BPS Technology Limited

Appendix 4D

Half-Year Report for the Period Ended 31 December 2014

Half-Year information given to the ASX under listing rule 4.2A

Results for announcement to the market

This half-year report must be read in conjunction with the most recent annual financial report.

	Half-year ended 31-Dec-14	**Half-year ended 31-Dec-13**
Revenue from ordinary activities - continuing operations	24,912,916	N/A
Profit from ordinary activities after tax attributable to members	3,273,180	N/A

Commentary

Further details of the results for the half-year can be found in the 'review of operation' section of the Directors' Report in the attached half-year financial report

Dividends	**Half-year ended 31-Dec-14**	**Half-year ended 31-Dec-13**
	Amount per security	Amount per security
Interim dividend - Ordinary - declared (cents)	2.25	N/A

Record date for determining entitlements to the dividend:	Ordinary Shares	2 April 2015
Payment date of dividend:	Ordinary Shares	22 April 2015

Net tangible assets per share

	Half-year ended 31-Dec-14	Half-year ended 31-Dec-13
Net tangible assets per share (cents)	11	N/A

Audit qualification or review

The half-year report has been subject to review and the independent auditor's review report is attached as part of the half-year financial report.

Attachment

The financial report of BPS Technology Limited for the half-year ended 31 December 2014 is attached.

The remainder of the information requiring disclosure to comply with ASX 4.2A3 is contained in the attached half-year financial report.

BPS

Technology Limited
and Controlled Entities

ABN 43 167 603 992

Half Year Consolidated Financial Report

31 December 2014

2014

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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 31 December 2014, and is to be read in conjunction with the following information:

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
- Brian R Hall
- Antonie H J Wiese
- 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

Murray H d'Almeida	Non-executive Chairman, Director
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

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 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	10,500,000 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	BComm (Business)
Experience	Brian is a co-founder and the Chief Executive Officer of Bartercard. 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	10,500,000 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	BComm (Accounting) Post Graduate Honours (Accounting) Member of the South African Institute of Chartered Accountants Member of the Global Accounting Alliance (GAA)
Experience	Tony Wiese is a Chartered Accountant with 24 years experience in financial and executive management. Tony was the CFO of Bartercard International Group. Before that he was CEO and co-founder of Onelogix Group Limited, a listed logistics and supply chain company in South Africa which included the 226 branch PostNet franchise. Before that Tony was Executive Director of Super Group Limited, the listed South African transport group, where he was the Managing Director of the Rental and Logistics Division which included 12 subsidiary companies.
Interest in Shares and Options	10,500,000 ordinary shares in BPS Technology Ltd
Special Responsibilities	Chief Financial Officer and Company Secretary.
Directorships held in other listed entities during the three years prior to the current year	Member of the Audit and Risk Committee.

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

Review of Operations

The Group recorded revenues of $24,912,916 and profits after tax of $3,273,180 for the half-year to 31 December 2014. The revenues, EBITDA, profit after tax and earnings per share were in line with or exceeded the forecasts in the Prospectus. During the period, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Principal Activities

The principal activities of the company during the financial period is to provide and licence technology platforms that drive customers to merchants. The group earns fees from members that transact on these platforms. 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 declared a dividend of 2.25 cents per share which will be paid on 22 April 2015.

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 6.

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

Dated this 6th day of February 2015

Director ______________________ Director ______________________
Antonie Wiese Murray d'Almeida

PILOT PARTNERS
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF

BPS Technology Ltd

I declare that to the best of my knowledge and belief, during the half year ended 31 December 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 review; and

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

PILOT PARTNERS
Chartered Accountants

MICHAEL TRAYNOR
Partner

Signed on this 6th day of February 2015

Level 10
1 Eagle Street
Brisbane Qld 4000

	Half-year Ended 31-Dec-14 $0	Half-year Ended 31-Dec-13 $0
Revenue	24,912,916	-
Interest income	8,176	-
Employee benefits expense	(10,194,900)	-
Depreciation and amortisation expense	(329,247)	-
Finance costs	(22,091)	-
Other expenses	(10,281,715)	-
Profit before income tax	4,093,139	-
Income tax expense	(819,959)	-
Profit from continuing operations	3,273,180	-
Other comprehensive income	-	-
Total comprehensive income for the period	3,273,180	-
Net profit attributable to:		
– members of the parent entity	3,273,180	-
– non-controlling interest	-	-
	3,273,180	-
Earnings per share		
Basic and diluted earnings per share	5.60	-

