up to the date of this report:

- Trevor Dietz (appointed 17 January 2014)
- Brian R Hall (appointed 17 January 2014)
- Antonie H J Wiese (appointed 17 January 2014)
- Andrew D F Pipolo (appointed 25 July 2014)
- Anthony J Lally (appointed 25 July 2014)
- Murray H d'Almeida (appointed 25 July 2014)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Information Relating to Directors and Company Secretary

Trevor Dietz	-	**Chief Executive Officer**
Qualifications	-	Fellow of the Institute of Public Accountants, Fellow of the Financial Services Institute, Fellow of the Australian Institute of Company Directors, and a Chartered Member of the Australian Human Resources Institute
Experience	-	Trevor has over 30 years' experience in retail, corporate and international banking, finance and human resource management. He was previously chief operating officer for the Bartercard International Group and managing director of Bartercard Australia from 2005 until 2009. Before joining Bartercard, Trevor was Chief Executive Officer of the Institute of Public Accountants. Trevor is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Public Accountants, a Fellow of the Financial Services Institute of Australia, and a Chartered Member of the Australian Human Resources Institute. Trevor is the Non-Executive chairman of the Institute of Business Leaders and Deputy Chair of the Advisory Board to the Faculty of Business at Bond University and a Founder and Director of the Bartercard Charity Foundation.
Interest in Shares and Options	-	9,500,000 ordinary shares in BPS Technology Ltd
Special Responsibilities	-	Chief Executive Officer

Directorships held in other listed entities during the three years prior to the current year	-	None
Brian R Hall	-	**Managing Director**
Qualifications	-	B Comm Business
Experience	-	Brian a co-founder and has been the Chief Executive Officer of the BF Group. With over 26 years of relevant sales and management experience, Brian is one of the most experienced managers in the Trade Exchange industry and has a deep understanding of its drivers, participants and key success factors. Over the past 20 years Brian has been hands-on developing the technology for the sales and trading systems and franchise model of Bartercard both domestically and internationally.
Interest in Shares and Options	-	9,500,000 ordinary shares in BPS Technology Ltd
Special Responsibilities	-	Managing Director
Directorships held in other listed entities during the three years prior to the current year	-	None
Antonie H J Wiese	-	**Chief Financial Officer and Company Secretary**
Qualifications	-	Member of the South African Institute of Chartered Accountants
Experience	-	Tony Wiese is a Chartered Accountant with 24 years' experience in financial and executive management. He is currently the Chief Financial Officer of the BF Group. Tony founded and listed the Onelogix Group Limited, a logistics and supply chain company in South Africa. Before that, he helped to build and became an executive director of the publicly listed South African transport group Super Group Limited and was the Managing Director of the Rental and Logistics Division, which included 12 subsidiary companies. Tony is a member of the South African Institute of Chartered Accountants and of the Global Accounting Alliance (GAA).
Interest in Shares and Options	-	9,500,000 ordinary shares in BPS Technology Ltd
Special Responsibilities	-	Finance. Member of the Audit and Risk Committee and Remunerations and Nominations Committee.
Directorships held in other listed entities during the three years prior to the current year	-	None

Andrew D F Pipolo	-	**Director (Non-executive)**
Qualifications	-	Member of the Institute of Company Directors
Experience	-	Andrew has a long history of leadership in the payments space including with PayPal where he was the first Managing Director of Australian operations (2004 to 2009) and then Japan (2009 to 2011) where he established PayPal and led its entry into those markets. He was previously the head of eCommerce for MasterCard Europe and Country Manager Australia for MasterCard. During his career, Andrew has developed relationships with local regulators and cemented alternate distribution alliances in domestic and overseas markets. Andrew is a member of the Institute of Company Directors and is currently the regional director APAC of mobile payments operator LoopPay.
Interest in Shares and Options	-	None
Special Responsibilities	-	Chairman of the Remunerations and Nominations Committee
Directorships held in other listed entities during the three years prior to the current year	-	None
Anthony J Lally	-	**Director (Non-executive)**
Qualifications	-	Fellow of the Institute of Actuaries (Australia & UK)
Experience	-	Tony has 30 years Senior Executive experience in the financial services sector, most recently, as Chief Executive officer of Sunsuper, the third largest Superannuation fund in Australia. Tony has extensive experience in funds management and led Australia's largest retail funds management business at Commonwealth Bank (1993-2000), and was Head of Retail for Asia Pacific at Deutsche Asset Management, based in Tokyo (2000-2002). He was also a Partner at Deloitte (2003-2005). A key feature of his career has been building successful businesses. Tony is on the Board of the Rothman International Centre for Pensions Management (ICPM), based in Toronto. Tony is a Fellow of the Institute of Actuaries (Australia & UK).
Interest in Shares and Options	-	None
Special Responsibilities	-	Chairman of the Audit and Risk Committee

