BPS Technology

BPS TECHNOLOGY LTD

ABN 43 167 603 992

FINANCIAL REPORT 2015

For the year ended
30 June 2015

Contents

Chairman and CEO's Report

MURRAY d'ALMEIDA
CHAIRMAN

TREVOR DIETZ
CHIEF EXECUTIVE OFFICER

Dear Investor

It is with pleasure that we report on the BPS Technology Limited group for its first year's results since listing on 9 September 2014. The Board is satisfied with the performance of the Company during the year. Much has been achieved and a solid platform has been laid which will ensure sustainable medium to long term growth.

Our Prospectus stated that we forecast to achieve revenues of $50.9 million, EBITDA of $9.893 million and a Net Profit after Tax of $6.486 million. We are pleased to announce in this annual report that all of our earnings objectives have been met. We can now report that our final results are as follows:

- revenue earned by the group was $48.1 million slightly below forecasts due primarily to our decision to delay the roll out of our bucqi offering;
- EBITDA was $10.1 million exceeding our forecast of $9.9 million as a result of strong cost control and a superior performance by the Bartercard businesses;
- net Profit after tax was $7.9 million exceeding our forecast of $6.5 million due primarily to the superior performance of the Bartercard business and a more favourable tax outcome;
- earnings per share of 14.88 cents per share against a forecast of 11.11; and
- total dividends for the year are 5.5 cents per share unfranked.

Bartercard has increased its global presence with the sale of licenses in China, India and South Africa. This increases our global reach from seven countries to ten countries around the world including two of the world's largest trading economies in China and India. Recruitment and training is currently underway in China and India and operations will commence during the 2016 financial year. South Africa has already commenced operations. Bartercard's strategy is to buy back franchisees in large urban areas. This strategy will continue in the 2016 financial year as opportunities arise. This is designed to accelerate growth using the resources of BPS.

Our Trade Exchange Software Services (TESS) platform has been fully developed, tested and is now being rolled out with the assistance of our partner, the global trade exchange body IRTA. IRTA have adopted the TESS software platform to be used as its "interchange software program". This is being used by IRTA to allow different member exchanges to trade between themselves, thus expanding the trading opportunities of all exchanges. This is a first in the seventeen year history of IRTA and it is made possible by the TESS platform. IRTA will now start marketing the TESS platform to its members.

The launch of bucqi was delayed until June 2015 following an internal review of key product features and the business model. bucqi is currently being implemented in selected regional centres in Australia.

In addition to growing our core business, the Board of Directors are alert to opportunities in the market place and will look to acquisitions of complementary products and businesses.

We would like to thank all investors for their faith in the Company and we look forward to rewarding that faith with financial success and growth.

On behalf of the Board of Directors we also take this opportunity to thank our management team and all our hard working staff around the world for their efforts in making the business successful.

Yours sincerely

Murray d'Almeida
Chairman

Trevor Dietz
Chief Executive Officer

1.0 Operating & Financial Review

PRINCIPAL ACTIVITIES

The principal activities of the consolidated group during the financial year were to provide and licence technology platforms that drive customers to merchants. The group earns fees from members that transact on these platforms.

A large majority of our operations are conducted in Australia, the UK and New Zealand.

SIGNIFICANT CHANGES TO ACTIVITIES

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

OUR BUSINESS MODEL AND OBJECTIVES

The BPS Technology Limited "BPS" business model is to provide payment, loyalty and reward platforms to merchants which attract customers to them. BPS charges a transactional and monthly fee to merchants for the use of the platforms.

BPS have developed and launched three platforms to merchants. These platforms cover Business to Business (B2B) through Bartercard, Business to Consumer (B2C) through bucqi, and Exchange to Exchange (X2X) through TESS (Trade Exchange Software Services).

BPS attracts new merchants to its merchant network via a direct sales force but lately also via online and phone sales. BPS has 24,000 active fee paying merchants, 54,000 card holders and generates $600 million in annual transaction value in eight countries. BPS owns the operations in Australia, New Zealand, United Kingdom and the United States. The operations are licenced in Thailand, UAE, Cypress and South Africa. India and China licences have recently been sold and operations will commence during FY16. BPS receives an upfront licence fee and monthly service fees based on the revenues generated by licensees. BPS is not dependent on any single merchant, customer or licensee.

The objective of BPS is to substantially grow the merchant base and geographical footprint. This will lead to growth in transactions and consequently growth in revenues, profits and dividends to Shareholders.

About Bartercard

Bartercard is the world's largest trade exchange. It allows small to medium businesses to conduct business transactions without the use of cash. There are more than 54,000 card holders in eight countries. Bartercard transactions can be conducted on-line, via its mobile app or across more than 7,000 bank EFTPOS terminals.

About bucqi

bucqi is a disruptive technology based around a loyalty platform designed for SMEs which is combined with a robust and innovative mobile payment app for both merchants and consumers. The platform has been two years in the making and has a number of patents pending. It allows consumers to easily pay for goods and services without taking out their wallet or swiping their credit card and they earn and redeem reward points via a wide range of participating suppliers.

About TESS

TESS (Trade Exchange Software Services) is a software platform which was developed to support all trade exchanges globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association ('IRTA') - the largest professional body representing of the industry globally. TESS produces versions of its software created to service small, medium, large and enterprise level exchanges.

OPERATING RESULTS

The profit of the Consolidated Group amounted to $7.89 million (2014 $nil), after providing for income tax. The group commenced trading effective from 1 July 2015.

REVIEW OF OPERATIONS

BPS Technology Limited "BPS" or "the Group" exceeded its published earnings expectations during the year. This was achieved as a result of a strong performance by the Bartercard business unit, diligent cost control and a favourable tax outcome. In FY15 the Group processed transactions through its various platforms in excess of $600 million and earned revenues of $48.1 million , slightly lower than the prospectus forecast of $51.5 million, mainly due to the decision to delay the roll out of the bucqi offering.

bucqi

The launch of bucqi was delayed until June 2015 following an internal review of key product features and the business model. bucqi is currently being implemented in selected regional centres in Australia.

Bartercard

Bartercard, the B2B platform of the Group, expanded its geographical footprint from 7 countries to 10 by signing new licences for India, South Africa, and China. Operations have commenced in South Africa and is planned to commence in India and China during the 2016 financial year. Bartercard adopted a strategy during the year of buying selective franchisees in large urban areas. This strategy was adopted to apply the resources of BPS to increase the productivity of those businesses.

Trade Exchange Software Services (TESS)

The Trade Exchange Software Services (TESS) platform has been fully developed, tested and is now being rolled out with the assistance of our partner - the global trade exchange body IRTA. IRTA have adopted the TESS software platform to be used as its "interchange program". This is being used by IRTA to allow different members exchanges to trade between themselves thus expanding the trading opportunities of all exchanges. This is a first in the seventeen year history of IRTA and it is made possible by the TESS platform. IRTA will now start marketing the TESS platform to its members.

Investment Activities

BPS invested cash resources into the growth areas of the Group. The main cash investments during the year were as follows:

- $2.097 million was invested in the TESS software technology,
- $3.74 million was invested for the acquisition of Bartercard franchises; and
- $973,000 was invested for the development of bucqi.

FINANCIAL POSITION

The net assets of the Consolidated Group have increased by $32.73 million in the year ended 30 June 2015. This increase was largely due to the following factors:

- generation of a profit after tax for the year of $7.899 million, from operations acquired;
- proceeds from share issues of $30 million on 9 September 2014;
- net costs of the capital raising paid were $3.83 million; and
- payment of dividends to Shareholders of $1.32 million during the year.

The Consolidated Group has no drawn borrowings as at 30 June 2015. It has cash reserves of $2.74 million and since the end of the 2015 year has acquired secured facilities of $4 million. The Group shows a surplus of current assets over current liabilities in the sum of $5.60 million. This represents a significant improvement from the 2014 year where there was a deficiency in current assets of $2.08 million.

During the financial year the Group has invested in the acquisition of several businesses following the successful capital raising. Since those acquisitions, the Group has continued to invest in the development of new technology and improvements to existing technologies.

Significant efforts have also been made to expand the global footprint of the Group. At acquisition, the Group operated in seven countries around the world. This has now grown to ten countries, adding China, South Africa and India.

The Directors believe the Group's financial position is sound and will allow the Group to expand and grow in accordance with its strategic plan.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Company completed a $30 million capital raising on the 9 September 2014 and listed on that date.

