



‘Business Payment Systems’

Appendix 4E

Preliminary Final Report

BPS Technology Limited ABN 43 167 603 992
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1.	Financial year ended ('reporting period')	30-Jun-15
	Financial year ended ('previous corresponding period')	30-Jun-14

2. Results for announcement to the market

\$A'000

Movements from previous corresponding period				
2.1	Revenues from ordinary activities (<i>item 3.1</i>)	up/down	N/A	to 48,157
2.2	Profit from ordinary activities after tax (<i>item 3.6</i>)	up/down	N/A	to 7,889
2.3	Net profit for the period attributable to owners of the parent entity (<i>item 3.13</i>)	up/down	N/A	to 7,889

2.4		Amount per Security	Franked Amount per Security at 30% of Tax
	Ordinary Shares		
	2015 interim - paid 22 April 2015	2.25c	0
	2015 final - declared 27 August 2015	3.25c	0

There was no conduit foreign income

2.5 Record date for determining entitlements to the final dividend

Ordinary Shares 02-October-2015

2.6 Explanation of items 2.1 to 2.4 above:

BPS Technology Limited commenced trading operations on 1 July 2014. Hence there is no prior period comparison.

The focus of BPS Technology Limited is on Business Payment Systems but in particular digital payments between consumers and merchants from which a fee can be earned. The BPS platforms attract customers to merchants effectively offering the member merchants a unique sales channel and payment system including a global loyalty and rewards program.

The Company generated Revenues of \$48.157m which was \$3.4m lower than forecast. This short fall was due to the delay in revenues from its buccq platform. Notwithstanding, the Company exceeded its EBITDA forecast of \$9.893m recording a final result of \$10.052m. Net Profit After Tax (NPAT) was \$7.889m exceeding forecast of \$6.497m by \$1.392m or 21.4%, a result of a better than expected final company tax rate. Final earnings per share was 13.5 cents against a forecast 11.1 cents. A full year Dividend of 5.5 cents per share was declared (interim Dividend of 2.25 cents per share paid in April 2015).

3. Statement of Profit or Loss and Other Comprehensive Income

	Reporting period - \$A'000	Previous corresponding period - \$A'000
3.1 Revenues from ordinary activities (<i>see items 3.14 - 3.15</i>)	48,157	-
3.2 Expenses from ordinary activities (<i>see item 3.16</i>)	(38,802)	-
3.3 Finance costs	-	-
3.4 Profit from ordinary activities before tax	9,355	-
3.5 Income tax expense on ordinary activities	(1,466)	-
3.6 Profit from ordinary activities after tax	7,889	-
3.7 Other comprehensive income		
3.8 Net gain on revaluation of assets	-	-
3.9 Exchange differences on translating foreign controlled entities	-	-
3.10 Income tax on other comprehensive income	-	-
3.11 Total comprehensive income	7,889	-
3.12 Profit attributable to non-controlling interest	-	-
3.13 Profit attributable to members of the parent entity	7,889	-

Notes to the Statement of Profit or Loss and Other Comprehensive Income

Revenue and expenses from ordinary activities

3.14 Revenue from sales and services		
- Sales	-	-
- Services	48,072	-
3.15 Other revenue		
- Rental income	52	-
- Interest	33	-
3.16 Details of expenses	38,802	
- Depreciation and amortisation	619	-
- Costs of services	10,586	-
- Employee benefits expense	19,896	-
- Insurance	208	-
- Lease rental expense – operating leases	2,438	-
- Legal expenses	267	-
- Non-executive directors fees	150	-
- Payroll Tax	374	-
- Other	4,264	-

4 Statement of Financial Position		Reporting period - \$A'000	Previous corresponding period - \$A'000
Current assets			
4.1	Cash	2,743	1
4.2	Receivables	6,287	-
4.3	Other		
-	Prepayments	286	-
-	Other	5,859	-
4.4	Total current assets	15,175	1
Non-current assets			
4.5	Receivables	485	-
4.6	Plant and equipment	1,160	-
4.7	Deferred tax assets	2,840	-
4.8	Intangibles	26,416	2,080
4.9	Total non-current assets	30,901	2,080
4.10	Total assets	46,076	2,081
Current liabilities			
4.11	Payables	2,324	80
4.12	Current tax payable	1,455	-
4.13	Short-term borrowings	-	2,000
4.14	Short-term provisions	5,791	-
4.15	Total current liabilities	9,570	2,080
Non-current liabilities			
4.16	Deferred tax liability	920	
4.17	Long-term provisions	2,855	
4.18	Total non-current liabilities	3,775	-
4.19	Total liabilities	13,345	2,080
4.20	Net assets	32,731	1
Equity			
4.21	Share capital	26,167	1
4.22	Retained profits	6,573	-
4.23	Foreign currency translation reserve	(9)	-
4.24	Total equity	32,731	1