Directorships held in other listed entities during the three years prior to the current year	-	None
Murray H d'Almeida	-	**Director (Non-executive)**
Qualifications	-	Accountant
Experience	-	Murray has over 35 years of diverse national and international business experience. Murray began his career as a chartered accountant in Perth. He founded Retail Food Group Limited (ASX: RFG) and led its global expansion. Murray's current board roles include as director of Beacon Hill Resources Plc., Director of Pacific Environment Limited, Chairman of Management Resource Solutions Plc., Chairman of Barrack Street Investments Ltd, Gold Coast Light Rail Business Advisory board Member, Non-Executive director of the Institute of Business Leaders, Director of Tasmania Magnesite NL, councillor of Southern Cross University, trustee of Currumbin Wildlife Foundation and Chairman of the Bartercard Charity Foundation.
Interest in Shares and Options	-	None
Special Responsibilities	-	Chairman. Member of the Audit and Risk Committee and Remunerations and Nominations Committee.
Directorships held in other listed entities during the three years prior to the current year	-	Barrack Street Investments Limited Beacon Hill Resources Plc Pacific Environment Limited Management Resource Solutions Plc Hyperion Asset Management Limited

Meetings of Directors

During the financial period, 1 meeting of directors (including committees of directors) was held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Trevor Dietz	1	1
Brian R Hall	1	1
Antonie H J Wiese	1	1
Andrew D F Pipolo	0	0
Anthony J Lally	0	0
Murray H d'Almeida	0	0

Review of Operations

The result of the company for the financial year after providing for income tax amount is $0. A review of operations of the company during the period and the results of those operations found that during the period, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial period.

Principal Activities

The principal activities of the company during the financial period is to provide technology platforms that drive customers to merchants.

No significant change in the nature of these activities occurred during the period.

Events Subsequent to the End of the Reporting Period

Subsequent to the end of the reporting period, the company has listed on the ASX (see note 14). No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Proceedings on Behalf of the Company

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

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

Indemnification of Officers

The company has entered into deeds of indemnity, insurance and access with the Directors on standard terms for directors of public listed companies.

Remuneration Policy

The company has entered into executive service agreements with Key Executives which contain standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and retention of intellectual property provisions. The agreements will continue until terminated.

Either party may terminate the executive services agreement by giving 6 months notice, or in the case of BPS, by paying the relevant Key Executive and amount equivalent to his salary in lieu of notice for that period. BPS may also terminate the employment of a Key Executive at any time without prior notice or payment in lieu if he commits an act of serious misconduct of the Key Executive becomes permanently incapacitated.

No remuneration has been paid to the Key Executives in the period 30 June 2014.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This directors' report is signed in accordance with a resolution of the board of directors:

Director Dated this 25 Day of SEPTEMBER 2014
A Wiese

Director
M d'Almedia

PILOT PARTNERS
Chartered Accountants

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pilot

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

BPS Technology Limited and Controlled Entities

I declare that to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Pilot Partners

PILOT PARTNERS
Chartered Accountants

DANIEL GILL
Partner

Signed on this 25TH day of SEPTEMBER 2014

Level 10
1 Eagle Street
Brisbane Qld 4000

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 $
Revenue		-
Cost of sales		-
Gross profit		-
Administration expenses		-
Profit / (loss) from ordinary activities before income tax expense		-
Income tax expense relating to ordinary activities	2	-
Profit / (loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period		-

