eBET

ANNUAL REPORT 2015

eBET Limited is a leading-edge gaming solutions company that is listed on the Australian Securities Exchange (ASX: EBT) and has its headquarters in Sydney, Australia. eBET provides integrated gaming solutions, including gaming management and loyalty systems, Licensed Monitoring Operator (LMO) services and business intelligence tools and expertise. eBET's commitment to excellence, continual innovation and superior client service means it is expanding its presence in a growing number of markets. eBET currently has international operations and commercial agreements extending to over 800 customers, operating over 69,500 gaming machines in Australia, New Zealand and Asia.

The eBET Group includes divisions delivering Gaming Systems and Gaming Operations.

eBET's Gaming Systems Divisions offer complete gaming system solutions to customers through a diverse range of products and other services, including Metropolis™, CARD-IT™, Engage™ and Trace.

eBET's Gaming Operations Divisions offer Licensed Monitoring Operator services for the monitoring, reporting and maintenance of electronic gaming machines, and Astute Business Intelligence.

More information can be found at www.ebetgroup.com

Contents

Chairman's Report
PAUL ONEILE

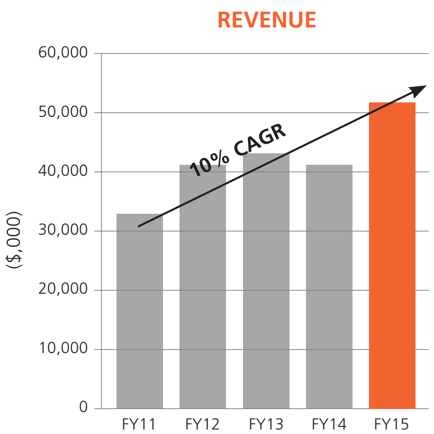
Dear Shareholder,

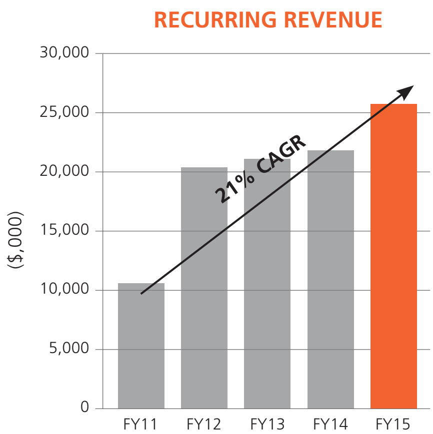
The 2015 financial year was another strong year for eBET.

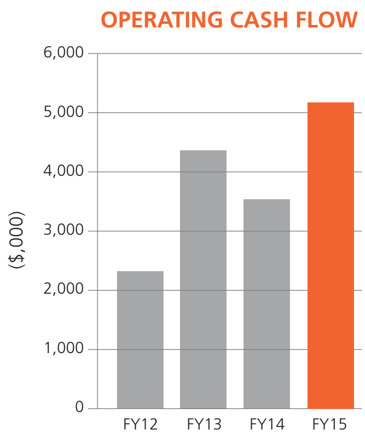
The Company grew through focusing on the gaming systems market, and providing our expanding customer base of gaming venues with an enhanced range of innovative customer engaging solutions.

The financial year saw strong growth across all financial metrics. Total revenue increased by 26%, to $51.6 million, EBITDA increased by 47% to $10.6 million, and net profit before tax (NPBT) increased by 67% to $6.1 million.

During the year, eBET significantly increased its scale and presence in the gaming systems market. This was achieved through ongoing organic growth, the acquisition of Flexi-NET, successful entry into the Victorian market and our expanded presence in the hotel market. Additionally, eBET continued to enhance the range of innovative gaming systems technologies which it offers.







In March, the Company exited the Gaming Machines business after discontinuing its contract with WMS supporting the sale and logistics of WMS gaming machines in Australia. The decision to exit this low-margin and highly competitive market allowed eBET to concentrate on the core gaming systems business in which the Company is an acknowledged leader.

Importantly, the Board continued to actively manage the Company's capital in order to maximise shareholder returns, while reducing debt and investing in the Company's growth opportunities.

eBET continued to generate strong growth in cash flow. During the year, operating cash flow increased by 48%, to $5.3 million, when compared to the prior year. This supported our ongoing debt reduction program, as well as allowing for continued investment to grow the business.

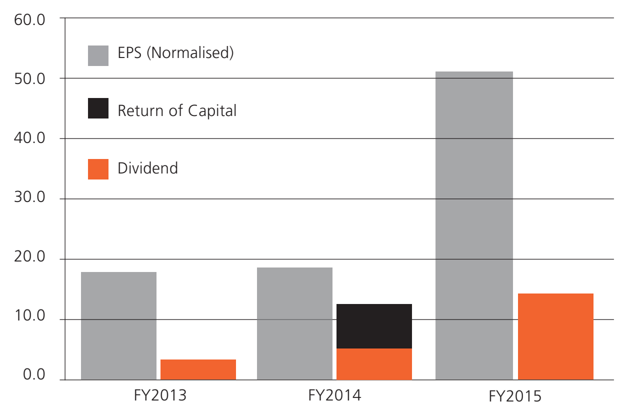
As at 30 June 2015, debt had declined to $0.9 million, a reduction of 64% when compared to the year before. This, together with a capital raising of $8.3 million conducted in association with the acquisition of Flexi-NET, resulted in the debt gearing ratio improving to a very healthy 1:45 (debt to equity).

> The financial year saw strong growth across all financial metrics. Total revenue increased by 26%, to $51.6 million, EBITDA increased by 47% to $10.6 million, and net profit before tax (NPBT) increased by 67% to $6.1 million.

Given the Company's strong business performance and cash generation, together with its solid financial footing and strong growth prospects, the Board considered it appropriate to declare a substantial increase in the annual dividend. As a result, the Board declared a dividend of 14 cents per share, up 155 per cent, franked to 25 per cent.

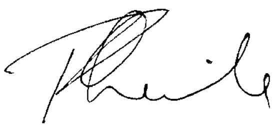
In September 2014, the Board decided to restructure senior management, enabling eBET to better explore the growth opportunities available to the Company. As a result, Ken Carr was appointed CEO & Managing Director, replacing Tony Toohey who was appointed Deputy Chairman and an Executive Director of the Company.

RETURN TO SHAREHOLDERS



eBET's strong performance during the past twelve months would not have been possible without the invaluable contributions of Ken, Tony and the very talented team behind them. On behalf of my fellow directors, and all shareholders, I would like to thank the eBET team for their vision, leadership and hard work in implementing the Company's strategies.

Looking forward, the Board is excited by the Company's future prospects for growth and ability to deliver superior shareholder returns. This confidence is underpinned by eBET's solid financial position, strong cash flow generation and continued focus on maintaining an efficient capital structure.



Paul N. Oneile
Chairman

Managing Director's Report
KEN CARR

Dear Shareholder,

This is my inaugural report to shareholders since being appointed as eBET's Chief Executive Officer. It is pleasing that my first report to you follows such a strong year for the Company.

During the financial year, the Company recorded strong growth in revenue, profitability and operating cash flow as a result of significant expansion in our national footprint, and enhancements made in the range and functionality of our gaming systems solutions.

The Company continued to expand the footprint of its electronic gaming machine (EGM) connected network, expanding the network to 69,874 EGMs, an increase of 29 per cent from the prior year. This was a result of the Company delivering several large scale projects, including:

- the acquisition of the Flexi-NET gaming systems business
- eBET's successful entry into the Victorian market, and
- an expanded presence in the hotel market.

Financial Highlights	FY14 $000	FY15 $000	Change to PCP
Revenue	40,817	51,608	26% ↑
Gross margin	28,097	34,211	22% ↑
EBITDA	7,177	10,554	47% ↑
NPBT	3,624	6,056	67% ↑
NPAT	2,909	8,932	207% ↑
EPS (cents)	18.9c	51.1c	169% ↑
Dividend (cps)	5.5c	14c	155% ↑

The Flexi-NET gaming systems business (Flexi-NET), acquired in July 2014, was fully integrated into the business during the year. This added an additional 8,100 EGMs to eBET's network, across 84 venues, with 2 additional venues subsequently upgrading to the Metropolis™ system. The business has outperformed compared to forecasts at the time of acquisition, primarily driven by our focus on customer retention, with no loss of any Flexi-NET venue.

During the year, eBET signed agreements that marked its entry into the Victorian market. Agreements were reached with 102 venues, operating over 5,300 gaming machines, with the Company successfully completing installation at 66 venues, representing 3,294 EGMs. All remaining venues have since been scheduled for installation prior to 1st October, 2015.

In October 2014, eBET successfully expanded its penetration of the hotel market through signing an agreement with one of Australia's largest independent hotel groups, the Redcape Hotel Group. The successful roll-out to Redcape's 719 EGMs, across 23 venues, provides an excellent example of the opportunity for the Company to further extend its EGM connected network through the targeting of large hotel groups.

Importantly, the Company continued its strategy of growing recurring revenues, which enhance business certainty and are high margin. Recurring revenue grew to $25.7 million for the 2015 financial year, a 19 per cent increase from the prior year.

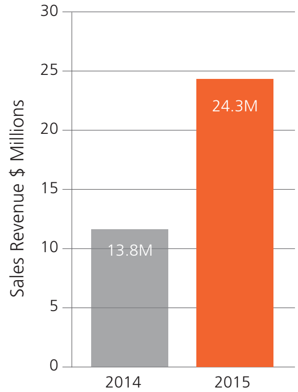
During the financial year, the Company recorded strong growth in revenue, profitability and operating cash flow as a result of significant expansion in our national footprint, and enhancements made in the range and functionality of our gaming systems solutions.

GAMING SYSTEMS – SALES REVENUE

Gaming Systems sales revenue increased strongly, by 76 per cent, to $24.3 million. This was driven by the continued strong up-take by venues of eBET's core gaming systems technologies and valued-added solutions.

During the year, Metropolis™, eBET's latest gaming systems technology platform, was installed in 135 new venues with an additional 55 venues being upgraded. This resulted in a total of 34,115 EGMs running Metropolis™, up 23 per cent on the prior year, and representing a penetration of 49 per cent of eBET's total network.

GAMING SYSTEMS REVENUE



CARD-IT™, eBET's unique card-based gaming functionality, continued to achieve positive market acceptance, with an additional 92 venues, operating 6,170 EGMs, being installed during the year. This resulted in CARD-IT™ now extending to 235 venues and a total of 22,783 EGMs. eBET now believes there to be over 1 million CARD-IT™ users across New South Wales and Queensland.

Significant growth was achieved in the take-up of the Engage™ suite of venue marketing applications. During the year, the number of EGMs running Engage™ increased to 6,017 EGMs and, with the full implementation in Victoria, will grow to a total of at least 7,081 EGMs.

GAMING OPERATIONS – RECURRING REVENUES

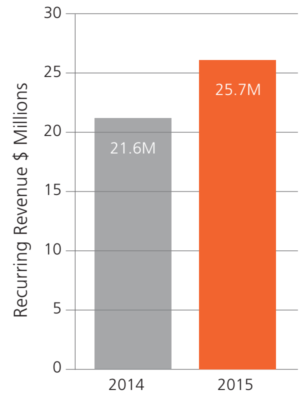
Gaming Operations revenue, of $25.7 million, increased by 19 per cent on the prior year. This represents the recurring revenue generated from the eBET Systems' business and the revenue generated from the Odyssey Gaming business in Queensland.

Managing Director's Report

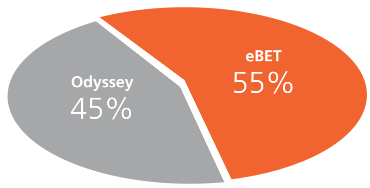
eBET Gaming Systems' recurring revenue of $14.3 million, increased by 27 per cent on the prior year. This was a result of the recurring revenues generated through the expanded EGM network installed with eBET's gaming systems technologies, including Metropolis™, CARD-IT™, Engage™ and Astute BI.