5 Statement of Cash Flows

	Reporting period - \$A'000	Previous corresponding period - \$A'000
Cash flows from operating activities		
5.1 Receipts from customers	47,165	1
5.2 Payments to suppliers and employees	(41,079)	-
5.3 Interest received	-	-
5.4 Finance costs	-	-
5.5 Income taxes paid	-	-
5.6 Net operating cash flows	6,086	1
Cash flows from investing activities		
5.7 Proceeds from sale of plant and equipment	338	-
5.8 Purchases of plant and equipment	(165)	-
5.9 Purchase of intangibles	(4,614)	-
5.10 Acquisition of subsidiaries net of cash	(20,110)	-
Net investing cash flows	(24,551)	-
Cash flows from financing activities		
5.11 Dividends paid	(1,316)	-
5.12 Proceeds from share issue net of costs	22,523	-
5.13 Net financing cash flows	21,207	-
5.14 Net increase in cash held	2,742	1
5.15 Net cash at beginning of period	1	-
5.16 Net cash at end of period	2,743	1

5.18 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

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

5.19 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Reporting period - \$A'000	Previous corresponding period - \$A'000
5.20 Cash on hand and at bank (item 5.16)	2,743	1

6 Statement of retained earnings

	Reporting period - \$A'000	Previous corresponding period -
6.1 Retained profits (accumulated losses) at the beginning of the financial period	-	-
6.2 Net profit attributable to members (<i>item 3.13</i>)	7,889	-
6.3 Dividend paid	(1,316)	-
6.4 Asset revaluation reserve	-	-
6.5 Retained profits (accumulated losses) at end of financial period	6,573	-

7 Dividends

	2015 \$A'000	2014 \$A'000
Ordinary Share Capital		
Interim dividend paid	1,316	-

A final ordinary dividend was declared of 3.25c per share. The dividend is payable on 23 October 2015.

8 Dividend reinvestment plans

No dividend reinvestment plans were in operation during the reporting period or the previous corresponding period.

9 Net tangible Assets

	Reporting period ^a	Previous corresponding period ^b
Net tangible asset backing per ordinary share (cents)	5.90	-

^a Based 58,509,615 shares at 30 June 2015

^b Based on 36,000,000 shares at 30 June 2014

10 Gain or loss of control over entities

- 10.1 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.

10.2 BPS Technology Limited took control over the entities in 10.1 above on the 1st of July 2014.

10.3 The acquisitions referred to in note 10.1 contributed substantially all of the reporting entities profit for the period.

11 Associates and joint venture entities

There were no associates or joint venture entities

12 Other significant information

None

13 Foreign entities

Not applicable

14. Commentary on results

14.1 Earnings per security (EPS)

Basic EPS

Diluted EPS

Reporting period	Previous corresponding period
13.5 cents	N/A
13.5 cents	N/A

14.2 Significant features of operating performance

BPS Technology Limited had a very busy and successful first year as a listed Company. After acquiring the Bartercard businesses in Australia, New Zealand, United Kingdom and the United States of America it also acquired a further 13 franchised operations in those countries. International licenses were sold for China, India and South Africa during the period. These three countries will now start to be developed by their licence holders with trading revenues to start flowing through to BPS from the second half of FY16. The TESS platform has been developed and interchange software delivered to the International Reciprocal Trade Association (IRTA) for use with its interchange platform on which all member Exchanges transact between themselves.

14.3 Returns to shareholders

A final dividend of 3.25 cents per share has been declared. The full dividend for the year is 5.5 cents per share.

14.4 Results of segments

The Group has one industry segment.

The results of the geographical segments are as follows:

	Australia \$A'000	New Zealand \$A'000	UK \$A'000	USA \$A'000	Total \$A'000
Revenue					
Sales	35,374	11,543	4,176	497	51,590
Intersegment sales					-3,433
					<u>48,157</u>
Non Current Assets	<u>27,970</u>	<u>1,052</u>	<u>80</u>	<u>1,799</u>	<u>30,901</u>

14.5 Ratios

Profit before tax / revenue

Consolidated profit from ordinary activities before tax
(item 3.4) as a percentage of revenue (item 3.1)

19.43%

Profit after tax / equity interests

Consolidated net profit from ordinary activities after tax
attributable to members (item 3.13) as a percentage of

24.10%

15. This report is based on accounts which are in the process of being audited.

16. These accounts are not likely to be subject to dispute or qualification.

Signed:

Date: 27 August 2015