The Company used these funds to complete the acquisition of the following businesses and assets:

1. Purchase of the business of Bartercard Australia, the operator of the Bartercard business in Australia, for a purchase price of $9 million.
2. Purchase of 100% of Bartercard New Zealand GP Ltd, and the Bartercard NZ limited partnership, the operator of the Bartercard business in New Zealand for $5.76 million.
3. Purchase of the business of Bartercard UK, the operator of the Bartercard business in the UK, for a purchase price of $2.5 million. The purchase price was satisfied by a payment of cash.

4. Purchase of 100% of Bartercard USA, the operator of the Bartercard business in the USA for $100,000.
5. Purchase of the remaining shares of Bucqi Australia Pty Ltd, the developer of a B2C technology platform for 2,000,000 shares in BPS Technology Ltd.
6. Acquisition of the Bartercard brand name management options and international rights for a purchase price of $2 million.

Between admission and 30 June 2015 the consolidated entity has used its cash and other assets readily convertible to cash, in a manner which is consistent with its business objectives.

EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year that does or may significantly affect:

i. the entity's operations in future financial years; or

ii. the results of those operations in future financial years; or

iii. the entity's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During the 2016 financial year the Board of Directors have identified the following core strategies for the Group:

- Organically grow new members into the Bartercard network;
- Further expand the Bartercard global footprint;
- Market the TESS platform as the preferred technology of the Trade Exchange Industry; and
- Commercialisation of the bucqi platform throughout Australia and New Zealand.

Bartercard management has changed the joining process of a new business member into the network. The upfront joining fee has been abolished and replaced with a higher monthly fee of $99. This modification eliminates a barrier for new members joining the exchange. Our modelling indicates that this strategy is more profitable in the medium to long term and encourages immediate growth. During the first two months of the 2016 financial year these changes have yielded an increase of 60% in the rate of new members joining Bartercard when compared to the previous year.

Bartercard plan to expand into new territories during the next year to operate in a total of 12 countries. Additional franchises are planned to be sold and operated in the USA and United Kingdom.

In addition to this organic growth your Board will be alert to acquisition prospects in the marketplace and will take advantage of this growth path as opportunities become apparent.

TESS was successfully introduced at the September 2015 IRTA Global conference and revenues are expected from the second half of the 2016 financial year. IRTA have adopted the TESS platform as its "interchange software", offering the ability for different Trade Exchanges to trade between themselves. IRTA will now market the TESS platform as its preferred technology provider to the industry.

bucqi is currently being implemented in selected regional centres in Australia.

The 2016 financial year is expected to be a year in which substantial roll out of our platforms will occur both domestically and through the larger global network.

BUSINESS RISKS

The Company operates within a unique market place which has a number of identified risks. The Company has an appropriate risk mitigation procedure in place. The following risks have been identified:

- **Changes in Law and Government Policy**
  With the rise in digital currencies like bitcoin, there is increasing risk of changes to laws and regulations in relation to digital currencies. While this may work in BPS' favour (as the Tess Platform is a long-standing, well-established software platform of a Trade Exchange for digital currencies), there is a risk such changes could impact on BPS' ability to offer its platforms or result in penalties and other liabilities in the event that BPS fails to take account of such laws and regulations.

  BPS has developed a strategy to ensure it places its concerns in front of any Government body seeking to implement changes which may adversely affect the Company's operations.

  BPS could also be negatively impacted by any failure to gain approval from the regulatory authorities in foreign countries to allow the Bucqi mobile payment system to operate in the relevant country.

- **Competition – BPS is a Technology Business**
  New technologies are constantly emerging in each of the areas in which BPS operates and the cost of developing, launching and bringing to market these competing technologies continues to fall. The payments space is particularly competitive with many well-funded international competitors. Failure to compete successfully in other countries against current or future competitors would limit new sales of the Tess Platform and/or the

Bucqi Platform and hence materially impact BPS' business.

BPS may not be able to efficiently upgrade the Tess Platform and the Bucqi Platform without incurring substantial expense that may not be able to be passed on to its customers. An inability to adapt to technological advancement may negatively impact the ability to attract retail customers and have a material adverse effect on the business of BPS.

- **Exchange Rate Risk**
  BPS is forecast to derive substantial income from operations in other countries and this may increase as the Company expands its operations. Movements in the value of the Australian dollar may have a material negative impact on the Company's earnings.

- **Personnel**
  BPS' success, in part, depends upon the continued performance, efforts, abilities and expertise of its key management personnel, (particularly its Chief Executive Officer, Managing Director, Head of Software Innovation and Development and the General Manager of Mobile Payment Systems) as well as other management and technical personnel that are employed by or contracted to BPS. The loss of the services of certain of these personnel without replacement could have an adverse impact on the successful operation, management and promotion of the Bartercard Trade Exchanges, the development of the Tess Platform and its roll out to non-Bartercard trade exchanges and/or the development of bucqi Platform and the marketing of those platforms.

  Further, a substantial increase in labour costs for employees or contractors may have an adverse impact on the financial performance and/or financial position of BPS.

- **Intellectual Property Risk**
  Whilst every effort has been made to secure the technology supporting BPS' various Platforms with the exception of the bucqi software, BPS does not intend to apply to register patents for all the intellectual property associated with the Bartercard and Tess platforms. Other parties may claim infringement of patents or alternatively other parties may develop and patent other very similar, potentially substitutable products, processes or technologies.

- **Third Party Failure**
  BPS is reliant on a number of third party contractors. These third parties provide essential services on an outsourced basis including software and/or product development activities. Accordingly, BPS is reliant on contractors properly performing their contractual obligations. Performance failures may have an adverse effect on BPS.

  BPS is also an extensive user of third party provided IT hardware and software platforms, systems and infrastructure. BPS is reliant on these suppliers properly performing their contractual obligations. Performance failures and unreasonable price increases may have a material adverse effect on BPS.

  A failure by any of these suppliers to provide those services or a failure of their systems, may adversely affect the Company's ability to provide services to its customers.

- **Service Delivery Failure**
  BPS relies on its intellectual property to provide its customers with its service. There may be a failure to deliver the service as a result of numerous factors including human error, power loss, improper building maintenance by landlords in leased or licensed premises, earthquake, flood and other natural disasters, industrial disruption, sabotage, vandalism and other factors. Any material failure in service delivery will have a material adverse effect on the business of BPS.

- **Internet/Hosting**
  BPS is reliant on continued access to the internet and on the parties that host BPS' cloud based platforms. Should internet or hosting services be disrupted for prolonged periods, then the service that BPS provides to its customers will be compromised. This in turn could impact BPS.

- **Security and Unauthorised Use**
  Security risks are a factor in all internet-based systems. Any breach of security could result in the non-performance of the platforms, the loss of confidential information or damage to the reputation of BPS platforms.

  BPS has invested significantly in acquiring the Bartercard brand name, the Tess Platform and the Bucqi Platform. The laws relating to trade secrets, copyright and trade marks assist to protect its proprietary rights. Despite these measures there can be no guarantee that unauthorised use or copying of technology owned or developed by BPS will not occur.

  Any such claims could impact BPS' ability to license its platforms in their current forms or require BPS to pay damages and / or licence fees to the party claiming infringement.

ENVIRONMENTAL ISSUES

The Consolidated Group's operations are not subject to significant environmental regulations under the laws of the Commonwealth or state.

International leadership team

Chris Cleator (BCSA), Atul Bhakta (BCCH), John Scott (BCNZ), Clive van Deventer (BCAU), Rae Wattanurak (BCTH), Paul Bolte (BCUSA), Puneesh Mehra (BCIN), Phil Ciniglio (BCUK)

Antonie Wiese (CFO), Trevor Dietz (CEO), Brian Hall (MD)

Corporate Governance Strategy

2.0

BPS TECHNOLOGY LTD - CORPORATE GOVERNANCE ARRANGEMENTS

The Board of BPS Technology Limited ("the Company", "BPS") is committed to the highest standards of corporate governance and enhancing Shareholders value. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, with a view to building sustainable value for the Shareholders and in the interest of employees and other stakeholders.

The Board's broad function is to:

- chart strategy and set financial targets for the Company;
- monitor the implementation and execution of strategy and performance against financial and non-financial targets; and
- appoint and oversee the performance of Executive Management and generally to take and fulfil an effective leadership role.

COMPOSITION OF BOARD

The Board performs its roles and function, consistent with the above statement of its overall corporate governance responsibility, in accordance with the following principles:

- the Board should comprise at least three Directors with a maximum of nine Directors;
- where circumstances allow, to have a majority of independent Directors and an independent Chairman; and
- Directors will be elected for a three year term.