The Company continues to focus on growing recurring revenue and increasing customer loyalty through expanding the range and functionality of our innovative and market-leading value-added solutions. In May 2015, the Company commenced a trial of TRACE, a venue loyalty suite of applications ("apps"), at a venue in Queensland. TRACE, along with other gaming solutions under development, are expected to drive future growth in recurring revenues.

GAMING OPERATIONS RECURRING REVENUE



Odyssey Gaming revenue increased to $11.4 million, up 11 per cent on the prior year. The increase in revenue is due to an increase in the transition to Metropolis™, with the Queensland-based gaming network covering 17,098 EGMs. Additionally, sales of CARD-IT™ continued to experience strong take-up in Queensland, with 11 venues installing the system during the year. The total number of EGMs operating the technology in Queensland is now 3,961.



GAMING MACHINES

During the year, the Company decided to exit the Gaming Machine business following an agreement with WMS. The decision to exit this low-margin and highly competitive market allows eBET to focus on the core gaming systems business in which the Company is an acknowledged leader.

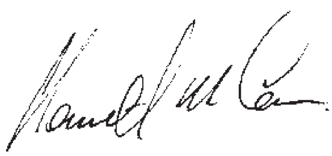
LOOKING FORWARD

The Company is very confident in the outlook for the 2016 financial year.

eBET remains focused on our long term growth strategy of expanding our gaming systems footprint and increasing the adoption of our innovative value-added gaming solutions based on Metropolis™.

The business continues to perform extremely well and expects ongoing growth momentum to be supported by enhanced scale delivered through recent investments in new markets and an expanded range of gaming solutions.

I wish to take this opportunity to thank the Board and I would like to say thanks to all staff who welcomed me during the year. I would like to congratulate all of them for their hard work, dedication and diligence in delivering these outstanding results. I would also like to thank all of our shareholders for their support during the year, and look forward to your continued support in the upcoming year.



Ken Carr
CEO and Managing Director

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of eBET Limited (referred to hereafter as the "Company") and the entities it controlled at the end of, or during, the year ended 30 June, 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- Developing and marketing of standalone and integrated gaming systems and business solutions, including player tracking, machine management, card-based cashless gaming, loyalty systems and network solutions that enhance the efficiency and profitability of gaming operations, through its Gaming Systems Division. This division also includes data analytics, data visualization and data trend analysis services.
- Marketing and operating integrated, networked, wide area accounting, control and progressive jackpot systems and graphical content and displays, through its Gaming Operations Division.
- Gaming Machine maintenance services through its Gaming Operations Division.

REVIEW OF OPERATIONS AND RESULTS

During the 2015 financial year, the Group's total revenue increased by 26% to $51,608,000 compared to $40,817,000 in FY 2014, with net profit before tax increasing by 67% to $6,056,000 compared to $3,624,000 in FY 2014.

Overall the Group's gross margin increased by 22% compared to the prior year. Earnings before income tax, depreciation and amortisation (EBITDA) for the year increased by 47% to $10,554,000 (2014: $7,177,000).

The Group's net assets increased by 69% to $39,954,000 from $23,723,000 in FY 2014. The Group's net debt decreased by 64% to $897,000.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Group made a strategic decision to exit the low margin business of Machine sales. This led to revenue during the financial year being down 81%, compared to the prior year.

The Group acquired the FlexiNET business in July 2014, and it has surpassed the acquisition forecast.

DIVIDENDS PAID OR RECOMMENDED

On 20th August, 2015 the Company announced a dividend of 14 cents per share, franked to 25%, to be paid on 25th September, 2015.

Since the end of the previous financial year, no other dividends have been recommended. The Company provided to shareholders a return of capital equivalent to 6cps following the passing of a resolution at the 2014 annual general meeting.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

During the 2016 financial year, the Group plans to continue to grow its market share in Australia and Asia by expanding its customer base of gaming venues and through ongoing product development to broaden its range of value-added gaming systems solutions. The release of innovative new products and entering new markets with existing technologies, will enhance and strengthen the Group's cash flow. The Group maintains an active acquisition policy which will target key technology for future growth.

Further information on the likely developments and expected results of the operations of the Group will be announced to the market in due course.

ENVIRONMENTAL ISSUES

The Group operates primarily in the gaming sector and conducts its business activities with respect for the environment, while continuing to meet the expectations of shareholders, customers, employees and suppliers.

The Group is subject to, and complies with, environmental regulation under the laws of the Commonwealth and the various states and territories in which it operates.

The Group's operations have a limited impact on the environment, with a relatively low environmental footprint and carbon emissions profile. As a result, the Company is well below the reporting levels identified in the National Greenhouse and Energy Reporting Act.

While recognising eBET has a relatively small carbon footprint based on the nature of its operations and the number of employees, the Company recognises the importance of minimizing the direct impact of its activities on the environment.

Directors' Report

DIRECTORS

The Directors of the Company in office during the whole of financial year, unless otherwise stated, and at the date of this report are:

Paul Oneile	Non-Executive Chairman	Board member since 2012
Dr Ken Carr	CEO & Managing Director	Board member since 29 September 2014
Anthony P. Toohey	Executive - Deputy Chairman	Board member since 2004
Michael B. Hale	Non-Executive Director	Board member since 1999
Ian R. James	Non -Executive Director	Board member since 2007
Dr Allan C Sullivan	Non-Executive Director	Board member since 2009

INFORMATION ON CURRENT DIRECTORS

Paul Norman Oneile	Non-Executive Chairman (Independent)
Experience	Mr Oneile holds a B.Econ and has extensive experience in the entertainment and gaming industries, both locally and internationally. Mr Oneile was CEO of Aristocrat Leisure Limited from 2003 to 2008, Chairman and CEO of United International Pictures (UIP) from 1996 to 2003 while based in London, and Managing Director of The Greater Union Organisation in Australia from 1990 to 1996.
Interests in shares	At 30 June 2015, Mr. Oneile, or his related parties, held 6,666 shares.
Special Responsibilities	Chairman of eBET, Chairman of the Remuneration & Nomination Committee and Member of the Audit & Risk Committee.

Dr Ken Carr	CEO & Managing Director
Experience	Dr Carr is an experienced public company CEO. He has strong financial, marketing and product development skills in high technology business. Dr Carr holds a Doctorate of Business Administration as well as a Masters in Business Administration.
Interests in shares	At 30 June 2015, Dr Carr held 5442 shares.
Special Responsibilities	Nil.

Anthony P Toohey	Executive – Deputy Chairman
Experience	Joined eBET and the Board in March 2004. Mr Toohey is an accomplished senior executive in the club, entertainment and leisure industries, with a proven track record of success in increasing sustainable competitive advantage and creating a strong platform for continuing growth. His background includes General Management positions held at Wentworthville Leagues, Wests Leagues Illawarra and Dee Why RSL Clubs.
Interests in shares	At 30 June, 2015, Mr Toohey, or his related parties, held 96,449 shares.
Special Responsibilities	Nil.

Michael B Hale	Non-Executive Director (Independent)
Experience	Board member since April 1999. Background includes Chairman and Managing Director of The Hale Agency, Chairman and CEO of Young & Rubicam Australia, Director of Saatchi and Saatchi London and Foote Cone & Belding UK. Mr Hale was involved with business and strategic planning for major Australian and international companies, including British Airways, Unilever, Epson, Toshiba, NRMA and BMW.
Interests in shares	At 30 June, 2015, Mr Hale, or his related parties, held 947,439 shares.
Special Responsibilities	Member of Remuneration & Nomination Committee.

Ian R James	Non-Executive Director (Independent)
Experience	Joined the Board in May 2007. Mr James holds a BA/LLB and is a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons), a leading international commercial law firm, and has focused on advising major corporations and financial institutions. His commercial experience over the past 30 years has been gained in Australia, the United Kingdom, Hong Kong and other offshore markets. He was a founding shareholder of eBET and has closely followed its progress since listing.
Interests in shares	At 30 June 2015, Mr James, or his related parties, held 2,092 shares.
Special Responsibilities	Member of the Remuneration & Nomination Committee and Member of the Audit & Risk Committee.

Dr. Allan C Sullivan	Non-Executive Director (Independent)
Experience	Joined the Board in March 2009. Dr. Sullivan has a Bachelor of Science, a Bachelor of Electrical Engineering degree and a doctorate of Engineering from Sydney University. Dr. Sullivan has previously held many executive positions, including Professional Engineer with Electricity Commission of NSW; President of ABB Company in Seoul; Member of the Executive Board of Landis & Gyr Asia Pacific and Electrowatt Asia Pacific, Hong Kong; Member of the Executive Board of Siemens Building Technologies Asia Pacific; CEO & Member of the Board of Directors of the ERG Group of Companies; adviser to Utilico / Ingot Group, including Director of Ellect Holdings and chairman of Freshtel Holdings.
Interests in shares	At 30 June 2015, Dr Sullivan, or his related parties, held 157,066 shares.
Special Responsibilities	Chairman of the Audit & Risk Committee.

COMPANY SECRETARY

The position of company secretary has been held by Alistair McKeough since February 2015.

Alistair is Managing Director of Whittens & McKeough, a law firm specialising in small and mid-market public company work. Alistair has been company secretary to a variety of ASX listed companies. He is also a member of the University of New South Wales Law Advisory Council. Alistair holds a Bachelor of Laws and Master of Laws from UNSW and is experienced in advising boards and senior executives in relation to their corporate governance and compliance, including compliance with the ASX Listing Rules.

CORPORATE GOVERNANCE PRINCIPLES

The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company. The Company's Corporate Governance Statement and policies are located on its website: http://www.ebetgroup.com/investors-corporate.php

Since the end of the 2015 financial year, the Board has adopted a range of new corporate governance policies and charters. In addition, the functions of the Nomination Committee have been amalgamated with the Remuneration Committee, and the committee has accordingly been renamed the Remuneration & Nomination Committee. Similarly, the functions of the Audit Committee have been amalgamated with the Risk Committee, and the committee has accordingly been renamed the Audit & Risk Committee.

MEETINGS OF DIRECTORS

During the financial year 13 meetings of Directors were held. Attendances were:

	Directors' Meetings		Remuneration & Nomination Committee		Audit & Risk Committee	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
Paul N Oneile	13	13	3	3	3	3
Anthony P Toohey	13	13			2	2
Michael B Hale	13	11	3	3		
Ian R James	13	11	3	3	1	1
Dr Allan C Sullivan	13	13			3	3
Dr Ken Carr	10	10			2	2

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company had a contract for liability insurance on behalf of the Directors and Officers as listed in this Annual Report. As permitted by the Corporations Act 2001, the premium for this renewal of insurance was paid by the Company. The Company paid a premium of $85,429 (2014 : $85,439) for this insurance cover.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, or 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 financial year.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of FY 2015, indemnified or agreed to indemnify the Auditor of the Company or any related entity against a liability incurred by the Auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the Auditor of the Company or any related entity.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the Auditor are outlined in Note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year by the Auditor, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 29 to the financial statements do not compromise the external auditor's independence requirements under the Corporations Act 2001, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the Auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF UHY HAINES NORTON

There are no officers of the Company who are former audit partners of UHY Haines Norton.

AUDITOR

UHY Haines Norton were appointed auditors during the 2012 financial year and continue in office in accordance with section 327 of the Corporations Act 2001

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration under section 307C of the Corporations Act 2001 has been received and is attached.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial report and this report have been rounded to the nearest thousand dollars.

REMUNERATION REPORT (AUDITED)

The Remuneration Report, which has been audited, outlines the remuneration arrangements for the consolidated entity with respect to key management personnel and is in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, directly

Name	Position
Paul N Oneile	Non-Executive Chairman
Dr Ken Carr	CEO & Managing Director
Anthony P Toohey	Executive Deputy Chairman
Michael B Hale	Non-Executive Director
Ian R James	Non-Executive Director
Dr Allan C Sullivan	Non-Executive Director

or indirectly, including all directors and other senior executives.