The group has not traded during the period.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3	1,328
Trade and other receivables	4	120
TOTAL CURRENT ASSETS		**1,448**
NON-CURRENT ASSETS		
Intangible assets	7	2,080,313
TOTAL NON-CURRENT ASSETS		**2,080,313**
TOTAL ASSETS		**2,081,761**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8	81,061
Borrowings	9	2,000,000
TOTAL CURRENT LIABILITIES		**2,081,061**
TOTAL LIABILITIES		**2,081,061**
NET ASSETS		**700**
EQUITY		
Issued Capital	10	360
Non-controlling Interest		340
TOTAL EQUITY		**700**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2014

	Note	Issued Capital	Non-controlling interests	Total
		$	$	$
Balance on incorporation at 17 January 2014		-	-	-
Issue of shares		360	-	360
Acquisition of subsidiary		-	340	340
Balance at 30 June 2014		**360**	**340**	**700**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2014

	Note	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		-
Net cash provided by / (used in) operating activities	11	**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of shares		-
Net cash provided by / (used in) investing activities		**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		1,088
Proceeds from issue of share capital		240
Net cash provided by / (used in) financing activities		**1,328**
Net increase / (decrease) in cash held		1,328
Cash at beginning of financial period		-
Cash at end of financial period	11	**1,328**

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

BPS Technology Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report includes BPS Technology Limited and its controlled entities. A list of controlled entities can be found at note 6.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent BPS Technology Ltd and of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 6.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interest are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Business Combinations

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

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

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

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

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

(c) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;
ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries in included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored, being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(d) Income Tax

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

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

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

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

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

(e) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability), or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would uses the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(f) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

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

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

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

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

Impairment

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

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

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

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

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

Derecognition

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

(g)Impairment of Assets

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

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

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

(h) Technology and Software Assets

Technology and software assets acquired separately are capitalised at cost. Where the technology and software asset has been acquired as part of a business acquisition, these assets are recognised at fair value as at the date of acquisition. The useful lives of these assets are then assessed to be either finite or indefinite. Assets with a finite life are amortised over that life with the expense being recognised in the Forecast Consolidated Income Statement. Expenditure on technology and software assets are capitalised until the software is ready for use and then we amortised on their expected useful use of 10 years.

These assets are tested for impairment at least annually, either individually or within a cash generating unit.

(i) Cash and Cash Equivalents

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

(j) Revenue and Other Income

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

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

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

(k) Trade and Other Receivables

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

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

(l) Trade and Other Payables

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

(m) Borrowing Costs

All other borrowing costs are recognised in income in the period in which they are incurred.

(n) Goods and Services Tax (GST)

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

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

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

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(p) New Accounting Standards and Interpretations

Management has considered all standards and interpretations issued but not yet effective and do not believe that any will have a material impact on the financial report. No new standards and interpretations have been adopted.

Of the new and revised standards that became applicable for the first time in the current financial period, none have had a material impact on the financial report.

		Note	2014 $
1.	**INCOME TAX EXPENSE**		
	Income tax expense		-
2.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank		1,328
			1,328
3.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Other receivables		120
			120
4.	**TAX**		
	Assets		
	NON-CURRENT		
	Deferred tax assets		-
	Liabilities		
	CURRENT		
	Income Tax		-
	NON-CURRENT		
	Deferred tax liabilities		-
			-

5. CONTROLLED ENTITIES

	Company of Incorporation	Percentage owned/ controlled
Bucqi Australia Pty Ltd	Australia	66%
Bartercard Group Pty Ltd	Australia	100%
Bartercard Services Pty Ltd	Australia	100%
Bartercard Operations UK Ltd	England & Wales	100%
Bartercard Operations NZ Ltd	New Zealand	100%
Bartercard Operations Australia Pty Ltd	Australia	100%
Trade Exchange Software Services Pty Ltd	Australia	100%

ACQUISITION OF CONTROLLED ENTITIES

On 17 January 2014 the group acquired 66% of the issued share capital of Bucqi Australia Pty Ltd. At the same time Bucqi Australia Pty Ltd acquired the Bucqi technology platform. The purchase consideration was $2,000,000 on a deferred basis. Subsequent to the end of the financial period the liability of $2,000,000 and the purchase of the remaining 34% of the shares in Bucqi Australia Pty Ltd has been settled by the issue of 2,000,000 ordinary shares in BPS Technology Ltd. The purpose of the acquisition was part of the group's strategy to acquire and operate software platforms.