The Board comprises six Directors, two of whom are Non-Executive and independent. The Chairman is also a Non-Executive Director, however he is not regarded as independent. This is discussed further below. At the date of this report, the Board comprised the following:

	ROLE	APPOINTED
Murray d'Almeida	- Non-Executive Director - Chairman	25 July 2014
Anthony Lally	- Non-Executive Director - Independent	25 July 2014
Andrew Pipolo	- Non-Executive Director - Independent	25 July 2014
Trevor Dietz	- Chief Executive Officer - Executive Director	17 January 2014
Brian Hall	- Managing Director - Executive Director	17 January 2014
Antonie Wiese	- Chief Financial Officer - Executive Director - Company Secretary	17 January 2014

COMPLIANCE WITH ASX CORPORATE GOVERNANCE GUIDELINES AND RECOMMENDATIONS

The Directors of BPS are responsible for the overall corporate governance practices of the Company and are committed to the implementation of the highest standards of ethical behaviour and accountability in its decision making and the Company's operations. In determining these standards the Board refers to and applies, to the greatest extent possible, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the Principles").

BPS' corporate governance practices are largely consistent with the ASX Principles. These practices are detailed in the following internal documents, copies of which are available on the Company's website at **www.bpstechnology.com**:

- Board Charter;
- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Code of Conduct;
- Securities Trading Policy;
- External Communication Policy;
- Risk Management Policy;
- Privacy Policy;
- Whistle-blowers Policy.

Where BPS has not applied a principle or recommendation, the explanation for non-compliance is detailed below. The corporate governance statement is current at the date of this report and has been approved by the Board.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board is responsible for overall oversight of the management of BPS. In doing so, they are responsible for guiding and monitoring the activities of BPS on behalf of Shareholders, determining the strategic direction and objectives of the Company and overseeing management's achievements against these.

BOARD CHARTER

Consistent with the functions outlined above, power and authority in certain areas is specifically reserved to the Board. These are listed in the Board Charter which will be kept under review and amended from time to time as the Board may consider appropriate. The purpose of this document is to give formal recognition to the scope, responsibility and composition of the Board. The Charter sets out various other matters that are important for effective corporate governance including the following:

- a detailed definition of "independence" for purposes of appointment of Directors;
- a framework for annual performance review and evaluation;
- criteria for monitoring and evaluating the performance of senior Executives;
- monitoring capital management and major capital expenditure;
- frequency of Board meetings;
- ethical standards and values – ensuring compliance with the Company's governing documents and code of conduct;
- risk management – identifying risks, reviewing and ratifying the Company's systems of internal compliance and control;
- establishment of Board committees;
- including the Audit and Risk Committee and the Remuneration and Nomination Committee;
- framework for the selection of candidates for appointment to the Board;
- transparency of the role and responsibilities of Directors, the Chair and Managing Director;
- the implementation of a formal and detailed code for securities transactions designed to ensure fair and transparent trading by Directors, management, employees and others (the Board has implemented a separate securities trading policy); and
- communications with Shareholders and the market.

A copy of the Board Charter is available on the Company's website (**www.bpstechnology.com**)

BOARD SUB-COMMITTEES

The Board delegates specific responsibilities to various Board sub-committees. The Board has established:

- an Audit and Risk Committee which is responsible for overseeing the external and internal audit functions of the Company's activities and advising and assisting the Board in assessing risk factors associated with the operation of the Company; and
- a combined Remuneration and Nominations Committee which is responsible for making recommendations to the Board on remuneration packages and nominations after consideration of all relevant information.

Through regular and frequent communication between the Board and Management and by monitoring management's activities, reports and performance, the Board ensures that management is aware of and responsive to the risks, opportunities and priorities recognised by the Board.

DIRECTOR/EXECUTIVE SERVICE AGREEMENTS

In addition to the Board Charter, BPS has entered into service agreements with the three Executive Directors which detail the terms and conditions of their service, including matters relating to confidentiality, restraint on competition, the retention of intellectual property and termination. These agreements continue until terminated which may occur with the giving of 6 months notice.

BPS has also issued letters of appointment for Non-Executive Directors which set out the key terms, conditions and responsibilities of their position.

ACCOUNTABILITY OF COMPANY SECRETARY

The Company Secretary has an important role within the organisation and is responsible for providing guidance to the Board and its Committees on governance matters and monitoring that Board and Committee policy and procedures are followed.

The Company Secretary attends all Board and Committee meetings and circulates the minutes of meetings to Board members. The Board Charter prescribes that all Directors have access to the Company Secretary, who is accountable to the Board on governance matters, through the Chairman.

DIVERSITY POLICY

BPS does not currently have a diversity policy. The Board considers that it does not have the resources and infrastructure to set measurable objectives for achieving diversity and to monitor or report on such objectives. The Board however recognises the benefits of diversity representation across the organisation and in leadership positions, being reflective of the populations in which the Company does business.

BPS has established appropriate ethical standards and is committed to recruiting individuals with the appropriate skills and qualifications required for the role. This process is pursued giving consideration to the Code of Conduct and the Remuneration and Nomination Committee Charter which specifically includes policies against discrimination.

EVALUATION OF BOARD AND SENIOR EXECUTIVE PERFORMANCE

The Board has adopted a process to review its performance on an annual basis or more frequently should the Chair consider it to be appropriate. This review is to be undertaken by the Remuneration and Nomination Committee who consists of Non-Executive Directors, the majority of whom are independent.

This review evaluates the performance of the Board as a whole, as well as each Director and includes an assessment of whether individual Directors have devoted sufficient time to their duties. Given the life span of the Company, the first performance evaluation has yet to occur.

Although the criteria for the review of performance of Senior Executives is set by the Board, the Remuneration and Nomination Committee have responsibility for the review of Senior Executives and Executive Directors. This review is to be performed at least annually.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

BOARD ATTRIBUTES AND SKILLS

The Board is comprised of individuals with a range of knowledge, skills and experience that are appropriate to the Company's activities and objectives. The Board believes the Company as a whole benefits from the experience of its Directors, who bring quality and independent judgement to all relevant issues falling within the scope of the role.

The collective skills of the Board include:

- Finance
  - risk management
  - transactions (M&A)
  - financial accounting
  - capital markets
  - funds management
  - banking
  - taxation
  - disclosure
- Strategy
- Human Resources
- health and Safety
- International business
- Executive leadership
- Actuarial
- Public board experience
- Industry knowledge
  - digital currencies
  - payment systems
  - loyalty systems
  - retail
  - marketing
  - information technology
  - superannuation
  - logistics/supply chain
  - transportation
  - not-for-profit

DIRECTOR INDEPENDENCE

BPS' independent Directors comprise Andrew Pipolo and Anthony Lally.

Although the specific criteria set down in the Board Charter and the Principles would suggest that Murray d'Almeida was independent, he was formerly a Non-Executive Director of the entity from whom the Company acquired the Bartercard business at the time of listing. On the basis of this former relationship, the Board has taken a conservative approach and operates assuming Mr d'Almeida is not an Independent Director.

While the Board recognises the principle that the Chairman should be an independent Director, the Board believes that Murray d'Almeida is the most appropriate person to lead the Board as Chairman given his long standing experience and business relationships. The Board is confident that he brings quality and independent judgement to issues falling within the scope of the role of Chairman. Murray d'Almeida does not have material shareholding in BPS.

The Board considers that fundamentally, the independence of Directors is based on their capacity to put the best interests of BPS and its Shareholders ahead of all other interests, so that the Directors are capable of exercising objective independent judgment. Given the size of the Company, the Board believes that it has an appropriate size and mix of skills to provide independent and transparent decisions for the benefit of BPS despite not having the recommended majority Independent Directors as outlined in the Principles.

Instead, the Board has implemented several policies and practices to enable it to make transparent and independent decisions. For example, Directors are not allowed to be present during discussions or decision making on matters in which they have or could be seen to potentially have a material conflict of interest. In addition, Directors are excluded from taking part in the appointment of third party service providers where the Director has an interest. Such policies provide further separation and safeguards to independence.

With the prior approval of the Chairman, which may not be unreasonably withheld, each Director has the right to seek independent professional advice at the cost of the Company, concerning any aspect of BPS' operations in order to fulfil their duties and responsibilities as Directors and to ensure independent decision making.

DIRECTOR INDUCTION AND TRAINING

The Company Secretary is responsible for arranging for any new Director to undertake an induction program to enable them to gain an understanding of:

- the Company's operations;
- the culture and values of the Company;
- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities; and

- any other relevant information.

As part of this induction program, a new Director will meet with all incumbent Directors and senior management to gain an understanding of the duties and responsibilities of the Director within the Company.