Names and positions of Directors during the financial year are:

Name	Position
Peter Walford	Chief Operating Officer (appointed 15th September 2014)
Robert Fredericks	Chief Financial Officer

Names and positions of Senior Executives in office at any time during the financial year are:

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and the amount of remuneration
- Details of Remuneration
- Service Agreements
- Additional Information

PRINCIPLES USED TO DETERMINE THE NATURE AND THE AMOUNT OF REMUNERATION

Remuneration for key management personnel is structured to ensure the Company attracts and retains appropriately qualified and experienced directors and executives. The Remuneration & Nomination Committee regularly reviews market surveys to assess the appropriateness of remuneration packages of the Company with respect to comparative companies, and the objectives of the Company's remuneration strategy.

The remuneration structures detailed below are designed to attract and retain suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

The remuneration structures take into account:

- The Group's performance in:
  - Increasing revenue and earnings;
  - Achieving superior total returns for shareholders through both share price performance and the payment of dividends; and
- The amount of incentives within each key management person's remuneration package.

Remuneration packages include a mix of fixed and variable remuneration with short-term and long-term performance-based incentives.

To ensure that eBET's remuneration policy remains competitive and relevant in the current employment environment, the Remuneration & Nomination Committee performed a review of the Company's remuneration structure with assistance from an independent remuneration consultant. The review assisted the Remuneration & Nomination Committee with determining an appropriate remuneration structure for Senior Executives of the Group, with respect to:

- The Group's growth objectives
- Industry specific and market considerations, and
- The appropriate mix between:
  - Fixed and performance-linked remuneration, and
  - Short-term and long-term incentives.

Fixed Remuneration:

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits, including motor vehicles), as well as employer contributions to superannuation funds. Fixed remuneration levels are reviewed annually by the Remuneration & Nomination Committee through a process that considers individual, divisional and overall performance of the Group. In addition, market surveys are obtained to provide further analysis so as to ensure the Directors' and Senior Executives' remuneration is competitive with similar roles in the market place.

The review of the Company's remuneration structure provided to the Remuneration & Nomination Committee assisted with determining an appropriate mix between the fixed and performance linked components of remuneration for senior executives of the Group.

Performance Linked Remuneration:

Performance linked remuneration includes both short-term and long-term incentives that are designed to reward key management personnel for meeting or exceeding their financial and personal objectives.

The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, while the long-term incentive (LTI) is provided in the form of performance rights over ordinary shares of the Company under the rules of the Executive and Employee Share Plans.

In addition to their salaries, selected key sales management personnel receive commission on sales achieved within their specific business division as part of their service contracts.

Short-Term Incentive Bonus

Each year the Remuneration & Nomination Committee determines the objectives and key performance indicators (KPI's) of the key management personnel. The KPI's generally include measures relating to the Company and the Group, the relevant segment, the individual, and also include financial, people, customer, strategy and risk measures. The KPI measures are chosen as they directly align the individual's reward to the KPI's of the Company and the Group and to its strategy and performance.

The financial performance objective is 'net profit before tax' excluding foreign currency gains, or losses, and any extra-ordinary items, when compared to budgeted amounts. This objective is designed to reward key management personnel for the Company's or Group's performance in addition to the achievement of individual segment results.

The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety measures, and compliance with established regulatory processes, customer satisfaction and staff development.

At the end of the financial year the Remuneration & Nomination Committee assesses the actual performance of the Company as a whole, plus the relevant segment and individual against the objectives and KPI's set at the beginning of the financial year. Based on the assessment and level of achievement, a bonus may be awarded up to a pre-determined maximum amount. No bonus is awarded where performance falls below the minimum performance established. In instances where significant over-achievement of objectives and KPI's has been met, an additional amount may be awarded.

Long-Term Incentive Bonus

A management incentive plan is in place whereby performance rights are granted under the Executive Share Trust (EST). Under the EST, eligible employees and executives are allocated performance rights over ordinary shares in the Company. The performance rights were granted to eligible executives and are subject to a three year vesting period.

The relevant weighting of performance conditions is a mix of EPS (Earnings per Share), TSR (Total Shareholder Return), CGR (Consolidated Gross Revenues) and KPI's (Key Performance Indicators) were determined as appropriate based on the following:

- EPS is more reflective of the Company's underlying performance in terms of long term sustainable growth;
- EPS growth is an absolute performance measure that refers to consolidated results of operating activities;
- Relative TSR measures the Company's notional return in the form of share price increases and dividends over the term against a comparison group of companies contained within the S&P/ASX300 index that have the same assignment of Consumer Service company as their GICS industry sector as the Company; and
- CGR ensures that the group keeps increasing the revenue year after year.

The Board believes that these performance hurdles serve to align the interests of the individual executives and employees with the interests of the Company's shareholders. EPS growth is a key driver of company long term share price performance, and relative TSR (compared to the S&P/ASX300 Index comparator companies) provides a comparison of the entity's performance against potential alternative shareholder investment options.

Performance rights held that have not vested will be forfeited and lapse, unless the Board in its discretion determines otherwise. Performance rights entitle a holder to any dividends that are declared during the vesting period. When the Remuneration & Nomination Committee determines whether the EPS hurdle has been achieved, no adjustments to reported results from operating activities are made.

TSR Relative Targets as a portion of the total LTI

TSR Rank	Portion of Full Value of Shares
Less than 50%	0%
50%	50%
Between 50% and 75%	Pro-rata (sliding scale) percentage
At or above 75%	100%

EPS Targets as a portion of the total LTI

EPS Achievements	Portion of Full Value of Shares
Less than 8%	0%
8.0% pa	25% plus 1.25% for each 0.1% increase in EPS
10% pa	50% plus 2.0% for each 0.1% increase in EPS
12.5% pa	100%

Short-Term and Long-Term Incentive Structure

The Remuneration & Nomination Committee considers that the above performance-linked remuneration structure is designed appropriately to generate the Company's desired strategic and financial outcomes. Evidence that supports this view includes:

- Strong profit growth achieved in recent years
- Significant increase in recurring revenues, and
- A strong pipeline of future growth opportunities.

Assessing performance

The Remuneration & Nomination Committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiable data.

DETAILS OF REMUNERATION

Executive Directors and Executives are paid performance-based bonuses and incentives based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Remuneration & Nomination Committee has set these bonuses and incentives to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Group.

The Remuneration & Nomination Committee reviews the performance bonuses and incentives to gauge their effectiveness against achievement of set goals, and adjust future year incentives to reward the achievement of designated outcomes.

These performance conditions have been chosen because they reflect the Group's strategies for growth and increased shareholder wealth, in respect of which the Executive Directors and Executives play a crucial role.

Non-executive director arrangements

Non-executive directors receive a board fee and fees for chairing or participating on board committees, see table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation.

Fees are reviewed annually by the board taking into account comparable roles. The current base fees were reviewed with effect from 1 January 2015.

The maximum annual aggregate directors' fee pool limit is $350,000 and was approved by shareholders at the annual general meeting on 25th November 2014.

Name	From 1 July 2015	From 1 July 2014 to 30 June 2015
Base Fees		
Chair	$64,992	$64,992
Other Non-executive directors*	$49,050	$49,050
Additional Fees		
Remuneration & Nomination Committee	$5,000	$5,000
Audit & Risk Committee	$5,000	$5,000

*This figure has remained unchanged since the Company was listed in 1999.

Directors' Report

Year Ended 30 June 2015

	Short term benefits				Post-employment benefits		Long term benefits			
Name	**Board Salary, allowances**	**Sub-Committee fees**	**Cash bonuses**	**Non cash benefits**	**Super annuation**	**Termi nation benefits**	**Share based payments[4]**	**Long service leave**	**Total**	**% Performance Linked**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	
Directors										
Paul N Oneile	59,574	20,000	-	-	7,560	-	-	-	87,134	-
Anthony P Toohey	504,310	-	-	6,629	40,402	-	212,603	(25,992)	737,952	29%
Michael B Hale	43,624	15,000	-	-	5,569	-	-	-	64,193	-
Ian R James[1]	44,117	12,500	-	-	-	-	-	-	56,617	-
Dr Allan C Sullivan	52,296	20,000	-	-	-	-	-	-	72,296	-
Dr Ken M Carr[2]	227,308	-	75,068	-	21,540	-	-	3,755	327,671	23%
Total Directors	**931,229**	**67,500**	**75,068**	**6,629**	**75,071**	**-**	**212,603**	**(22,237)**	**1,345,863**	**-**
Executives										
Robert Fredericks	225,452	-	10,000	-	22,368	-	50,000	4,876	312,696	16%
Peter Walford[3]	231,093	-	-	-	21,465	-	66,279	3,684	322,521	21%
Total Executives	**456,545**	**-**	**10,000**	**-**	**43,833**	**-**	**116,279**	**8,560**	**635,217**	**-**
TOTAL	**1,387,774**	**67,500**	**85,068**	**6,629**	**118,904**	**-**	**328,882**	**(13,677)**	**1,981,080**	**-**

Notes

[1] During the financial year, Mr Ian James (or entities associated with him) provided advice to the Group in respect of specific transactions.
[2] Dr Ken Carr commenced employment on 29th September 2014. In relation to the cash bonus, please refer to Note 4 below.
[3] Mr Peter Walford commenced employment on 15th September 2014.
[4] Share based payments are calculated in the financial year of performance to the maximum amount available and are subject to approval (based on achievements of a mix of appropriate hurdles & KPI's) by the Remuneration & Nomination Committee. These amounts are awarded subsequent to the close of the financial year in review.

Year Ended 30 June 2014

	Short term benefits				Post-employment benefits		Long term benefits			
Name	**Board Salary, allowances & fees**	**Sub-Committee fees**	**Cash bonuses**	**Non cash benefits**	**Super annuation**	**Termi nation benefits**	**Share based payments**	**Long service leave**	**Total**	**% Performance Related**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	
Directors										
Paul N Oneile	65,000	15,000	-	-	8,163	-	-	-	88,163	-
Anthony P Toohey	508,606	-	-	46,238	25,453	-	40,000	14,977	635,274	6%
Michael B Hale	49,050	10,000	-	-	3,194	-	-	-	62,244	-
Ian R James	229,050	7,500	-	-	-	-	-	-	236,550	-
Dr Allan C Sullivan	49,050	15,000	-	-	-	-	-	-	64,050	-
Total Directors	**900,756**	**47,500**	**-**	**46,238**	**36,810**	**-**	**40,000**	**14,977**	**1,086,281**	**-**
Executives										
Eros Tessarolo	157,831	-	-	-	11,850	-	-	-	169,681	-
Robert Fredericks	70,159	-	-	-	6,349	-	-	30	76,538	-
Total Executives	**227,990**	**-**	**-**	**-**	**18,199**	**-**	**-**	**30**	**246,219**	**-**
Total Executives	**1,128,746**	**47,500**		**46,238**	**55,009**	**-**	**40,000**	**15,007**	**1,332,500**	**-**

TRANSACTION WITH RELATED PARTIES

During the year $85,000 (2014: $130,000) in consulting fees was paid to Braymera Pty Ltd an entity associated with a director, Mr Ian James, for the provision of advice in connection with specific projects undertaken by the group.

During the year $83,200 was paid to Interactive Advisory Group, a firm associated with an executive, Mr Peter Walford, for consulting charges before Mr Walford was employed as Chief Operating Officer of the company.

DIVIDENDS RECEIVED

The total amount of dividends received by the Directors in FY15 was $75,020. These dividends were 50% franked and paid on 26th September 2014, at the same time as all other shareholders received their dividends.

Shares held by Directors and key management personnel

The number of shares in which the key management personnel of the Group held a relevant interest are set out below.