	As at 31 December 2014 $'000	As at 30 June 2014 $'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,016	1
Trade and other receivables	7,102	1
Inventories	4,210	-
Other assets	316	-
TOTAL CURRENT ASSETS	**14,644**	**2**
NON-CURRENT ASSETS		
Trade and other receivables	1,200	-
Brand name international rights	2,973	-
Technology and software costs	3,378	580
Property, plant and equipment	1,653	-
Deferred tax assets	2,130	-
Goodwill	14,654	1,500
Other assets	65	-
TOTAL NON-CURRENT ASSETS	**26,053**	**2,080**
TOTAL ASSETS	**40,697**	**2,082**
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	3,174	81
Borrowings	-	2,000
Other financial liabilities	138	-
Current tax liabilities	1,057	-
Provisions and other liabilities	2,696	-
TOTAL CURRENT LIABILITIES	7,065	2,081
NON-CURRENT LIABILITIES		
Trade and other payables	4,111	-
TOTAL NON-CURRENT LIABILITIES	**4,111**	**-**
TOTAL LIABILITIES	**11,176**	**2,081**
NET ASSETS	**29,521**	**1**
EQUITY		
Issued share capital	26,248	1
Retained earnings	3,273	-
Parent entity interest	29,521	1
Non-controlling interest	-	-
TOTAL EQUITY	**29,521**	**1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

	Note	Ordinary Share Capital	Retained Earnings	Subtotal	Non-controlling interests	Total
		$0	$0	$0	$0	$0
Balance at 1 July 2014		360	-	360	340	700
Comprehensive income						
Profit for the period		-	3,273,180	3,273,180	-	3,273,180
Total comprehensive income for the period		-	3,273,180	3,273,180	-	3,273,180
Transactions with owners, in their capacity as owners and other transfers						
Shares issued during the period	4	30,000,000	-	30,000,000	-	30,000,000
Reduction in founders shares		(75)	-	(75)	-	(75)
Less: Transaction costs		(3,752,327)	-	(3,752,327)	-	(3,752,327)
Disposal of non controlling interests		-	-	-	(340)	(340)
Total transactions with owners and other transfers		26,247,598	-	26,247,598	(340)	26,247,258
Balance at 31 December 2014		**26,247,958**	**3,27,3180**	**29,521,138**	**-**	**29,521,138**

The accompanying notes form part of these financial statements.

	Half year ended 31-Dec-14 $'000	Half year ended 31-Dec-13 $'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	24,233	-
Interest paid	(30)	-
Payments to suppliers and employees	(22,882)	-
Net cash provided by operating activities	**1,321**	**-**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(239)	-
Purchase of intangibles	(608)	-
Acquisition of investments net of cash acquired	(20,110)	-
Net cash used in investing activities	**(20,957)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issue of share capital	22,651	-
Net cash provided by financing activities	**22,651**	-
Net increase in cash held	3,015	-
Cash at beginning of financial period	1	-
Cash at end of financial period	**3,016**	-

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 Ltd and its controlled entities.

Basis of Preparation

These general purpose interim financial statements for the half – year ended 31 December 2014 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134:Interim Financial Reporting. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The half year financial report does not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by BPS Technology Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

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 its subsidiaries. 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.

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 a business.

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 use 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 Consolidated Income Statement. Expenditure on technology and software assets are capitalised until the software is ready for use and then amortised over their expected useful life of 10 years.

These assets are tested for impairment at least annually 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. 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) Transactions in Trade

In addition to its cash revenue, the Bartercard businesses also receive additional fees in trade dollars. These businesses operate as Managers of the respective Trade Exchange and as such, also participate in the exchange receiving transaction fees and buying services from other members.

None of the trade transactions have been recorded in the financial statements . Transactions in trade by the Manager do not meet the definition and recognition criteria as assets and liabilities within the Australian Accounting Standards and are therefore not recognised .