REMUNERATION AND NOMINATIONS COMMITTEE

The purpose of this Committee is to assist the Board and make recommendations to it in relation to the appointment and remuneration of new Directors (both Executive and Non-Executive) and Senior Executives. The Committee has a minimum of three members. At any time the composition of the Board permits, the Committee shall also consist only of Non-Executive Directors and a majority of Independent Directors, and will be chaired by an Independent Chairman appointed by the Board. Committee members are appointed for periods of no more than one year, with members being generally eligible for re-appointment so long as they remain Directors of the Board. At the date of this report the committee comprises the following members:

- Andrew Pipolo, as Chairman
- Murray d'Almeida
- Anthony Lally

The members of the Committee are all Non-Executive Directors and a majority are considered independent.

Functions performed by the Committee include:

- providing advice in relation to remuneration packages of Senior Executives, Non-Executive Directors and Executive Directors, equity-based incentive plans and other employee benefit programmes;
- reviewing BPS' recruitment, retention and termination policies;
- reviewing the BPS' superannuation arrangements;
- reviewing succession plans of Senior Executives and Executive Directors;
- recommending individuals for nomination as members of the Board and its committees;
- ensuring the performance of Senior Executives and members of the Board are reviewed at least annually;
- considering those aspects of the BPS' remuneration policies and packages, including equity-based incentives, which should be subject to Shareholders approval;
- monitoring the size and composition of the Board; and
- reviewing BPS' diversity policy and its effectiveness.

The Remuneration and Nomination Committee meets at least twice a year and more often as considered necessary. The Chairman may invite other persons such as internal specialists or external advisors to attend meetings if appropriate.

The Committee members' attendance at meetings as compared to total meetings held, are detailed in the Directors' Report.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

The Board acknowledges the need for the highest standards of corporate governance practice and ethical conduct by all Directors, employees, consultants and contractors of BPS.

CODE OF CONDUCT

The Board has adopted a Code of Conduct setting out the ethical standards expected of all personnel. Breeches of the Code may result in disciplinary action including dismissal in serious cases. The Code, which is to be reviewed annually, establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.

The Company's Code of Conduct is available on BPS' website (**www.bpstechnology.com**).

SHARE TRADING POLICY

Recognising that individuals connected with the Company will sometimes be in possession of market-sensitive information, BPS has a Securities Trading Policy. Compliant with ASX Listing Rule 12.9, this policy also restricts any transactions in BPS' shares by Company Directors, officers, consultants, senior management and other employees and related persons who in the course of their interactions with the Company, are in possession of such market-sensitive information.

A copy of the Company's policy on the trading of Company securities by key management personnel is available on the website (**www.bpstechnology.com**).

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

AUDIT AND RISK COMMITTEE

The Company has established an Audit and Risk Committee to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure, risk management systems (financial and non-financial – such as operational, environmental, sustainability, compliance, reputation or brand, project, technological, product or service quality, human capital and market related risks).

The Committee's structure, roles and responsibilities are detailed in the Audit and Risk Committee Charter, a copy of which is available on the Company's website (www.bpstechnology.com). This Charter is reviewed by the Committee at least annually.

The Committee is to include at least three members and an Independent Chairman who shall not be the chairperson of the Board. At any time the composition of the board permits, the Committee shall consist of only Non-Executive Directors and a majority of Independent Directors. At least one member is to have significant, recent and relevant financial management experience and some members shall have an understanding of the industries in which the Company operates. The current members of the Committee comprise:

- Anthony Lally, as Chairman
- Murray d'Almeida
- Antonie Wiese

Anthony Lally is the independent Chairman of the Audit and Risk Committee being an independent Non-Executive Director applying the criteria published by the ASX Corporate Governance Council. The Board considers that Anthony Lally holds the necessary experience and expertise to chair the Committee.

Given the size of the Board and in an attempt to ensure an effective division of responsibilities, it has not been possible to comply with the Principle recommendation that all Directors are Non-Executive with a majority also being independent.

In relation to Murray d'Almeida, the Board has taken a conservative approach in relation to independence given his previous role as a Non-Executive Director of the entity from whom BPS acquired the Bartercard business. The Board notes however that the criteria set out in the Principles which would suggest Mr d'Almeida was independent.

Antonie Wiese is an Executive Director of the Company, however in his role as Chief Financial Officer, he brings the significant financial experience required of a Committee member. Together with Murray d'Almeida, Mr Wiese has many years of experience in the industries in which BPS operates.

Further details of the experience and expertise of the members of the Committee are detailed in the Directors' Report.

The Committee performs a variety of functions relevant to internal and external reporting and reports to the Board following each meeting. Other matters for which the Committee is responsible include:

- review with senior management and the external auditor and make recommendations to the Board in relation to the approval of financial statements and reports intended for publication;
- review the adequacy and effectiveness of the Company's policies and procedures for assessment, monitoring and management of financial and non-financial risks;
- review any legal matters which could significantly impact the Company's compliance and risk management systems and any significant compliance and reporting issues;
- review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with law and regulations and the results of management's investigations of any fraudulent acts or non-compliance; and
- monitor and review the external audit function including matters concerning appointment and remuneration, effectiveness, independence and non-audit services.

The Committee also has a process to review representation letters on behalf of senior management, being the Chief Executive Officer and the Chief Financial Officer, to ensure all relevant matters are addressed, including the declaration required by s295A of the *Corporations Act 2001 (Cth)* and Recommendation 4.2 of the Principles.

The Committee meets at least half yearly, with further meetings to be convened as required or as requested by the Chair of the Committee or the Board. At the discretion of the Chair of the Committee, relevant members of management and the external auditor may be required to attend meetings.

The Audit and Risk Committee members' attendance at meetings as compared to total meetings held are detailed in the Directors' Report.

EXTERNAL AUDITOR

The external auditor will attend the committee meetings at least twice a year and on other occasions where circumstances warrant. Pursuant to the Company's External Communications Policy, the external auditor will also be available at the Company's Annual General Meeting to answer Shareholder's questions about the conduct of the audit and the preparation and content of the audit report

A copy of the External Communication Policy is located on the Company website. (www.bpstechnology.com)

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

BPS is committed to promoting investor confidence and ensuring that Shareholders and the market are provided with timely and balanced disclosure of all material matters concerning the Company, as well as ensuring that all Shareholders have equal and timely access to externally available information issued by the Company.

BPS has adopted an External Communications Policy which outlines its policies and procedures aimed at meeting its responsibilities in relation to disclosing information to the market and Shareholders, and to ensure compliance with the continuous disclosure regime under ASX Listing Rules and the *Corporations Act 2001*. A copy of this policy is available on the Company's website. (**www.bpstechnology.com**)

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

BPS is committed to providing Shareholders with the necessary information and facilities to allow them to exercise their rights effectively, including:

- providing Shareholders with ready access to information about the Company and its governance;
- communicating openly and honestly with them; and
- encouraging and facilitating Shareholders participation in Shareholders meetings.

To this end BPS has adopted an External Communications Policy which details its policies and procedures with respect to Shareholders Communication (refer **www.bpstechnology.com**), These policies have been designed to ensure that Shareholders have access to balanced and understandable information about the Company and its activities. The External Communications Policy is reviewed on an annual basis.

The Company uses its website (**www.bpstechnology.com**) as its primary communication tool for distribution of the annual report, market announcements and media disclosures. Annual reports for the Company are available in hard copy to all Shareholders who have specifically requested this format. Half yearly and annual reports, as well as media releases etc are also available on the Company's website. Shareholders have the option of electing to receive all Shareholders communications, including notification of annual report availability, notices of meetings and dividend payment statements, by email by notifying the Share Registry.

External communication which may have a material effect on the price or value of the Company's securities is not released unless it has been announced previously to ASX in compliance with its obligations under the ASX Listing Rules.

Shareholders participation at the AGM is welcomed and encouraged by the Company, either in person, by proxy or other legally appointed representative, or any other means adopted by the Board. Shareholders who are unable to attend the Annual General Meeting are given the opportunity to submit questions and comments ahead of the meeting and where appropriate, those questions will be answered at the meeting.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

EXPOSURE TO ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Board does not consider it has any material exposure to environmental or social sustainability risks.

The Board has however, identified the risks which may impact upon its economic sustainability. This risk analysis is detailed in the Operating and Financial Review in Section 1.0 of this report.

RISK MANAGEMENT POLICY

The Board has established policies for the oversight and management of material business risks. The Audit and Risk Committee assists the Board in carrying out this function and is focussed on ensuring that the Company maintains an effective system of internal control and risk management. The Committee's structure, roles and responsibilities are detailed in the Audit and Risk Committee Charter and the Risk Management Policy (refer **www.bpstechnology.com**).