Year Ended 30 June 2015	**Balance 30/06/2014 or date appointed**	**Received as remuneration**	**Net change other**	**Balance 30/06/2015 or date resigned**
	$000	**$000**	**$000**	**$000**
Non-Executive Directors				
Paul Oneile	7	-	-	7
Michael B Hale	947	-	-	947
Ian R James	124	-	(122)	2
Allan C Sullivan	156	-	1	157
Executive Director				
Ken M Carr	-	-	5	5
Anthony P Toohey	130	-	(33)	97
TOTAL	**1,364**	**-**	**(149)**	**1,215**

Year Ended 30 June 2014	**Balance 30/06/2013 or date appointed**	**Received as remuneration**	**Net change other**	**Balance 30/06/2014 or date resigned**
	$000	**$000**	**$000**	**$000**
Non-Executive Directors				
Paul Oneile	7	-	-	7
Michael B Hale	947	-	-	947
Ian R James	144	-	(20)	124
Allan C Sullivan	156	-	-	156
Executive Director				
Anthony P Toohey	130	-	-	130
TOTAL	**1,384**	**-**	**(20)**	**1,364**

SERVICE CONTRACTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Kenneth Carr
Title:	Chief Executive Officer and Managing Director
Agreement Commenced:	29th September 2014
Details:	Base Salary for the year ending 30 June 2015 of $300,000 plus Superannuation, to be reviewed annually by the Remuneration & Nomination Committee. A 6 month termination notice by either party. Incentive bonus to a maximum value of $100,000 pa as per Remuneration & Nomination Committee, subject to achievement of a mix of appropriate business hurdles and KPI's.
Name:	Anthony Toohey
Title:	Deputy Chairman
Agreement Commenced:	29th September 2014
Details:	Base Salary for the year ending 30 June 2015 of $250,000 plus Superannuation plus car allowance, to be reviewed annually by the Remuneration & Nomination Committee. A 6 month termination notice by either party. Incentive bonus to a maximum value of $250,000 pa as per Remuneration & Nomination Committee, subject to achievement of a mix of appropriate business hurdles and KPI's.
Name:	Peter Walford
Title:	Chief Operating Officer
Agreement Commenced:	15th September 2014
Details:	Base Salary for the year ending 30 June 2015 of $280,000 plus Superannuation plus car allowance, to be reviewed annually by the Remuneration & Nomination Committee. A 6 month termination notice by either party in the first 12 months of employment and 3 months thereafter. Incentive bonus to a maximum value of $84,000 pa as per Remuneration & Nomination Committee, subject to achievement of a mix of appropriate business hurdles and KPI's.
Name:	Robert Fredericks
Title:	Chief Financial Officer
Agreement Commenced:	6th March 2014
Details:	Base Salary for the year ending 30 June 2015 of $221,450 plus Superannuation, to be reviewed annually by the Remuneration & Nomination Committee. A 1 month termination notice by either party. Incentive bonus to a maximum value of $50,000 pa as per Remuneration & Nomination Committee, subject to achievement of a mix of appropriate business hurdles and KPI's.

ADDITIONAL INFORMATION

Voting of shareholders at last year's annual general meeting

eBET received 91.03% of "FOR" votes on its Remuneration Report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Independence of Directors

It is the opinion of the board that Mr Michael Hale, despite his stock holding of 5.4% is an Independent Director. The Board is satisfied that he is able to act as an impartial Independent Director without bias and without undue control in his current position.

Directors' and Executives' Options

There are no options on issue as at 30 June, 2015.

This concludes the Remuneration Report which has been audited.

Signed in accordance with a resolution of the Board of Directors, pursuant to Section 298 (2) of Corporations Act 2001.

Paul N Oneile
Chairman

Ken Carr
CEO and Managing Director

Dated this 24th day of September, 2015 in Sydney.

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To The Directors of eBET Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

i. no contraventions of the independence requirements of 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.

UHY Haines Norton

M.D. Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Signed at Sydney
24 September 2015

Contents of Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Notes	Consolidated Entity 2015 $000	2014 $000
Sales Revenue	2	50,968	40,135
Cost of sales	3	(16,757)	(12,038)
Gross Profit		**34,211**	**28,097**
Other revenue	2	265	118
Consulting expenses		(896)	(972)
Depreciation and amortisation	3	(4,395)	(3,984)
Employee benefit expense		(16,182)	(13,861)
Occupancy expense		(1,306)	(1,307)
Sales related expenses		(1,046)	(960)
Other expenses		(4,492)	(3,938)
Results from operating activities		**6,159**	**3,193**
Financial income		375	564
Financial expense		(478)	(133)
Net financing (expense) / income	4	**(103)**	**431**
Profit before income tax		**6,056**	**3,624**
Income tax benefit / (expense)	5(a)	2,876	(715)
Profit after tax for the year		**8,932**	**2,909**
Other comprehensive income			
Other comprehensive income for the year		-	-
Total other comprehensive income for the year		**8,932**	**2,909**
Profit for the year attributable to members of the parent entity		**8,932**	**2,909**
Total comprehensive income attributable to members of the parent entity		**8,932**	**2,909**
Earnings per share:			
Basic earnings per share (cents per share)	6	**51.11**	**18.98**
Diluted earnings per share (cents per share)	6	**51.11**	**18.98**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 30 June 2015

	Notes	Consolidated Entity 2015 $000	2014 $000
Current Assets			
Cash and cash equivalents	9	5,313	2,457
Financial Assets	10	2,391	-
Trade and other receivables	11	15,109	12,183
Inventories	12	8,865	5,433
Other current assets	13	540	464
Total Current Assets		32,218	20,537
Non-Current Assets			
Trade and other receivables	11	257	1,189
Property, plant and equipment	15	2,895	3,570
Deferred tax assets	5(d)	3,335	258
Intangible assets	16	17,077	14,243
Total Non-Current Assets		23,564	19,260
Total Assets		**55,782**	**39,797**
Current Liabilities			
Trade and other payables	17	7,015	7,351
Borrowings	18	892	1,595
Provisions	19	2,081	1,445
Derivative financial instruments	20	-	7
Other current liabilities	21	4,408	3,763
Current tax payable	5(e)	253	-
Total Current Liabilities		14,649	14,161
Non-Current Liabilities			
Trade and other payables	17	497	35
Borrowings	18	5	897
Provisions	19	381	573
Other non-current liabilities	21	296	408
Total Non- Current Liabilities		1,179	1,913
Total Liabilities		**15,828**	**16,074**
Net Assets		**39,954**	**23,723**
Equity			
Share Capital	22	57,803	50,853
Reserves	23	349	282
Accumulated losses		(18,198)	(27,412)
Total Equity		**39,954**	**23,723**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2015

	Share Capital	Accumulated Losses	Dividend Reserve	Option Reserve	Share Based Payment Reserve	Total
					Consolidated Entity	
	$000	$000	$000	$000	$000	$000
Balance as at 1 July 2013	**50,853**	**(29,481)**	**4**	**281**	**-**	**21,657**
Profit after income tax expense for the year	-	2,909	-	-	-	2,909
Total Comprehensive income for the year	-	2,909	-	-	-	2,909
Transactions with owners in their capacity as owners:						
Transfer between reserves	-	(840)	840	-	-	-
Dividend payable	-	-	(843)	-	-	(843)
Balance as at 30 June 2014	**50,853**	**(27,412)**	**1**	**281**	**-**	**23,723**
Balance as at 1 July 2014	**50,853**	**(27,412)**	**1**	**281**	**-**	**23,723**
Profit after income tax expense for the year	-	8,932	-	-	-	8,932
Total Comprehensive income for the year	-	8,932	-	-	-	8,932
Transactions with owners in their capacity as owners:						
Shares issue	8,007	-	-	-	-	8,007
Repayment of capital to shareholders	(1,057)	-	-	-	-	(1,057)
Transfer between reserves	-	282	(1)	(281)	-	-
Share based payment transactions	-	-	-	-	349	349
Balance as at 30 June 2015	**57,803**	**(18,198)**	**-**	**-**	**349**	**39,954**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 30 June 2015

	Notes	Consolidated Entity 2015 $000	Consolidated Entity 2014 $000
Cash Flows from Operating Activities			
Receipts from customers		49,771	37,978
Payments to suppliers and employees		(44,306)	(34,788)
Interest received		375	564
Interest and other costs of finance paid		(478)	(133)
Net cash provided by operating activities	8	**5,362**	**3,621**
Cash Flows from Investing Activities			
Payments for purchases of property, plant and equipment		(1,110)	(1,602)
Payments for software development and other intangibles		(1,049)	(1,055)
Payments for investments		(2,391)	-
Net cash outflow on acquisition of Flexinet business		(2,800)	-
Proceeds from sale of property, plant and equipment		23	-
Net cash outflow on acquisition of subsidiaries		-	(362)
Net cash used in investing activities		**(7,327)**	**(3,019)**
Cash Flows from Financing Activities			
Proceeds from issuing shares		7,969	-
Payment of capital return to shareholders		(1,058)	-
Dividend paid during the year		(843)	(536)
Repayment of borrowings		(1,588)	(1,285)
Net cash provided by / (used in) financing activities		**4,480**	**(1,821)**
Net increase / (decrease) in cash held		2,515	(1,219)
Effects of exchange rate changes on cash and cash equivalents		7	-
Cash held at beginning of the financial year		1,828	3,047
Cash and cash equivalents at the end of the financial year	9	**4,350**	**1,828**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the consolidated entity consisting of eBET Limited and its controlled entities (referred to in this financial report as the "Group" or the "consolidated entity"). eBET Limited (the "Company") is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The principal accounting policies adopted by the consolidated entity are stated below, in order to assist in a general understanding of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right to set-off': and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are set out at Note 1(v).

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 32.

Notes to the Financial Statements
for the year ended 30 June 2015

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of eBET Limited ('Company' or 'Parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. eBET Limited and its subsidiaries together are referred to in these financial statement as the 'consolidated entity'. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets (including goodwill, liabilities and non-controlling interest in the subsidiary), together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained, together with any gain or loss in profit or loss.

Details relating to the controlled entity and the joint venture entities are set out in Note 14 to the financial statements.

(c) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge transaction.

Foreign Operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. All revenue is stated net of the amount of goods and services tax (GST).

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

Revenue from sale of goods is recognised on delivery of goods to customers. Delivery does not occur until the goods have been shipped to the specified location and the risks and rewards of ownership have been transferred to the customer. Revenue is recognised net of any discounts provided on goods sold.

Trade-in allowances are often provided to customers which may include an incentive component to return goods which can be in excess of the value of the goods to be returned. The trade-in is not recognised until goods have been returned and the risks and rewards of ownership have been transferred to the Group. The incentive component however is accounted for prior to the return of goods to the extent that, based on experience, it is likely that the goods will be returned.

(ii) Contract to provide services

When the outcome of a contract to provide services can be estimated reliably, net revenue is recognised by reference to the percentage of service performed.

(iii) Finance lease rental revenue

The consolidated entity derives rental revenue from finance leases. Finance leases arise where substantially all of the risks and benefits incidental to ownership of the leased asset pass to the lessee. Finance lease revenue is recognised at the time the rental contract is entered into based on the present value of the minimum lease payments, with interest income recognised over the life of the lease.

(iv) Interest

Interest is recognised as it accrues, using the effective interest rate method.

(v) Other revenue

Other revenue is recognised when it is received, or when the right to receive payment is established.

(e) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax Consolidation

The Company and its wholly-owned Australian controlled entities are part of a tax consolidated group under Australian taxation law where eBET Limited is the head entity.

The head entity, eBET Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, eBET Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Inventories

Inventories are measured at the lower of cost or net realisable value. Costs have been assigned to inventory quantities on-hand at reporting date on the basis of weighted average costs.

(i) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciable amount of all plant and equipment (including capitalised lease assets, but excluding freehold land), is depreciated on a straight line basis over their useful lives to the consolidated entity, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset using the straight-line method are:

Fixed Assets Class	Depreciation Rate
Plant and equipment	7%-50%
Leased motor vehicles	25%
Leasehold improvements	20%-33.3%

The residual values, useful lives and depreciation method are reviewed and adjusted if appropriate at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Cash flows relating to short-term receivables are not discounted if the effect of the discounting is immaterial.

Collectability of trade receivables are reviewed on an on-going basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Other receivables are recognised for goods which were delivered to customers and contract services performed which are in excess of the amounts billed as at that date. Other receivables are recognised at amortised cost, less any impairment.