	Fair Value $
Purchase consideration	2,000,000
Less intangible assets acquired:	
Intangible asset	500,000
Goodwill	1,500,000
Purchase consideration settled in cash	-
Cash inflows on acquisition	-

		Note	2014 $
6.	**INTANGIBLE ASSETS**		
	Goodwill		
	Cost		1,500,000
	Accumulated impairment losses		(-)
	Net carrying amount		**1,500,000**
	Technology and Software		
	Cost - at acquisition		500,000
	Additions		80,313
	Amortisation charge		(-)
	Net carrying amount		**580,313**
	Total Intangible Assets		
	Cost		2,080,313
	Accumulated impairment losses and amortisation		(-)
	Net carrying amount		**2,080,313**

The recoverable amount of the intangible assets is based on the fair value at acquisition. The fair value has been determined by a willing buyer and willing seller in an arms length transaction.

		Note	2014 $
7.	**TRADE AND OTHER PAYABLES**		
	Loans payable		81,061
			81,061
8.	**OTHER LIABILITIES**		
	Other liabilities (see note 6)		2,000,000
9.	**ISSUED CAPITAL**		
	36,000,000 fully paid ordinary shares		**360**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

		Note	2014 $
10.	**CASH FLOW INFORMATION**		
	Reconciliation of cash flow from Operations with Profit after Income Tax		
	Profit after income tax		-
	Cash flow from operations		-
	Reconciliation of cash		
	Cash and cash equivalents	3	1,328
			1,328

11. **PARENT INFORMATION**

The following information has been extracted from the books and records for the parent and is in accordance with Australian Accounting Standards

STATEMENT OF FINANCIAL POSITION	
ASSETS	
Current Assets	488
Non-Current Assets	2,000,000
TOTAL ASSETS	**2,000,488**
LIABILITIES	
Current Liabilities	(2,000,128)
TOTAL LIABILITES	**(2,000,128)**
EQUITY	
Share Capital	360
TOTAL EQUITY	**360**
STATEMENT OF COMPREHENSIVE INCOME	
Total Profit	-
TOTAL COMPREHENSIVE INCOME	-

12. COMPANY DETAILS

The registered office of the company is:

Level 10
1 Eagle Street
Brisbane QLD 4000

The principal place of business is:

121 Scarborough Street
Southport QLD 4215

13. EVENTS AFTER THE REPORTING PERIOD

On 9 September 2014, BPS Technology Ltd listed on the ASX with a general and institutional offer to subscribe for up to 28 million shares at $1.00 per share (a prospectus was lodged with ASIC on 29 July 2014).

The proceeds raised from the share issue have been used to effect the completion of the acquisition of Bartercard Australia business, the Bucqi platform, the Tess Platform and Bartercard NZ, to provide working capital to assist in the roll out of the Tess Platform and the Bucqi Platform and to exploit growth opportunities.

14. SEGMENT REPORTING

Since the group has not commenced trading as at 30 June 2014, no segments have been identified and reported.

DIRECTORS DECLARATION

In accordance with a resolution of the directors of BPS Technology Limited the directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 23, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian Accounting Standards as described in Note 1 to the financial statements and constitutes compliance with International Financial Reporting Standards (IFRS) and
   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the period ended on that date of the consolidated group.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations required by S295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer.

The declaration is made in accordance with the resolution of the Board of Directors.

Director ______________________ Dated this 25 Day of SEPTEMBER 2014

A Wiese

Director ______________________

M d Almedia

PILOT PARTNERS
Chartered Accountants

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1 Eagle St. Brisbane 4000

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

BPS Technology Ltd

We have audited the accompanying financial report of BPS Technology Ltd (the company) and its controlled entities (the consolidated group), which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

AUDITOR'S RESPONSIBILITY

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

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

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 the *Corporations Act 2001*. We have given the directors of the company a written auditor's independence declaration, a copy of which is included in the directors' report.

OPINION

In our opinion:

a. the financial report of BPS Technology Ltd and its controlled entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated group's financial position as at 30 June 2014 and of its financial performance and its cash flows for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Pilot Partners

PILOT PARTNERS
Chartered Accountants

DANIEL GILL
Partner

Signed on this 25TH day of SEPTEMBER 2014

Level 10
1 Eagle Street
Brisbane Qld 4000