The members of the Committee and their attendance at Committee meetings during the year are detailed in the Directors' Report.

The Audit and Risk Committee meets at least twice a year and keeps minutes of its meetings which are included for review at the following board meeting. Both the Risk Management Policy and the Audit and Risk Charter are reviewed at least annually.

The Company's risk management policy is based upon the standard for Risk Management, AS/NZS ISO 3100:2009. The risk management process consists of the following main elements:

- communicate and consult;
- establish the context;
- identify risks;
- record risks;
- analyse risks;
- evaluate risks;
- treat risks; and
- monitor and review.

Risks are managed by the Company through the effective implementation of various controls which include:

- board approved risk management framework;
- documented policies and procedures;
- maintenance of registers;
- implementation of risk based systems and processes;
- ongoing monitoring of regulatory obligations;
- ongoing supervision of representatives; and
- internal and external reporting.

At scheduled Audit and Risk Committee meetings, the risk management framework and risk register are reviewed. In the event that there are material changes to the Register through the year, these are brought to the Committee's attention as soon as practicable.

Implementation of the risk management framework is the responsibility of the Managing Director, with the assistance of senior management as required. In fulfilling the duties of risk management, the Managing Director has unrestricted access to Company employees, contractors, and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has undertaken a review of the Company's risk management framework and is satisfied that it continues to be sound and that the entity is operating within the risk framework set by the Board.

BPS does not have an internal audit function, however the Board is of the opinion that the processes and procedures adopted to manage risk and which are referred to above, are appropriate to evaluate and continually improve the effectiveness of its risk management and internal control procedures.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Remuneration and Nomination Committee is tasked with ensuring that the Company has remuneration policies and practices which enable it to attract and retain Directors and Executives who will best contribute towards achieving positive outcomes for Shareholders, employees and other stakeholders. A copy of the Committee's charter is detailed on the Company's website (www.bpstechnology.com)

Details of the membership and charter of the Committee are set out under Principle 2 above. The attendance of Committee members at meetings during the year are detailed in the Directors' Report.

REMUNERATION OF SENIOR EXECUTIVES AND EXECUTIVE DIRECTORS

The Board has delegated responsibility to the Remuneration and Nomination Committee for:

- regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments for Senior Executives and Executive Directors;
- regularly reviewing and making recommendations to the Board regarding remuneration packages of Senior Executives and Executive Directors, including fixed, performance based and equity based remuneration, reflecting the long term performance objectives appropriate to the Company's circumstances and goals; and
- making recommendations to the Board with respect to the quantum of short term incentive (if any) to be paid to Senior Executives.

Details of the current remuneration policy and remuneration paid to Senior Executives and Executive Directors are set out in the Remuneration report.

As at 30 June 2015, BPS did not have a policy for the payment of either performance based remuneration or equity based incentives to Key Management Personnel.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Remuneration and Nomination Committee is also responsible for:

- making recommendations as to the structure of remuneration for Non-Executive Directors; and
- ensuring that the fees paid to Non-Executive Directors are within the aggregate amount approved by Shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's Annual General Meeting.

All remuneration paid to Directors and the Executives is valued at cost to the Company and expensed.

3.0 Directors' Report

DIRECTORS' REPORT

The Directors present their report on the consolidated entity BPS Technology Limited and its controlled entities ("the Company", "BPS") for the financial year ended 30 June 2015. The information in the operating and financial review forms part of this Directors' Report for the financial year ended 30 June 2015 and is to be read in conjunction with this Section of the report.

GENERAL INFORMATION

DIRECTORS'

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

- Murray d'Almeida (appointed 25 July 2014)
- Anthony Lally (appointed 25 July 2014)
- Andrew Pipolo (appointed 25 July 2014)
- Trevor Dietz
- Brian Hall
- Antonie Wiese

Particulars of each Director's experience and qualifications are set out later in this report.

DIVIDENDS PAID OR DECLARED

Dividends paid or declared for payment during the financial year are as follows:

	$000
Dividend of 2.25c per share paid on 22 April 2015	1,316

On 27 August 2015 the Board declared a further unfranked dividend of 3.25c per share, payable on 23 October 2015. This dividend is not reflected in these financial statements.

INDEMNIFYING DIRECTORS AND OFFICERS

During or since the end of the financial year, the Company has paid premiums to insure the Directors and Officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premium for this policy is $56,000.

PROCEEDINGS ON BEHALF OF COMPANY

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

The Company was not a party to any proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, pursuant to advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Pilot Partners for non-audit services provided during the year ended 30 June 2015:

	$000
Investigating Accountant's report	150
Taxation services	87
Other	19
	256

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found at Section 5.0 of the annual report.

ASIC CLASS ORDER 98/100 ROUNDING OF AMOUNTS

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

INFORMATION RELATING TO DIRECTORS AND COMPANY SECRETARY

MURRAY D'ALMEIDA
Director (Non-Executive)

Interest in Shares and Options
5,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Chairman

Directorships held in other listed entities during the three years prior to the current year
Pacific Environment Ltd,
Barrack St Investment Ltd,
Management Resource Solutions Plc (UK)

QUALIFICATIONS

Accountant

EXPERIENCE

Murray has over 35 years of diverse national and international business experience. Murray began his career as an accountant in Perth. He founded Retail Food Group Limited (ASX: RFG) and led its global expansion.

Murray's current board roles include;

- Chairman of Management Resource Solutions Plc;
- Chairman of Barrack St Investments Ltd;
- Director of Pacific Environment Ltd;
- Member Gold Coast Light Rail Business Advisory Board;
- Councillor of Southern Cross University;
- Director of Tasmania Magnesite NL;
- Trustee of Currumbin Wildlife Foundation;
- Chairman of the Bartercard Charity Foundation.

ANTHONY LALLY
Director (Non-Executive)

Interest in Shares and Options
50,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Chairman of the Audit and Risk Committee

Directorships held in other listed entities during the three years prior to the current year
None

QUALIFICATIONS

Fellow of the Institute of Actuaries (Australia & UK)

EXPERIENCE

Anthony has 30 years senior executive experience in the financial services sector, most recently, as Chief Executive Officer of Sunsuper, the third largest Superannuation fund in Australia. Anthony has extensive experience in funds management and led Australia's largest retail funds management business at Commonwealth Bank (1993-2000). He was Head of Retail for Asia Pacific at Deutsche Asset Management, based in Tokyo (2000-2002) and later a Partner at Deloitte (2003-2005). A key feature of his career has been building successful businesses.

ANDREW PIPOLO
Director (Non-Executive)

Interest in Shares and Options
5,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Chairman of the Remuneration and Nomination Committee.

Directorships held in other listed entities during the three years prior to the current year
None

QUALIFICATIONS
Bachelor of Commerce

EXPERIENCE
Andrew has a long history of leadership in the payments space including with PayPal where he was the first Managing Director of Australian operations (2004 to 2009) and then Japan (2009 to 2011) where he established PayPal and led its entry into those markets. He was previously the Head of eCommerce for MasterCard Europe and Country Manager Australia for MasterCard.

During his career, Andrew has developed relationships with local regulators and cemented alternate distribution alliances in domestic and overseas markets.

Andrew is currently the regional Director APAC of mobile payments operator LoopPay.

TREVOR DIETZ
Executive Director, Chief Executive Officer

Interest in Shares and Options
10,504,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Chief Executive Officer

Directorships held in other listed entities during the three years prior to the current year
None

QUALIFICATIONS
Fellow of the Institute of Public Accountants

Master of Science (HRM)

EXPERIENCE
Trevor has over 30 years experience in retail, corporate and international banking, finance and human resource management. He was previously Chief Operating Officer for the Bartercard International Group and Managing Director of Bartercard Australia from 2005 until 2009. Before joining Bartercard, Trevor was Chief Executive Officer of the Institute of Public Accountants.

Trevor is the Non-Executive chairman of the Institute of Business Leaders and Deputy Chair of the Advisory Board to the Faculty of Business at Bond University, he is also a Founder and Director of the Bartercard Charity Foundation.

BRIAN HALL
Executive Director, Managing Director

Interest in Shares and Options
10,504,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Managing Director

Directorships held in other listed entities during the three years prior to the current year
None

QUALIFICATIONS

Bachelor of Commerce (Business)

EXPERIENCE

Brian is a cofounder and has been the Chief Executive Officer of the Barter Futures Group.

With over 26 years of relevant sales and management experience, Brian is one of the most experienced managers in the Trade Exchange industry and has a deep understanding of its drivers, participants and key success factors.