(k) Investments

Investments in controlled entities are measured on the cost basis. The carrying amounts of investments are reviewed annually by Directors to ensure that they are not in excess of the recoverable amounts of these assets.

(l) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.
The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

i) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of controlled entities is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (Note 27).

Impairment loss on goodwill is taken to the statement of profit or loss and is not subsequently reversed.

ii) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 10 years.

iii) Patents and Trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

iv) Customers Contracts

Customer contracts acquired are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

v) Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

(m) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives, or more frequently if events or changes in circumstances indicate that they might be impaired.

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.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(p) Employee Benefits

Short-term employees benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months after the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense, with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount

Notes to the Financial Statements
for the year ended 30 June 2015

recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

– during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

– from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in the statement of profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(q) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term (if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term).

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Lease income from operating leases where the Group is the lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are include in the balance sheet based on their nature.

(r) Borrowings

Loans and borrowings are initially recognised at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is expensed to profit or loss over the period of the borrowing.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case they are classified as non-current liabilities.

(s) Borrowing costs

Borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

(t) Financial assets and liabilities

Recognition

Financial assets and liabilities are initially measured at fair value on the trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and maturities, and it is the Group's intention to hold these investments to maturity. Held-to-maturity investments are included within non-current assets, except for those with maturities less than 12 months from the end of the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised as other comprehensive income through the available-for-sale reserve in equity.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through the statement of profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through the statement of profit or loss category are presented in the statement of profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to statement of profit or loss gains and losses from investment securities.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of profit or loss and other comprehensive income, unless they are designated as hedges.

Fair value

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 arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss.

(u) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the statement of profit or loss as a bargain purchase.

(v) Critical accounting judgements, estimates and assumptions

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable

Notes to the Financial Statements
for the year ended 30 June 2015

expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

The following key assumptions have been made concerning the future and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Key estimates — Goodwill and other indefinite life intangibles assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Key estimates — Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key estimates — Tax losses

The consolidated entity recognises carried forward tax losses based on tax loss utilisation projections over a five year period. Management base their utilisation projections on budgets; used a loss recoupment fraction of 0.4 for the tax consolidated Group comprising eBET Limited and its wholly-owned Australian controlled entities, and assume that there would be no adverse changes in tax legislation.

Should the tax consolidated Group derive future assessable income of amounts materially different to that projected, should the loss recoupment factor materially alter or if there are adverse changes in tax legislation, the balance of carried forward losses recognised will change.

(w) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST is not recoverable from tax authorities. In these circumstance, the GST is recognised as part of the acquisition of the asset or as part of an item of expense.

Receivables and payable balances are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the tax authorities are included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, and/or payable to, the tax authorities is classified as operating cash flows.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

(y) Share capital

Issued capital is recognised at the fair value of consideration received by the Company and classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members of the Parent Entity, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares adjusted for any bonus element.

Diluted EPS adjust the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(aa) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(ab) Rounding of amounts

The Parent Entity has applied the relief available to it under ASIC Class Order 98/100 and, accordingly, amounts in the financial report and Directors' Report have been rounded off to the nearest $1,000.

(ac) Changes in Accounting Policies

There are no changes in the Accounting Policy in the current year.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 2 – REVENUE FROM CONTINUING OPERATIONS

	Consolidated Entity 2015 $000	2014 $000
Sales revenue :		
Sales – Systems & Software	24,330	13,814
Sales – Operations	25,746	21,614
Sales – Machines	892	4,707
	50,968	40,135
Other revenue:		
Foreign exchange gain	19	-
Other	246	118
	265	118

NOTE 3 – EXPENSES

Profit before income tax includes the following specific expenses:		
Cost of sales	16,757	12,038
Depreciation and amortisation		
– Plant and equipment depreciation	1,550	1,490
– Intellectual property, software development and other intangible assets amortisation	2,845	2,494
	4,395	3,984
Net Loss on Disposal of Fixed Assets		
– Net Loss on Disposal of property, plant and equipment	55	18
Foreign exchange		
– Other foreign exchange loss	-	178
Superannuation contributions	1,210	1,049

NOTE 4 – FINANCIAL INCOME AND EXPENSES

Interest Income	375	564
Interest expense	(478)	(133)
Net financing (expense) / income	(103)	431

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 5 – INCOME TAX

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
(a) Major components of tax expense:		
Current tax	(328)	(152)
Deferred tax	3,077	(685)
Over provision in prior years	127	122
Income tax benefit / (expense)	2,876	(715)
(b) The prima facie tax on profit is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at the Australian tax rate of 30% (2014: 30%):	(1,817)	(1,087)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment: non-deductible portion	(17)	(24)
Share-based payment expense	(105)	(45)
Other non-deductible items	(100)	-
Stamp duty paid	(82)	-
Rebatable research & development	(205)	319
Recognition of previously unrecognised tax losses	3,240	-
Utilisation of previously unrecognised tax losses	100	-
Utilisation and recognition of previously unrecognised tax credits	1,705	-
Franking deficit tax	30	-
	2,749	(837)
Over provision in prior years	127	122
Income tax benefit / (expense)	2,876	(715)
(c) Tax losses not brought to account as realisation of the benefit is not recognised as sufficiently probable		
Total tax losses available	10,829	18,681
Less: losses recognised as realisation of benefit is deemed to be sufficiently probable	(10,800)	(4,077)
	29	14,604

This benefit for tax losses will only be obtained if the consolidated entity derives future assessable income of an amount sufficient to enable the benefit from the deductions for the losses to be realised, the Group continues to comply with the conditions for deductibility imposed by tax legislation, and no changes in tax legislation adversely affect the consolidated entity's ability to realise the benefit from the deductions for the losses.

The tax losses recognised as at 30 June 2015 were determined based on future assessable income calculations. The future assessable income calculations were based on the tax loss utilisation projections over a two year period. Management based the utilisation projections on budgets, using a loss recoupment fraction of 0.4 for the tax consolidated Group comprising eBET Limited and its wholly-owned Australian controlled entities, and assumed that there are no adverse changes in tax legislation. The budgets used historical weighted average growth rates to project revenue and budgeted costs were calculated taking into account historical gross margins.

NOTE 5 – INCOME TAX Continued

The tax losses of the tax consolidated group comprising eBET Limited and its wholly-owned Australian controlled entities are subject to a loss recoupment fraction. This means that eBET will only be able to apply prior year tax losses in any given period, to the extent of the taxable income of the tax consolidated group for that period multiplied by the loss recoupment fraction. At 30 June 2015, the fraction was 0.4 (2014: 0.514), down 22.2% due to the issue of 2,296,975 shares on 24th July 2014.

	Consolidated Entity	
	2015 $000	**2014 $000**
(d) Deferred taxation		
Future income tax benefits attributable to tax losses	3,240	1,223
Allowance for doubtful debts	145	121
Allowance for stock obsolescence	245	41
Employee benefits deductible for tax purposes when paid	739	606
Accrued expenses deductible for tax purposes when paid	166	221
Other	78	23
	4,613	2,235
Less: Deferred tax liabilities :		
Future income tax asset / (liability) attributable to difference in rates used to amortise non-goodwill intangibles for accounting and taxation	(1,278)	(1,977)
Net deferred tax asset	**3,335**	**258**
Net deferred tax assets expected to be recovered within 12 months	1,744	226
Net deferred tax assets expected to be recovered after more than 12 months	1,591	32
	3,335	258
(e) Current tax		
Income tax payable	253	-

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 6 – EARNINGS PER SHARE

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Profit after tax for the year	8,932	2,909
Profit after tax attributable to members of the parent entity	8,932	2,909
(a) Weighted average number of ordinary shares (*)	**Qty**	**Qty**
Weighted average number of ordinary shares used in calculating basic earnings per ordinary share (000 shares)	17,476	15,327
Weighted average number of ordinary shares used in calculating diluted earnings per share (000 shares)	17,476	15,327
Basic earnings per share (cents per share)	51.11	18.98
Diluted earnings per share (cents per share)	51.11	18.98

(*) The weighted average number of shares takes into account the weighted average effect of shares issued during the year.

NOTE 7 – DIVIDEND IMPUTATION

	Company	
	2015	**2014**
	$000	**$000**
The balance of the franking account at year end, adjusted for franking credits arising from payments of income tax payable, payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years.	138	446

NOTE 8 – CASH FLOW INFORMATION

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Reconciliation of profit after income tax to net cash from operating activities		
Profit after income tax expense for the year	8,932	2,909
Adjustments for:		
Amortisation of intangibles	2,845	2,494
Depreciation of plant and equipment	1,550	1,490
(Gain) / Loss on disposal of plant and equipment	55	(1)
Share-based payments	277	150
Other Non-cash items	71	(2)
Net exchange differences	(19)	178
Net cash provided by operating activities before changes in assets and liabilities	13,711	7,218
Changes in operating assets and liabilities:		
Decrease / (Increase) in : -		
Trade receivables	(3,674)	(869)
Other receivables and other current assets	1,597	(954)
Inventories	(3,432)	4,748
Current tax asset	-	(30)
Deferred tax asset	(3,077)	(684)
Increase / (Decrease) in : -		
Trade payables	(1,751)	(8,446)
Other payables and derivative financial instruments	758	2,391
Current tax liability	253	30
Provisions	444	11
Other liabilities	533	206
Net cash provided by operating activities	5,362	3,621

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 9 – CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2015	2014
	$000	$000
Cash		
Cash at bank and on hand	4,350	1,828
Cash at bank held for jackpots*	963	629
	5,313	2,457
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows :-		
Cash at bank and on hand	4,350	1,828

* Jackpot money is held in trust accounts.

NOTE 10 – FINANCIAL ASSETS

Current		
Held to maturity investments		
Term Deposits	2,391	-

NOTE 11 – TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Current		
Trade receivables*	14,963	10,779
Provision for impairment	(212)	(84)
	14,751	10,695

* This includes $3,642,338 of receivables relating to Victorian venues which the Company expects to be repaid through a financier within the next 12 months.

Finance lease receivables (a)	-	102
Other receivables	358	1,386
	15,109	12,183
Non-Current		
Trade receivables	530	1,589
Provision for impairment	(273)	(400)
	257	1,189

Impairment of receivables

The consolidated entity has recognised a loss of ($31,971) (2014: a gain of $28,000) in the statement of profit or loss in respect of impairment of receivables for the year ended 30 June 2015.