(l) 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.

(m) 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.

(n) Borrowing Costs

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

(o) 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.

(p) 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.

(q) 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.

2. Business Combinations

Effective 1 July 2014 the group acquired:

a) 100% of the issued share capital of Bartercard USA, the operator of the Bartercard business in the USA, for a purchase consideration of $100,000. The purchase was satisfied by payment of cash.

b) 100% of the issued share capital of Bartercard New Zealand GP Limited, the operator of the Bartercard business in New Zealand for a purchase consideration of NZ$3.76m and 100% of the limited interest partnership in Bartercard NZ for a purchase price of NZ $2m. The purchase price of the two entities was satisfied by a payment of cash.

c) the business of Bartercard Australia, the operator of the Bartercard business in Australia, for a purchase price of $9m. The purchase price was satisfied by a payment of cash.

d) the business of Bartercard UK, the operator of the Bartercard business in the UK, for a purchase price of $2.5m. The purchase price was satisfied by a payment of cash.

	Bartercard Australia Fair Value $000 100%	Bartercard UK Fair Value $000 100%	Bartercard USA Fair Value $000 100%	Bartercard NZ Fair Value $000 100%
Purchase consideration	9,000	2,500	100	5,500
	9,000	2,500	100	5,500
Less:				
Cash	266	1	15	708
Receivables	3,790	287	27	1,757
Property, plant and equipment	320	27	58	1,695
Intangibles	77	19	973	1,067
Inventories	3,561	-	-	2
Payables	(6,452)	(2,439)	(1,073)	(2,399)
Identifiable assets acquired and liabilities assumed	1,562	(2,105)	-	2,830
Group share acquired	100%	100%	100%	100%
Goodwill	7,438	4,105	-	2,670
Cash inflow on acquisition	266	1	15	708

Profits and revenues resulting from the acquisitions are included in the consolidated statement of profit and loss and other comprehensive income for the half year ended 31 December 2014 as follows:

	Profit $000	Revenue $000
Bartercard NZ	680	6,098
Bartercard UK	(30)	2,113
Bartercard USA	(414)	202
Bartercard AUS	4,370	13,800

3. Operating Segments

	Australia $000	New Zealand $000	UK $000	USA $000	Total $000
Half-year ended 31-Dec-14					
Revenue					
External sales	16,500	6,098	2,113	202	24,913
Interest revenue	1,305	-	-	-	1,305
Interest revenue	8	-	-	-	8
Total segment revenue	17,813	6,098	2,113	202	26,226

4. Issue of New Shares

On 9 September 2014, BPS Technology Limited issued 28,000,000 fully paid ordinary new shares raising $22,651,000 ($28,000,000 less transaction costs). On 9 September 2014, BPS Technology Limited issued 2,000,000 fully paid ordinary shares in settlement of the residual liability owing in respect of the acquisition of the Bucqi Technology platform.

5. Events after the End of the Interim Period

The directors are not aware of any significant events since the end of the interim period.

Since the end of the interim period the directors have resolved to pay an interim unfranked dividend of 2.25 cents per share payable on 22 April 2015 to shareholders on the share register at 2 April 2015. This dividend will be recognised in shareholder’s equity in the next financial statement.

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 7 to 20, are in accordance with the *Corporations Act 2001* and:

   a) comply with Accounting Standard AASB 134:Interim Financial Reporting, and

   b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of the performance for the half year ended on that date.

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.

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

Dated this 6th day of February 2015

Director ______________________ Director ______________________

Antonie Wiese Murray d'Almeida

PILOT PARTNERS
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

BPS Technology Ltd

We have reviewed the accompanying half year financial report of BPS Technology Ltd, which comprises the consolidated condensed balance sheet as at 31 December 2014 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration as set out on pages 7 to 21.

DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements A
SRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the BPS Technology Ltd financial position as at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BPS Technology Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BPS Technology Ltd on 6

February 2015 would be in the same terms if provided to the directors as at the date of this auditor's review report

CONCLUSION

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

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PILOT PARTNERS
Chartered Accountants

MICHAEL TRAYNOR
Partner

Signed on this 6th day of February 2015

Level 10
1 Eagle Street
Brisbane Qld 4000