Over the past 24 years Brian has been hands-on developing the technology for the sales and trading systems and franchise model of Bartercard both domestically and internationally.

ANTONIE WIESE
Executive Director and Company Secretary

Interest in Shares and Options
10,500,000 ordinary shares in BPS Technology Ltd

Special Responsibilities
Chief Financial Officer

Directorships held in other listed entities during the three years prior to the current year
None

QUALIFICATIONS

Bachelor of Commerce

Bachelor of Accounting Honours

Chartered Accountant

EXPERIENCE

Antonie is a Chartered Accountant with 24 years experience in financial and executive management.

Antonie founded and listed the Onelogix Group Limited, a logistics and supply chain company in South Africa. Antonie held the role of Chief Executive Officer with this company for three years prior to moving to Australia. Prior to this he helped to build and became an Executive Director of the publicly listed South African transport group Super Group Limited. Antonie was the Chief Executive Officer of the Rental and Logistics Division of Super Group Limited which included 12 subsidiary companies.

MEETINGS OF DIRECTORS

During the financial year, eight meetings of Directors (including Committees of Directors) were held. Attendances by each Director during the year was as follows:

	Directors' Meetings		Audit and Risk Committee		Remuneration and Nominations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Murray d'Almeida	8	8	1	1	2	2
Anthony Lally	8	8	1	1	2	2
Andrew Pipolo	8	8	-	-	2	2
Trevor Dietz	8	8	-	-	-	-
Brian Hall	8	7	-	-	-	-
Antonie Wiese	8	8	1	1	-	-

This Directors Report, incorporating the Operating and Financial Review and the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

Murray d'Almeida
Non-Executive Chairman
29 September 2015

Trevor Dietz
Chief Executive Officer
29 September 2015

4.0 Remuneration Report

REMUNERATION POLICY

The Remuneration and Nomination Committee has the responsibility for providing advice in relation to the remuneration packages of Senior Executives, Non-Executive and Executive Directors. The Committee is also responsible for the design and oversight of any share option schemes, performance incentive packages, superannuation entitlements and retirement and termination entitlements.

The remuneration policy of BPS Technology Ltd and its controlled entities ("BPS" "the Company") has been designed to attract the most qualified and experienced key management personnel ("KMP") and align KMP objectives with those of the business and Shareholders.

All Executives receive a base salary which is based upon factors such as the length of service, experience and skills as well as superannuation as required by law. Executives may sacrifice part of their salary to increase payments towards superannuation.

At the date of this report the Company does not have an employee share option plan however BPS intends to establish such a scheme when the Board sees fit. The terms and conditions of any such employee incentive plans will be released to Shareholders.

The Board's policy is to review remuneration to KMP as well as Non-Executive Directors annually based upon market practice, duties, and accountability. Independent advice can be sought when required.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval at the Annual General Meeting. The maximum amount approved by Shareholders prior to the listing of the Company on the Australian Stock Exchange was $500,000 per annum.

DIRECTORS AND SENIOR GROUP EXECUTIVES

The name of each person holding the position of Director of BPS at any time during the financial year was:

NAME	ROLE
Murray d'Almeida	- Non-Executive Director - Chairman
Anthony Lally	- Independent Non-Executive Director
Andrew Pipolo	- Independent Non-Executive Director
Trevor Dietz	- Chief Executive Officer - Executive Director
Brian Hall	- Managing Director - Executive Director
Antonie Wiese	- Chief Financial Officer - Executive Director - Company Secretary

The Company has entered into service agreements with the three Executive Directors. These agreements will continue until terminated. Either party may terminate the executive service agreement by giving six months' notice, or in the case of the Company, by paying the relevant Executive Director an amount equivalent to his salary in lieu of notice for that period.

The names of each person holding a position within the Senior Group Executive, other than the Directors listed above at any time during the financial year were:

NAME	ROLE
Scott Chappel	- Head of Software Innovation and Development
Philip Scott	- General Manager Mobile Payments Systems
Peter Fenton	- General Manager Digital Trading Systems

The employment conditions of all Senior Group Executives are formalised in written contracts of employment. Generally the employment contracts stipulate a four week resignation period. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

DIRECTOR AND SENIOR GROUP EXECUTIVE REMUNERATION

The remuneration for each Director and each of the Senior Group Executives during the year was as follows:

		SHORT TERM EMPLOYEE BENEFITS	POST EMPLOYMENT BENEFITS	TOTAL
		Cash and salary	Superannuation	
		$000	$000	$000
DIRECTORS	Murray d'Almeida[1]	75	7	82
	Anthony Lally[1]	33	35	68
	Andrew Pipolo[1]	33	35	68
	Trevor Dietz	387	31	418
	Brian Hall	387	31	418
	Antonie Wiese	387	31	418
	DIRECTORS TOTAL	**1,302**	**170**	**1,472**
EXECS	Scott Chappel	165	16	181
	Philip Scott	128	12	140
	Peter Fenton	139	13	152
	EXECS TOTAL	**432**	**41**	**473**
	GRAND TOTAL	**1,734**	**211**	**1,945**

1. *Appointed 25 July 2014.*

None of the remuneration paid to any Director or Senior Group Executive was tied to any specific performance condition.

OPTIONS ISSUED AS PART OF REMUNERATION FOR THE YEAR ENDED 30 JUNE 2015

No options were granted as part of remuneration during the year.

SHAREHOLDINGS OF DIRECTORS' AND SENIOR EXECUTIVE GROUP

The number of ordinary shares in the Company during the financial year is as follows:

	BALANCE AT BEGINNING OF YEAR	CAPITAL REDUCTION	SHARES ACQUIRED DURING YEAR	BALANCE AT END OF YEAR
Trevor Dietz	12,000,000[1]	(2,500,000)	1,004,000[2]	10,504,000
Antonie Wiese	12,000,000[1]	(2,500,000)	1,000,000[2]	10,500,000
Brian Hall	12,000,000[1]	(2,500,000)	1,004,000[2]	10,504,000
Murray d'Almeida	-	-	5,000[2]	5,000
Andrew Pipolo	-	-	5,000[2]	5,000
Anthony Lally	-	-	50,000[2]	50,000
Scott Chappel	-	-	2,000[2]	2,000
Philip Scott	-	-	2,000,000[1]	2,000,000
Peter Fenton	-	-	2,000[2]	2,000

1. *These shares are Restricted Securities and are subject to Restriction Agreements and cannot be sold, disposed of or encumbered until 9 September 2016, being 24 months from the date of listing.*
2. *These shares were acquired for cash in the listing process or subsequently acquired on market.*

OTHER EMPLOYEE BENEFITS

No other material benefits were paid to Directors or any KMP during the year.

No schemes exist for retirement benefits for Non-Executive Directors other than superannuation.

OTHER TRANSACTION WITH DIRECTORS AND SENIOR GROUP EXECUTIVES

On 9 September 2014, BPS and controlled entities bought assets and shares from entities related to the Executive Directors and Mr Philip Scott. These transactions occured at fair value and are disclosed in detail in note 13B and 13C.

There were no other transactions conducted between the Company and Directors or Senior Group Executives, other than disclosed above, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arms length dealings with unrelated persons.

Auditor's Independence Declaration

5.0

PILOT PARTNERS
Chartered Accountants
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Queensland Australia
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pilotpartners.com.au

BPS TECHNOLOGY LTD ABN 43 167 603 992 AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

1. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.