The ageing of the impaired trade receivables provided for is as follows:

0 - 3 months overdue	273	371
3 - 6 months overdue	23	21
Over 6 months overdue	189	92
	485	484

Movements in the provision for impairment of receivables is as follows:

Opening balance	484	586
Additional provisions recognised for:		
Trade receivables	128	-
Receivables written off during the year as uncollectable	(32)	(74)
Unused amounts reversed	(95)	(28)
Closing balance	485	484

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 11 – TRADE AND OTHER RECEIVABLES Continued

	Consolidated Entity	
	2015	2014
	$000	$000
(a) Finance lease receivables		
Finance lease receivables are effectively secured as the rights to the leased assets revert to eBET in the event of default. The effective interest rate is 8% (2014:12.50%).		
Finance leases are receivable as follows:		
not later than 1 year	-	102
	-	102
Future finance charges receivable	-	2
	-	104

NOTE 12 – INVENTORIES

	2015	2014
Current		
Gaming machines, proprietary hardware, computers and parts - at cost	8,865	5,433
	8,865	5,433

NOTE 13 – OTHER CURRENT ASSETS

	2015	2014
Current		
Prepayments - other	540	464
	540	464

NOTE 14 – CONTROLLED ENTITIES AND JOINT VENTURE ENTITIES

	Country of Incorporation	Consolidated Entity % of Shares Held 2015	Consolidated Entity % of Shares Held 2014
Ultimate parent entity :-			
eBET Limited	Australia		
Controlled entities :-			
eBET Gaming Systems Pty Limited	Australia	100	100
Maxi Gaming Pty Limited	Australia	100	100
eBET Inc.	USA	100	100
eBET Systems Pty Limited	Australia	100	100
eBET Services Pty Limited	Australia	100	100
Bounty Pty Limited	Australia	100	100
Bounty Systems Pty Limited	Australia	100	100
Clubline Systems Pty Limited	Australia	100	100
Inov8 Mobile Pty Limited	Australia	100	100
Industry Data Online Pty Limited	Australia	100	100
Advento Pty Ltd	Australia	100	51
Odyssey Gaming Limited	Australia	100	100
Odyssey Gaming Services Pty Limited	Australia	100	100
Joint venture entities :-			
Gaming Solutions Pty Limited (a)	Australia	50	50

a) Gaming Solutions Pty Limited

A subsidiary of eBET Limited has a 50% controlling interest in Gaming Solutions Pty Limited. The intended principal activity is the marketing of ticket-based technologies for gaming machines but this company has not commenced operations at 30 June 2015.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 14 – CONTROLLED ENTITIES AND JOINT VENTURE ENTITIES Continued

b) Deed of cross guarantee

All controlled entities, with the exception of eBET Inc., and Advento Pty Ltd have entered into a deed of Cross Guarantee with eBET Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

The consolidated statement of profit or loss and other comprehensive income of the entities party to the deed of cross guarantee is:

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Sales Revenue	50,968	40,135
Cost of sales	(16,757)	(12,038)
Gross Profit	**34,211**	**28,097**
Other revenue	265	118
Consulting expenses	(896)	(972)
Depreciation and amortisation	(4,395)	(3,984)
Employee benefit expense	(16,182)	(13,861)
Occupancy expense	(1,306)	(1,307)
Sales related expenses	(1,046)	(960)
Other expenses	(4,492)	(3,938)
Results from operating activities	**6,159**	**3,193**
Financial income	375	564
Financial expense	(478)	(133)
Net financing income / (expense)	**(103)**	**431**
Profit before income tax	**6,056**	**3,624**
Income tax benefit / (expense)	2,876	(715)
Profit after tax for the year	**8,932**	**2,909**
Other comprehensive income		
Other comprehensive income for the year	-	-
Total other comprehensive income for the year	**8,932**	**2,909**
Profit for the year attributable to members of the parent entity	**8,932**	**2,909**
Total comprehensive income attributable to members of the parent entity	**8,932**	**2,909**

NOTE 14 – CONTROLLED ENTITIES AND JOINT VENTURE ENTITIES Continued

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Statement of Financial Position as at year ended 30 June 2015		
Current Assets		
Cash and cash equivalents	5,200	2,454
Financial Assets	2,391	-
Trade and other receivables	15,109	12,183
Inventories	8,865	5,433
Other current assets	540	464
Total Current Assets	32,105	20,534
Non-Current Assets		
Trade and other receivables	257	1,189
Property, plant and equipment	2,895	3,570
Deferred tax assets	3,335	258
Intangible assets	17,077	14,243
Investments	24	24
Total Non-Current Assets	23,588	19,284
Total Assets	**55,693**	**39,818**
Current Liabilities		
Trade and other payables	11,076	11,522
Borrowings	892	1,595
Provisions	2,081	1,445
Derivative financial instruments	-	7
Other current liabilities	4,408	3,763
Current tax payable	253	-
Total Current Liabilities	18,710	18,332
Non-Current Liabilities		
Trade and other payables	497	35
Borrowings	5	897
Provisions	381	573
Other non-current liabilities	296	408
Total Non- Current Liabilities	1,179	1,913
Total Liabilities	**19,889**	**20,245**
Net Assets	**35,804**	**19,573**
Equity		
Share Capital	57,803	50,853
Reserves	349	282
Accumulated losses	(22,348)	(31,562)
Total Equity	**35,804**	**19,573**

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 14 – CONTROLLED ENTITIES AND JOINT VENTURE ENTITIES Continued

c) Business Combination

(i) Summary of acquisition

Acquisition year ended 30 June 2015

On 23rd July 2014, eBET Gaming Systems Pty Ltd ("EGS"), a subsidary of eBET Ltd, acquired the Flexi-NET Gaming Systems business (Flexi-NET) from Independent Gaming Pty Ltd ("IGPL"). This acquisition added an additional 8,100 EGMs to eBET's network, across 84 venues. The goodwill upon acquisition of $1,224,043 is attributable to the expected benefits to be received by increasing the eBET's footprint of connected electronic gaming machines.

	$000
Fair values of the Purchase consideration:	
Up-front cash paid	3,316
Deferred cash payment	1,391
Contingent consideration	439
Total fair value of consideration	5,146

	Fair Value $000
The assets and liabilities recognised as a result of the acquisition are as follows:	
Inventories	577
Intangible assets: trademarks	328
Intangible assets: software	1,043
Intangible assets: customer contracts	2,035
Other employee benefit obligations	(61)
Net identifiable assets acquired	3,922
Goodwill	1,224
Net assets acquired	5,146

Deferred consideration

$1.5 million of the purchase price is payable by instalment as set out below.
$1.0 million (paid in July 2015) and $0.5 million (payable in January 2016). As at the acquisition date, the fair value of the deferred consideration was estimated to be $1.4 million.

Contingent consideration

Payment of the final purchase price instalment is contingent on Flexi-NET's average gross revenue for financial years 2015 and 2016 achieving 85% of financial year 2014 gross revenue. The final purchase price instalment will be reduced by the shortfall (if any), up to a maximum of $0.5 million. As at the acquisition date the fair value of the contingent consideration was estimated to be $0.4 million.

Acquisition-related costs

Acquisition-related costs of $0.4 million have been included in consulting and other expenses in the Statement of Profit or Loss and other Comprehensive Income and in operating cash flows in the Statement of Cash Flows.

Revenue and profit contribution

The acquired business contributed revenues of $4.8 million and a net profit of $1.9 million to the Group for the period 23rd July 2014 to 30 June 2015.

NOTE 14 – CONTROLLED ENTITIES AND JOINT VENTURE ENTITIES Continued

c) Business Combination continued

(i) Summary of acquisition continued

Acquisition year ended 30 June 2014

On 21 March 2014, Inov8 Mobile Pty Limited, a subsidiary of eBET Limited, acquired 100% of the ordinary shares of Industry Data Online Pty Limited ("IDOL") for the total purchase price of $720,000. It was acquired because its business intelligence tools and services are complementary to the Company's current offerings and services. The goodwill of $281,000 represents the expected benefits of an increased suite of offerings to eBET 's existing customers as well as cost savings from utilisation of existing eBET infrastructure.

	$000
Fair values of the Purchase consideration:	
Up-front cash paid	370
Contingent consideration	350
Total fair value of consideration	720

	Fair Value $000
The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash & cash equivalents	8
Trade and other receivables	75
Prepayments	19
Plant and Equipment	33
Intangibles - Development costs	349
Trade and other payables	(45)
Net identifiable assets acquired	439
Add: Goodwill	281
Net assets acquired	720

(ii) Purchase consideration - cash outflow

	2015 $000	2014 $000
Outflow of acquisition cash flows:		
Cash consideration - Flexi-NET	3,316	-
Cash consideration - IDOL	-	370
Less balances acquired		
Cash & cash equivalents	-	(8)
Inventory	(577)	-
Other employee benefits obligations	61	-
Net outflow of cash - investing activities	**2,800**	**362**

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

	Consolidated Entity	
	2015 $000	2014 $000
Leasehold Improvements		
At cost	1,512	1,365
Accumulated depreciation	(1,122)	(964)
	390	401
Leased Motor Vehicles		
At cost	532	578
Accumulated depreciation	(500)	(519)
	32	59
Plant and Equipment		
At cost	10,775	11,083
Accumulated depreciation	(8,302)	(7,973)
	2,473	3,110
Total property, plant and equipment	2,895	3,570

2015	Leased Motor Vehicles $000	Leasehold Improvements $000	Plant and Equipment $000	Total $000
Consolidated :				
Balance at the beginning of the financial year	59	401	3,110	3,570
Additions	-	147	963	1,110
Disposals	-	-	(235)	(235)
Depreciation	(27)	(158)	(1,365)	(1,550)
Carrying amount at the end of the financial year	32	390	2,473	2,895

2014	Leased Motor Vehicles $000	Leasehold Improvements $000	Plant and Equipment $000	Total $000
Consolidated :				
Balance at the beginning of the financial year	135	447	2,886	3,468
Additions	33	55	1,514	1,602
Acquired on business combination	-	20	13	33
Disposals	(7)	-	(36)	(43)
Depreciation	(102)	(121)	(1,267)	(1,490)
Carrying amount at the end of the financial year	59	401	3,110	3,570

NOTE 16 – INTANGIBLE ASSETS

	Consolidated Entity 2015 $000	Consolidated Entity 2014 $000
Goodwill	7,057	5,833
Intellectual property, software development and other intangibles - at cost *	43,171	38,715
Accumulated amortisation and impairment	(33,151)	(30,305)
	10,020	8,410
Total intangible assets	17,077	14,243

* Software development and other intangibles includes development costs, being an internally generated asset.

Goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment level summary of goodwill is presented below :-

	2015 $000	2014 $000
- Systems	5,899	5,552
- Operations	1,158	281
	7,057	**5,833**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $000	Software Development costs $000	Patents & trademarks $000	Intellectual property $000	Licence fees $000	Customer Contracts $000	Software $000	Total $000
Balance at 1 July 2014	5,833	7,896	101	359	54	-	-	14,243
Additions - development phase expenditure	-	1,049	-	-	-	-	-	1,049
Acquired on business combination – see note 14(c)	1,224	-	328	-	-	2,035	1,043	4,630
Amortisation expense	-	(2,120)	(32)	(146)	(52)	(311)	(184)	(2,845)
Balance at 30 June 2015	**7,057**	**6,825**	**397**	**213**	**2**	**1,724**	**859**	**17,077**
Balance at 1 July 2013	5,552	8,702	134	505	159	-	-	15,052
Additions - development phase expenditure	-	1,055	-	-	-	-	-	1,055
Acquired on business combination – see note 14(c)	281	347	2	-	-	-	-	630
Amortisation expense	-	(2,208)	(35)	(146)	(105)	-	-	(2,494)
Balance at 30 June 2014	**5,833**	**7,896**	**101**	**359**	**54**	**-**	**-**	**14,243**

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 16 – INTANGIBLE ASSETS Continued

Impairment testing

The recoverable amount of a CGU is based on value-in-use calculations. Value-in-use calculations use cash flow projections based on financial budgets approved by management. The below discount rates and growth rates have been applied to the cash flow projections.

The Machines CGU was excluded from impairment testing as of 30 June 2015, as the Company had exited this business. At the end of the financial year, there were no assets remaining from the Gaming Machines business.

Key assumptions used for value-in-use calculations

Consolidated	Growth Rates		Discount Rates		Periods of Cashflow	
	2015	2014	2015	2014	2015	2014
Machines	-	5%	-	11.8%	-	3
Gaming Systems	5%	5%	9.4%	11.8%	7	8
Operations	5%	5%	9.4%	11.8%	4	5
Business Intelligence	5%	5%	9.4%	11.8%	4	5
Flexinet	5%	-	9.4%	-	5	-

Periods of cashflow for Gaming Systems is without a Terminal Value. However, periods of cash flow for Operations, Business Intelligence and Flexinet include a Terminal Value.

The impairment tests carried out as at 30 June, 2015 do not indicate any impairment of the intangible assets.

Sensitivity analysis

The Directors have made assessments in respect of the impairment testing of goodwill and other intangible assets. Should these judgements and estimates not occur, the resulting carrying amount may decrease. The sensitivities are such that the forecast cash flows would need to decrease more than 36% in the case of Gaming Systems, 86% in the case of Operations, 75% for Business Intelligence and 79% for Flexinet before goodwill and other intangible assets would need to be impaired, with all other assumptions remaining constant. Based on this sensitivity analysis, value-in-use calculations were not sensitive to changes in any assumptions (individually and collectively) that would result in the goodwill or other intangibles needing to be impaired.

NOTE 17 – TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2015 $000	2014 $000
Current		
Unsecured Liabilities		
Trade payables	1,990	3,741
Jackpot liability	947	619
Dividend payable	-	843
Other payables and accruals	4,078	2,148
	7,015	7,351
Non-Current		
Unsecured Liabilities		
Other payables and accruals	497	35
	497	35

NOTE 18 – BORROWINGS

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Current		
Secured		
Commercial bill facility	875	1,556
Finance leases *	17	31
Unsecured		
Convertible notes	-	8
	892	1,595
Non-Current		
Secured		
Commercial bill facility	-	875
Finance leases *	5	22
	5	897
(a) Total secured liabilities		
The total secured liabilities are as follows :-		
Commercial bill facility	875	2,431
Finance leases *	22	53
	897	2,484
* Finance leases future minimum lease payments payable:		
- minimum lease payments	24	57
- interest payments	(2)	(4)

(b) Security

The bank facility consisting of bank overdraft and commercial bills is secured by a registered first fixed and floating charge over the assets and undertakings of the entities within the Group.

Finance leases are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(c) Bank overdraft, master asset finance and commercial bill facility

The bank facility provided by the Commonwealth Bank is provided in Australian dollars and has a variable interest rate. The current bank overdraft interest rate is 8.53% (2014: 10.93%) and the current interest rate of the commercial bill draw down facility is 6.59% (2014: 6.68%).

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 18 – BORROWINGS Continued

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
(d) Convertible notes		
In the prior year, the Company had on issue 300 10% convertible notes (EBCI) for $7,500 that were due to be redeemed on 9 January 2003. These notes have lapsed and therefore been written off in 2015.		
The convertible notes are as follows :-		
Convertible Notes - EBCI	-	8
(e) Financing arrangements		
Facility limits		
Commercial Bills	875	3,216
Multi-option facility	1,060	1,060
	1,935	4,276
Used at balance date		
Commercial Bills	875	2,431
Multi-option facility - Bank Guarantee (see note 26)	404	404
	1,279	2,835
Unused at balance date		
Commercial Bills	-	785
Multi-option facility	656	656
	656	1,441

NOTE 19 – PROVISIONS

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Employee Benefits		
Current		
Provision for employee entitlements	2,081	1,445

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. Based on past experience, the consolidated entity expects employees to utilise $921,000 of the accrued leave within the next 12 months.

Non-Current		
Employee benefits	381	573
Aggregate employee entitlements liability	2,462	2,018

Reconciliation

Balance at the beginning of the year	2,018	2,007
Additional provisions recognised	1,336	874
Amount used	(892)	(863)
Balance at the end of the year	2,462	2,018

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 20 – DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated Entity	
	2015	2014
	$000	$000
Current		
Forward foreign exchange contracts liability - held for trading	-	7

NOTE 21 – OTHER LIABILITIES

Current		
Deferred income	4,408	3,763
Non - Current		
Deferred income	296	408
Total deferred income	4.704	4,171

NOTE 22 – SHARE CAPITAL

	Consolidated Entity		Consolidated Entity	
	2015 Shares	2014 Shares	2015 $000	2014 $000
Ordinary shares - fully paid	**17,621,022**	15,324,047	**57,803**	50,853

Movements in ordinary share capital

Details	**Date**	**No. of shares**	**Issue price**	**$000**
Balance	1 July 2013	15,324,047		50,853
Balance	**30 June 2014**	15,324,047		50,853
Balance	1 July 2014	15,324,047		50,853
Shares Issued	24 July 2014	2,296,975	$3.65	8,384
Share Issue transaction costs	24 July 2014			(377)
Repayment of Capital	9 December 2014			(1,057)
Balance	**30 June 2015**	**17,621,022**		**57,803**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number and amount paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote; and upon a poll, each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as show in the balance sheet plus net debt.

The capital risk management policy remains unchanged from the 30 June, 2014 Annual Report.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 23 – RESERVES

	Consolidated Entity	
	2015	2014
	$000	$000
Reserves		
Share-based payment reserve	349	-
Option reserve	-	281
Dividend reserve	-	1
	349	282

Option reserve

The option reserve arises through the recognition of expenses relating to the granting of share options. The Company and WMS Gaming Inc agreed to terminate the distribution and services agreement. This terminated the option agreement covering options issued by the Company. As a result, the underlying options were cancelled.

Dividend reserve

The dividend reserve arises from the difference between amounts set aside by Directors from profits as felt prudent to fund future dividends, and the actual liability of dividends calculated as payable.

Share based payment reserve

The Share-based payment reserve arises from executive/employee performance share rights recognised as an expense.

Executive Share Trust (EST)

Under the EST, eligible employees and executives are allocated performance rights over ordinary shares. The Trustee will aquire eBET Ltd shares on behalf of the participants which are subject to a three year vesting period.

$349,007 (2014: nil) worth of new shares were transferred to the share based payment reserve during the financial year 2015.

NOTE 24 – FINANCIAL INSTRUMENT RISK

Financial Risk management objectives

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, cash and short-term deposits. The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk, currency risk), credit risk and liquidity risk.

Although the Group does not have documented policies and procedures, the Directors manage the different types of risk to which it is exposed by considering risk and monitoring levels of exposure to interest rate and foreign exchange risk, and by being aware of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through general business budgets and forecasts.

The Group holds the following financial assets and liabilities :-

	Weighted Average Effective Interest Rate		Consolidated Entity	
	2015	**2014**	**2015 $000**	**2014 $000**
Financial assets				
Cash and cash equivalents	**2.3%**	2.5%	**5,313**	2,457
Financial assets	**3.1%**	0.0%	**2,391**	-
Trade and other receivables	**0.0%**	0.0%	**15,851**	13,754
Financial lease receivables	**-**	12.5%	**-**	102
Total financial assets			**23,555**	16,313
Financial liabilities				
Commercial bill facility	**6.6%**	6.7%	**875**	2,431
Derivative financial instruments	**-**	0.0%	**-**	7
Finance lease payables	**10.5%**	9.1%	**22**	53
Convertible notes EBCI	**-**	10.0%	**-**	8
Trade and other payables	**0.0%**	0.0%	**3,434**	5,238
Total financial liabilities			**4,331**	7,737

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 24 – FINANCIAL INSTRUMENT RISK Continued

(i) Interest rate risk

The Group's main interest rate risk arises from borrowings. Borrowings undertaken at variable rates expose the Group to cash flow interest rate risk. Borrowings undertaken at fixed rates expose the Group to fair value interest rate risk. As at the reporting date, the Group had the following variable rate financial assets and liabilities:-

Floating interest rates	Weighted Average Effective Interest Rate		Consolidated Entity	
	2015	2014	2015 $000	2014 $000
Financial assets				
Cash at bank	2.3%	2.5%	5,313	2,457
Financial liabilities				
Commercial bill facility	6.6%	6.7%	875	2,431

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, pre tax profit and equity would have been affected as follows:

Judgements of reasonably probable movements:-	Consolidated Entity	
	2015 $000	2014 $000
Net profit		
Higher / (lower)		
+ 2% (200 basis points)	89	(1)
- 1 % (100 basis points)	(44)	-
Equity		
Higher / (lower)		
+ 2% (200 basis points)	89	(1)
- 1 % (100 basis points)	(44)	-

The movements in profits is due to higher / lower interest costs from variable rate debt balances and higher / lower interest receipts from variable cash and cash equivalents.

NOTE 24 – FINANCIAL INSTRUMENT RISK Continued

(ii) Currency risk

As a result of the Group ceasing trading in the Gaming Machine segment, the Group's exposure to currency risk and the effect from movements in the USD/AUD exchange rates upon the Group's statement of financial position has been significantly reduced.

At 30 June 2015, the Group had the following exposure to foreign currency expressed in Australian Dollars :-

Floating interest rates		Consolidated Entity	
		2015	2014
	Currency	$000	$000
Financial assets			
Cash at bank	USD	126	271
Cash at bank	MYR	8	7
Financial liabilities			
Trade and other payables	USD	-	8
Payables exposure, hedged through foreign exchange contracts and options	USD	-	8

Sensitivity Analysis

The following sensitivity analysis is based on the foreign currency rate risk exposures in existence at the reporting date. At 30 June 2015, if the Australian dollar moved, as illustrated in the table below, with all other variables held constant, pre tax profit and equity would have been affected as follows:

Judgements of reasonably probable movements :	Consolidated Entity	
	2015	2014
	$000	$000
Net profit		
Higher / (lower)		
AUD / USD +10%	13	105
AUD / USD -10%	(13)	(105)
Equity		
Higher / (lower)		
AUD / USD +10%	13	26
AUD / USD -10%	(13)	(26)

(iii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, financial assets and trade and other receivables. The Group's exposure to credit risk arises from potential default of a counterparty, with maximum exposure equal to the carrying amount of those financial assets. Maximum exposure at the balance date is $23,555,000 (2014: $16,313,000).

The Group does not hold any credit derivatives to offset its credit exposure.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, including past experience and industry reputation. Historically, the occurrence of bad debts has been very low.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 24 – FINANCIAL INSTRUMENT RISK Continued

In addition, receivables balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk (excluding the value of any collateral or other security) at balance date to recognised financial assets, is the carrying amount net of any provisions for impairment of those assets, as disclosed in the statement of financial position and Notes to the Financial Statements.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested, nor is it the Group's policy to securitise its trade and other receivables.

Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 7-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A provision for impairment loss of $212,135 (2014: $84,061) has been recognised by the Group in respect of trade receivables. In addition, there is a provision for impairment of long term receivables (Payment Plans), of $272,729 (2014: $400,000).

Movements in the provision for impairment loss were as follows:

	Consolidated Entity	
	2015	**2014**
	$000	**$000**
Opening balance	484	586
Additional provisions recognised for:		
Trade receivables	128	-
Receivables written off during the year as uncollectable	(32)	(74)
Unused amounts reversed	(95)	(28)
Closing balance	485	484
Aging Analysis of Trade Receivables		
The ageing analysis of trade receivables is as follows :-		
Gross trade receivables		
Current *	14,371	12,083
31 - 60 Days	279	304
61 - 90 Days	155	359
91 Days and over	1,046	1,110
Closing balance	15,851	13,856

* Includes $3,095,842 (2014: $3,683,641) of long term sales and equipment receivable instalment plans not yet due and payable ($530,000 is over 12 months).

NOTE 24 – FINANCIAL INSTRUMENT RISK Continued

The credit quality of financial assets held as assessed by reference to external credit ratings:

	2015 $000	2014 $000
Cash at bank and short-term bank deposits		
AA (S & P)	5,313	2,457
Held-to-maturity investments		
AA (S & P)	2,391	-

(iv) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Responsibility for liquidity management rests with the Board of Directors who have built an appropriate framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

The Group manages liquidity risk by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities. Short and long term cash flow projections are prepared periodically and submitted to the Board at each board meeting of the Company.

Maturities

The tables below analyse the Group's financial assets and liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Deposits held for Jackpots have been classified as due within 1 year, these accounts are held in trust and can be called upon at any time.