Pilot Partners
Chartered Accountants

Michael Traynor
Partner

Dated 29 September 2015

Level 10
1 Eagle Street
Brisbane Qld 4000

Financial Statements

6.0

BPS TECHNOLOGY LTD & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED GROUP	
	NOTE	2015 $000	2014 $000 (23 WEEKS)
CONTINUING OPERATIONS			
Revenue	3	48,157	-
Direct expenses of providing services		(10,586)	-
Building occupancy expenses		(2,438)	-
Employee expenses		(19,896)	-
Depreciation and amortisation expense		(619)	-
Other expenses		(5,262)	-
PROFIT BEFORE INCOME TAX	4	**9,356**	**-**
Tax expense	5	(1,467)	-
NET PROFIT FOR THE YEAR	4	**7,889**	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,889**	-
Earnings per share			
Basic earnings per share (cents)	9	14.88	-
Diluted earnings per share (cents)	9	14.88	-

The accompanying notes form part of these financial statements

BPS TECHNOLOGY LTD & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	NOTE	CONSOLIDATED GROUP 2015 $000	2014 $000
ASSETS			
Current Assets			
Cash and cash equivalents	10	2,743	1
Trade and other receivables	11	6,287	-
Inventories	12	5,762	-
Other assets	16	383	-
TOTAL CURRENT ASSETS		**15,175**	**1**
Non-Current Assets			
Trade and other receivables	11	485	-
Property, plant and equipment	14	1,160	-
Deferred tax assets	19	2,840	-
Intangible assets	15	26,416	2,080
TOTAL NON-CURRENT ASSETS		**30,901**	**2,080**
TOTAL ASSETS		**46,076**	**2,081**
LIABILITIES			
Current Liabilities			
Trade and other payables	17	6,680	80
Borrowings	18	-	2,000
Current tax liabilities	19	1,456	-
Provisions	20	1,433	-
TOTAL CURRENT LIABILITIES		**9,569**	**2,080**
Non-Current Liabilities			
Trade and other payables	17	2,567	-
Deferred tax liabilities	19	921	-
Provisions	20	288	-
TOTAL NON-CURRENT LIABILITIES		**3,776**	**-**
TOTAL LIABILITIES		**13,345**	**2,080**
NET ASSETS		**32,731**	**1**
EQUITY			
Issued capital	21	26,167	1
Reserves		(9)	-
Retained earnings		6,573	-
TOTAL EQUITY		**32,731**	**1**

The accompanying notes form part of these financial statements

BPS TECHNOLOGY LTD & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	ORDINARY SHARE CAPITAL $000	RETAINED EARNINGS $000	FOREIGN CURRENCY TRANSLATION RESERVES $000	TOTAL $000
BALANCE ON INCORPORATION AT 17 JANUARY 2014		-	-	-	-
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period		1	-	-	1
BALANCE AT 30 JUNE 2014		**1**	**-**	**-**	**1**
Balance at 1 July 2014		1	-	-	1
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year		30,000	-	-	30,000
Transaction costs		(5,476)	-	-	(5,476)
Tax		1,642			1,642
Dividends for the year		-	(1,316)	-	(1,316)
TOTAL TRANSACTIONS WITH OWNERS AND OTHER TRANSFERS		**26,167**	**(1,316)**	**-**	**24,851**
Comprehensive income					
Profit for the year		-	7,889	-	7,889
Other comprehensive income		-	-	-	-
Movement		-	-	(9)	(9)
Total comprehensive income for the year		**-**	**7,889**	**(9)**	**7,880**
BALANCE AT 30 JUNE 2015		**26,167**	**6,573**	**(9)**	**32,731**

The accompanying notes form part of these financial statements

BPS TECHNOLOGY LTD & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	CONSOLIDATED GROUP 2015 $000	2014 $000
Cash Flows From Operating Activities			
Receipts from customers		47,131	-
Payments to suppliers and employees		(41,078)	-
Interest received		33	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	25	**6,086**	**-**
Cash Flows From Investing Activities			
Acquisition of subsidiaries and businesses net of cash acquired		(16,110)	-
Proceeds from sale of property		338	-
Purchase of property, plant and equipment		(165)	-
Purchase of intangibles		(8,614)	-
NET CASH USED IN INVESTING ACTIVITIES		**(24,551)**	**-**
Cash Flows From Financing Activities			
Net proceeds from issue of shares		22,523	-
Dividends paid		(1,316)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**21,207**	**-**
Net increase in cash held		2,742	-
Cash and cash equivalents at beginning of financial year		1	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	10	**2,743**	**-**

The accompanying notes form part of these financial statements

BPS TECHNOLOGY & CONTROLLED ENTITIES
FOR THE YEAR 30 JUNE 2015
NOTES TO THE FINANCIAL STATEMENTS

The separate financial statements of the parent entity, BPS Technology Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001.*

The financial statements were authorised for issue on 29 September 2015 by the Directors of the Company.

Note 1 | Summary of significant accounting policies

BASIS OF PREPARATION

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

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

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent BPS Technology Limited and all of its subsidiaries (also referred to as "the Group"). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 13.

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

Business combinations

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

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

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

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

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

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of the following items, over the acquisition date fair value of net identifiable assets acquired:

i. the consideration transferred;

ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

iii. the acquisition date fair value of any previously held equity interest.

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

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

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, ("CGUs"). These CGUs represent the lowest level at which goodwill is monitored but are not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity that has been sold. Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

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

Current and deferred income tax expense is charged outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

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

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

c. Fair Value of Assets and Liabilities

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

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

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

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

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

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

d. Inventories

Inventories represent the value of franchises held for resale. These assets are valued at the lower of cost or net realisable value.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to note 1(h) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group. Useful life is taken to commence from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Estimated useful life for each class of depreciable assets are:

CLASS OF FIXED ASSET	ESTIMATED USEFUL LIFE
Leasehold improvements	10 years
Plant and equipment	3 - 5 years
Leased plant and equipment	3 - 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

g. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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

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

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

i. ***Financial assets at fair value through profit or loss***

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. ***Loans and receivables***

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

iii. ***Financial liabilities***

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

Financial Asset Impairment

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

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

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

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

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

Derecognition

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

h. Impairment of Assets

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

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

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

i. Intangibles Other than Goodwill

Technology and Software Assets

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

These assets are tested for impairment at least annually.

Brand names and international rights

The brand names and international rights were acquired in a separate transaction. These assets are recognised using the cost model, which requires an intangible asset to be recorded at cost less any accumulated amortisation and any accumulated impairment losses.

These intangible assets have been assessed as having an indefinite useful life as, based upon an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. As a result no amortisation will be charged.

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

j. 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 currency.

Transactions 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. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income. Otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the Group disposes of the operation.

k. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. These benefits include wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period. In this case the obligations are presented as current provisions.

Retirement benefit obligations

All employees of the Australian entities in the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Cash and Cash Equivalents

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

n. Revenue and Other Income

The Group recognises revenue on the transfer of services to customers at an amount that reflects the amount of consideration it expects to be entitled to in exchange for those services.

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

o. Trade and Other Receivables

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

Trade and other receivables are initially recognised at fair value, less any provision for impairment. Refer to note 1(h) for further discussion on the determination of impairment losses.

p. Trade and Other Payables

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

q. Transactions in Trade

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

Trade transactions have not been recorded in the Financial Statements. Transactions in trade by the Managers do not meet the definition and recognition criteria of assets and liabilities within the Australian Accounting Standards and are therefore not recorded.

r. Goods and Services Tax (GST)

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

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

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

s. Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

t. Rounding of Amounts

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

u. New and Amended Accounting Policies Adopted by the Group

Revenue recognition

The group has opted to adopt AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017) early from 1 July 2014.

This Standard replaces the current accounting requirements applicable to revenue with a single, principles based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

As the entity only commenced trading effective from 1 July 2014 no retrospective restatement is required.

v. New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

w. Critical Accounting Estimates and Judgements

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

Key estimates and judgements

i. ***Impairment – goodwill and other intangibles***

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Further details on the key estimates used in the impairment evaluation can be found in note 15. No impairment has been recognised in respect of goodwill or other intangibles for the year ended 30 June 2015

ii. ***Impairment – cash debtor receivables***

The Group assesses impairment of cash debtor receivables at the end of each reporting period by reference to the history of cash debtor collections.

iii. ***Valuation of Inventories***

Franchises held for resale are recognised as inventories at cost. At each reporting period the carrying value of each of these assets are compared to a valuation model to determine the net realisable value of the asset. The asset is written down to the extent that the carrying value is in excess of the net realisable value. The valuation model is market tested on a regular basis.

Note 2 | Parent Company Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	CONSOLIDATED GROUP 2015 $000	2014 $000
Assets		
Current assets	2,885	-
Non-current assets	25,380	-
TOTAL ASSETS	**28,265**	**-**
Liabilities		
Current liabilities	188	-
Non-current liabilities	1,405	-
TOTAL LIABILITIES	**1,593**	**-**
Equity		
Issued capital	26,316	-
Retained earnings	224	-
Revaluation surplus	132	-
TOTAL EQUITY	**26,672**	**-**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
TOTAL PROFIT / LOSS	**1,540**	**-**
TOTAL COMPREHENSIVE INCOME	**1,540**	**-**

a. **Contingent liabilities and contractual commitments**

- BPS Technology Ltd has no identified capital commitments or contingent liabilities.