	Total contractual cash flows			
Consolidated Entity 30 June 2015	**Less Than 12 Months $000**	**1-5 Years $000**	**Total $000**	**Carrying amount $000**
Financial assets				
Cash at bank	5,436	-	5,436	5,313
Financial assets	2,466	-	2,466	2,391
Trade and other receivables	15,321	530	15,851	15,366
Total financial assets	23,223	530	23,753	23,070
Financial liabilities				
Commercial bill facilities	933	-	933	875
Finance lease payables	24	-	24	22
Trade and other payables	3,434	-	3,434	3,434
Total financial liabilities	4,391	-	4,391	4,331
Net financial liability maturity	18,832	530	19,362	18,739

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 24 – FINANCIAL INSTRUMENT RISK Continued

	Total contractual cash flows			
Consolidated Entity 30 June 2014	Less Than 12 Months $000	1-5 Years $000	Total $000	Carrying amount $000
Financial assets				
Cash at bank	2,457	-	2,457	2,457
Trade and other receivables	12,165	1,589	13,754	13,270
Financial lease receivables	104	-	104	104
Total financial assets	**14,726**	**1,589**	**16,315**	**15,831**
Financial liabilities				
Commercial bill facilities	1,556	875	2,431	2,431
Derivative financial instruments	7	-	7	7
Finance lease payables	34	23	57	53
Convertible notes EBCI	8	-	8	8
Trade and other payables	4,619	-	4,619	4,619
Jackpot liabilities	619	-	619	619
Total financial liabilities	**6,843**	**898**	**7,741**	**7,737**
Net financial liability maturity	**7,883**	**691**	**8,574**	**8,094**

Capital management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

It is the Group's policy to use positive cashflows to repay debt and thus reduce the weighted cost of capital and to borrow for asset acquisitions deemed to add to future cash flows to the Group at the time.

Financing arrangements

Details of the Group's financing arrangements are set out in Note 18 (e).

Net fair values of financial assets and liabilities

The carrying amount of the Group's identified financial assets and liabilities represents materially their net fair value.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 25 – CAPITAL AND LEASING COMMITMENTS

	Consolidated Entity	
	2015 $000	2014 $000
a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable :		
not later than 1 year	1,184	1,143
later than 1 year but not later than 5 year	1,564	1,959
	2,748	3,102

b) Capital expenditure commitments

There are no capital expenditure commitments as at 30 June 2015 (2014 - nil)

NOTE 26 – CONTINGENT LIABILITIES

The Group has the following contingent liabilities not provided for in the financial report:

Bank Guarantees (on leasehold premises)	404	404

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 27 – SEGMENT INFORMATION

Description of segments

Management has determined the operating segments based on reports reviewed by the Chief Executive Officer (identified as the chief operating decision-maker) and the Board of Directors that are used to make strategic decisions.

The Chief Executive Officer and the Board of Directors have identified the following three reportable segments:-

1. The Gaming Systems Division which develops and markets a range of networked solutions for electronic Gaming machines, including player loyalty an tracking Systems, card - based cashless Gaming solutions and machine management software.
2. The Operations Division which provides Licensed Monitoring Operator services for electronic monitoring, reporting, maintenance of electronic gaming machines, and rental of systems products in Queensland.
3. The Gaming Machines Division has closed as of June 2015. The Group has ceased operations in the machine sales market. For the financial year 2015-16, this segment will not be reported.

Segment information provided to the Chief Executive Officer and the Board of Directors

The segment information provided to the Chief Executive Officer and the Board of Directors for the reportable segments is as follows:-

	Systems		Operations		Machines		Consolidated Entity	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Revenue from external customers	24,970	14,496	25,746	21,614	892	4,707	51,608	40,817
Depreciation and amortisation expense	615	2,457	3,780	1,253	-	274	4,395	3,984
Profit before income tax	**2,730**	**2,234**	**3,185**	**1,141**	**141**	**249**	**6,056**	**3,624**
Income tax benefit / (expense)							2,876	(715)
Net profit after tax							**8,932**	**2,909**
Total segment assets	29,817	24,536	25,965	12,522	-	2,739	55,782	39,797
Total segment liabilities	11,155	9,910	4,673	5,058	-	1,106	15,828	16,074

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments, and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on inter-segment transactions are at commercial terms similar to those charged for similar goods to parties outside the consolidated entity at arm's length. Theses transfers are eliminated on consolidation.

NOTE 28 – SUPERANNUATION COMMITMENTS

The consolidated entity participates in various superannuation funds, which are externally managed and cover all employees. These funds provide accumulation benefits for members based on contributions received and earnings to date.

The level of superannuation contributions is determined by the Superannuation Guarantee Levy. The Consolidated Entity has no responsibility for the administration or performance of the funds. If requested by any employee, additional contributions can be made from amounts deducted from that employee's salary.

Superannuation contributions for the financial year ended 30 June 2015, recorded in the Statement of Profit or Loss and Other Comprehensive Income: $1,210,116 (2014: $1,048,610).

NOTE 29 – AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors of the parent company, UHY Haines Norton:-

	Consolidated Entity	
	2015	**2014**
During the year, the following fees were paid or payable for services provided by the auditors of the parent company, UHY Haines Norton:-		
Audit Services		
- Audit and review of the financial reports	127,800	142,000
- Other audit related services	39,891	-
Other Services		
- Other services	-	10,500
- Due diligence	30,000	-
	197,691	152,500

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 30 – RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity is eBET Limited.

(b) Controlled entities and joint venture entities

Controlled entities and joint venture entities are detailed in Note 14 to the financial statements

(c) Key management personnel

Remuneration of key management personnel

Detail of key management personnel and their positions are detailed in the Remuneration Report within the Directors' Report.

The aggregate compensation paid to key management personnel and other members of the management of the Company and the Group:

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Short-term employment benefits	1,546,971	1,222,484
Long-term employment benefits	-	-
Share based payments (*)	328,882	40,000
Long service Leave	(13,677)	15,007
Post-employment benefits	118,904	55,009
	1,981,080	1,332,500

(*) Share based payments are calculated on financial year performance but awarded subsequent to the close of the financial year in review.

Detailed remuneration disclosures for Directors and other key management personnel are provided in the Remuneration Report within the Directors' Report.

(d) Transaction with related parties

During the year, $85,000 (2014: $130,000) in consulting fees was paid to Braymera Pty Ltd an entity associated with a director, Mr Ian James, for the provision of advice on specific projects undertaken by the Group.

During the year, $83,200 was paid to Interactive Advisory Group, a firm associated with an executive, Mr Peter Walford, for consulting charges before Mr Walford was employed as Chief Operating Officer of the Company.

The above payments have been included in the Remuneration Report.

(e) Transaction with controlled entities

During the year, a number of entities within the Group sold & purchased goods and services between themselves, upon normal commercial terms in the normal conduct of their respective business operations. The effect of these transactions has been eliminated from the consolidated results.

A number of loans exist between varied controlled entities within the Group, no interest is charged upon any of these loans and all intercompany loans are eliminated upon consolidation.

NOTE 31 – EVENTS SUBSEQUENT TO REPORTING DATE

On 19th August 2015, the Company declared a 14 cent per share dividend to be paid on 25th September to holders of shares as at 27th August 2015.

Apart from the foregoing, there are no other significant events to report.

Notes to the Financial Statements
for the year ended 30 June 2015

NOTE 32 – PARENT ENTITY DISCLOSURES

	Parent Entity	
	2015 $000	**2014 $000**
As at, and throughout the year ending 30 June, 2015 the parent company of the consolidated entity was eBET Limited.		
Result of the parent entity		
Loss for the year before income tax	(3,185)	(2,949)
Income tax (expense)	2,876	(715)
Other comprehensive income	-	(840)
Total comprehensive income for the year	(309)	(4,504)
Financial position of the parent entity at the year end		
Current assets	4,632	142
Total assets	28,385	19,387
Current liabilities	816	1,517
Total liabilities	18,400	16,387
Net assets	9,985	3,000
Total equity of the parent entity comprising of		
Share capital	57,802	50,853
Reserves	349	284
Retained earnings	(48,166)	(48,137)
Total equity	9,985	3,000

Contingencies and commitments

The contingent liabilities of the parent entity as at the reporting date are disclosed at Note 26. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

Capital commitments

The parent entity has no capital commitments at 30 June 2015.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Directors' Declaration

In the Directors' opinion:

(a) the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes thereto comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

(c) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015, and of its performance for the financial year ended on that date;

(d) there are reasonable grounds to believe that the Company and the consolidated entity will be able to pay their debts as and when they become due and payable; and

(e) The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

(f) At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in the financial statements.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors.

Paul N Oneile	**Ken Carr**
Chairman	CEO and Managing Director

Dated this 24th day of September, 2015 in Sydney.

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of eBET Limited

Report on the Financial Report

We have audited the accompanying financial report of eBET Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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*.

Opinion

In our opinion:

(a) the financial report of eBET Limited, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1;

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 13 to 19 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of eBET Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

UHY Haines Norton

M.D. Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Signed at Sydney
24 September 2015

Shareholding

TOTAL NUMBER OF SHARES AND SHAREHOLDERS

At 25 August, 2015, issued capital was 17,634,492 ordinary shares (EBT) held by 3,925 Shareholders.

VOTING RIGHTS

(a) On a show of hands, every member present at a general meeting in person (whether or not in one or more capacities) has one vote;

(b) Where a person present at a general meeting represents personally or by proxy, more than one member on a show of hands:

  (i) the person is entitled to one vote only, despite the number of members the person represents;

  (ii) that vote will be taken as having been cast for all the members the person represents; and

  (iii) for a person who has been appointed as a proxy under two or more instruments that specify different ways to vote on a resolution, the person may not vote as a proxy on a show of hands; however, if the person is a member, the person may vote on a show of hands without regard to the proxy the person holds; and

(c) On a poll, every member present in person has the following voting rights:

  (i) In the case of fully paid shares, one vote for each share held by the member; and

  (ii) In the case of party paid shares, for each share, a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

20 Largest Holders of Ordinary Shares and their Holdings at 25 August 2015

		Number	Ordinary Shares % of Total
1.	RBC INVESTOR SERVICES AUSTRALIAN NOMINEES PTY LTD	2,613,265	14.82%
2.	NATIONAL NOMINEES LIMITED	1,726,412	9.79%
3.	CITICORP NOMINEES PTY LIMITED	1,496,245	8.48%
4.	GAILFORCE MARKETING & PR PTY LIMITED	947,439	5.37%
5.	EQUITAS NOMINEES PTY LIMITED	912,761	5.18%
6.	J P MORGAN NOMINEES AUSTRALIA LIMITED	681,788	3.87%
7.	FANCHEL PTY LTD	600,000	3.40%
8.	BNP PARIBAS NOMS PTY LTD	505,364	2.87%
9.	MICROEQUITIES ASSET MANAGEMENT PTY LTD	459,298	2.60%
10.	SANDHURST TRUSTEES LTD	445,441	2.52%
11.	CITICORP NOMINEES PTY LIMITED	421,093	2.39%
12.	MR CHRIS CARR & MRS BETSY CARR	400,000	2.27%
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	228,267	1.29%
14.	ACS (NSW) PTY LIMITED	157,066	0.89%
15.	ROMAN LOHYN PTY LTD	155,000	0.88%
16.	LOCOPE PTY LTD	125,000	0.71%
17.	MR WILLIAM JAMES CORBETT & MRS JANET CLAIRE CORBETT	108,193	0.61%
18.	MRS ANTONIA COLLOPY	100,000	0.57%
19.	TRINITY MANAGEMENT PTY LTD	99,999	0.57%
20.	FOYCO LIMITED	86,433	0.49%
	TOTAL	**12,269,064**	**69.57%**

Distribution of Shareholders and Shareholdings at 25 August 2015

Range	Total Holders	Units	% of Issued Capital
1 - 1000	3,152	780,741	4.43%
1,001 - 5,000	546	1,256,182	7.12%
5,001 - 10,000	114	829,342	4.70%
10,001 - 100,000	96	2,785,595	15.80%
100,001 and over	17	11,982,632	67.95%
TOTAL	**3,925**	**17,634,492**	**100%**

The number of shareholders holding less than a marketable parcel of ordinary shares @ $3.50 per unit is 1,268 (79,400 shares).

Substantial Shareholders

Substantial shareholders at 25 August, 2015 as disclosed in Substantial Shareholder Notices given to the Company.

	Number of Securities	Proportion of Issued Securities
PERPETUAL LIMITED	2,593,265	14.72%
IOOF HOLDINGS LIMITED	2,127,839	12.08%
COMMONWEALTH BANK OF AUSTRALIA LIMITED	1,754,940	9.95%

Options

There are no options on issue at the date of this report.

On-Market Buy Back

There is no current on-market buy back.

Directory

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COMPANY SECRETARY

Alistair McKeough
Managing Director
Whittens & McKeough

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