Note 3 | Revenue and Other Income

	CONSOLIDATED GROUP 2015 $000	2014 $000
Sales revenue		
Transaction fees	27,807	-
Monthly subscription fees	8,405	-
Franchise and license sales	6,397	-
Other revenue	4,691	-
Membership fees	772	-
TOTAL SALES REVENUE	**48,072**	
Other revenue		
Rental revenue	52	-
Interest received	33	
TOTAL OTHER REVENUE	85	-
TOTAL REVENUE	**48,157**	**-**

Note 4 | Profit for the year

Profit before income tax from continuing operations includes the following specific items of revenue and expense:

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
A) EXPENSES			
Employee benefits expense:			
Defined contribution superannuation expense		966	-
Bad and doubtful debts:			
Trade receivables		2,488	-
Rental expense on operating leases:			
Minimum lease payments		2,438	-
Interest Expense:			
Interest		77	-
B) SIGNIFICANT REVENUE AND EXPENSES			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Impairment of non-current assets:			
Intangible assets		(343)	-
Receivables		(2,488)	-
		(2,831)	**-**
Impairment of current assets:			
Inventories		(358)	-
		(358)	**-**
Depreciation:			
Plant & equipment		(419)	-
Amortisation of intangibles		(200)	-
TOTAL		**(619)**	**-**

Note 5 | Tax Expense

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
A) The components of tax expense/ (income) comprise:			
Current tax	19	1,456	-
Deferred tax	19	11	-
		1,467	**-**
B) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at domestic statutory rate of 30% (2014: 30%)		2,807	-
Add / (Less) Tax effect of:			
Permanent differences		(608)	-
Recoupment of prior year tax losses not previously bought to account		206	-
Tax effect of trade transactions		(1,007)	-
Effect of lower tax rate in NZ		(9)	-
Other		78	-
TOTAL		**1,467**	**-**

Note 6 | Key Management Personnel Compensation

Refer to the remuneration report in Section 4.0 of this annual report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel ("KMP") for the year ended 30 June 2015.

The total remuneration paid to KMP of the Group during the year are as follows:

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
Short-term employee benefits	1,792	-
Post-employment benefits	153	-
Other long-term benefits	214	-
TOTAL KMP COMPENSATION	**2,159**	**-**

SHORT-TERM EMPLOYEE BENEFITS

These amounts include fees and benefits paid to the Non-Executive Chair and Non-Executive Directors as well as all salary, paid leave benefits, and fringe benefits awarded to Executive Directors and other KMP.

POST-EMPLOYMENT BENEFITS

These amounts are the estimated cost of providing for the Group's superannuation contributions based on the services provided during the year.

OTHER LONG-TERM BENEFITS

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments occuring during the year.

SHARE-BASED PAYMENTS

No share based payments were made to KMP during this year.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Note 7 | Auditor's Remuneration

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
Remuneration of the auditor for:		
Auditing or reviewing the financial statements	228	-
Taxation services - listing	62	-
Taxation services - compliance	25	-
Investigating Accountant's report	150	-
Other services	19	-
TOTAL	**484**	**-**

The above remuneration included amounts paid to component auditors of $40,000.

Note 8 | Dividends

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
Distributions paid:		
Interim unfranked ordinary dividend of 2.25 (2014: nil) cents per share	1,316	-
	1,316	**-**
TOTAL DIVIDENDS PER SHARE FOR THE PERIOD	**2.25c**	-
Franking Account: **A) Balance of franking account at year-end adjusted for franking credits arising from**		
Payment of provision for income tax	1,387	-
FRANKING CREDITS AVAILABLE FOR SUBSEQUENT FINANCIAL YEAR	**1,387**	**-**

Subsequent to the end of the financial year on 27 August 2015 the Company declared a further unfranked dividend of 3.25c per share. The ex date for the dividend is 2 October 2015 with a payment date of 23 October 2015. This dividend will be unfranked. As a result the payment of the proposed dividend has no effect on the franking account balance.

Note 9 | Earnings Per Share

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
A) Reconciliation of earnings to profit or loss:		
Profit after tax	7,889	-
Profit attributable to non-controlling equity interest	-	-
EARNINGS USED TO CALCULATE BASIC EPS	**7,889**	**-**
	No.	**No.**
B) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**53,016,095**	**36,000,000**
C) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	**53,016,095**	**36,000,000**

Note 10 | Cash and Cash Equivalents

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
Cash at bank and on hand		2,348	1
Short-term bank deposits		395	-
TOTAL CASH AND CASH EQUIVALENTS		**2,743**	**1**

The effective interest rate on short-term bank deposits was 2% (2014: nil%). These deposits have an average maturity of 30 days.

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 and cash equivalents		2,743	1
TOTAL CASH AND CASH EQUIVALENTS		**2,743**	**1**

Note 11 | Trade and Other Receivables

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
CURRENT			
Trade receivables		8,097	-
Provision for impairment		(2,317)	-
Net Trade Receivables		**5,780**	**-**
Other receivables		507	-
TOTAL CURRENT TRADE AND OTHER RECEIVABLES		**6,287**	**-**
NON-CURRENT			
Trade receivables		485	-
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES		**485**	**-**

Provision for Impairment of Receivables

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

CONSOLIDATED GROUP	NOTE	OPENING BALANCE 01/07/2014 $000	CHARGE FOR THE YEAR $000	AMOUNTS WRITTEN OFF $000	CLOSING BALANCE 30/06/2015 $000
Current trade receivables		-	(2,317)	-	(2,317)
TOTAL		**-**	**(2,317)**	**-**	**(2,317)**

The group impairs the value of individual trade debtors based on an assessment of the credit quality of the customer, the previous trading pattern of the customer and management's assessment of the likely recovery. All trade debtors which are not likely to be recovered are either written off or a provision for impairment is recognised. No credit risk is expected in respect of recoverables which are not written off or provided. The remainder of receivables, after provision for impairment are considered to be of high credit quality.

Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within note 11. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group.

No collateral is held in respect of these exposures and there are no other credit enhancement arrangements. All trade receivables have been investigated and other than those which have been written off or provided, there are no indicators of poor credit quality for trade receivables. The Group often takes security to support customers trading activities. These securities take the form of personal guarantees from Directors of the customer as well as registered mortgages when management see fit.

Trade Debtor Profile

	CONSOLIDATED GROUP 2015 $000	2014 $000
Gross amount	8,582	-
Impaired (past due)	(2,317)	
	6,265	-
Past due not impaired - 30 days	797	-
60 days	633	-
90 days	803	-
90 days +	308	-
Within initial trade terms	3,724	-
TOTAL	**6,265**	-

Geographical Credit Risk

The Group has significant operations in Australia, New Zealand, United Kingdom, United States of America, India, South Africa and several other countries. The Group's exposure to credit risk for trade and other receivables at the end of the reporting period in these regions is as follows:

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
Australia	4,114	-
New Zealand	1,495	-
United Kingdom	329	-
United States of America	152	-
Other	682	-
TOTAL	**6,772**	**-**

Note 12 | Inventories

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
Franchises held at net realisable value	5,762	-
TOTAL INVENTORIES	**5,762**	**-**

Note 13 | Interests in Subsidiaries and business combinations

A) Information about Principal Subsidiaries

The Subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each Subsidiary's principal place of business also reflects its country of incorporation.

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY THE GROUP		PROPORTION OF NON-CONTROLLING INTERESTS	
		2015 %	2014 %	2015 %	2014 %
Bucqi Australia Pty Ltd	Australia	100	66	-	34
Bartercard Group Pty Ltd	Australia	100	-	-	-
Bartercard Services Pty Ltd	Australia	100	-	-	-
Bartercard Operations UK Ltd	United Kingdom	100	-	-	-
Bartercard Operations NZ Ltd	New Zealand	100	-	-	-
Bartercard Operations Australia Pty Ltd	Australia	100	-	-	-
Bartercard USA Inc	USA	100	-	-	-
Trade Exchange Software Services Pty Ltd	Australia	100	-	-	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements, using the same accounting policies. There are no significant restrictions over the Group's ability to access or use the assets and settle liabilities of the group.

B) Acquisition of Controlled Entities

Effective 1 July 2014 the Group acquired:

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

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

The acquisitions were completed in order to obtain control of the Bartercard Group of companies.

	Bartercard USA FAIR VALUE $000 100%	Bartercard NZ FAIR VALUE $000 100%	TOTAL $000
Purchase consideration	100	5,500	5,600
TOTAL	**100**	**5,500**	**5,600**
LESS:			
Cash	15	708	723
Receivables	81	965	1,046
Property, plant and equipment	5	975	980
Intangibles	965	323	1,288
Inventories	-	2	2
Payables	(1,066)	(935)	(2,001)
IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED	**-**	**2,038**	**2,038**
Group share acquired	100%	100%	100%
GOODWILL	**100**	**3,462**	**3,562**
CASH INFLOW ON ACQUISITION	**15**	**708**	**723**

The goodwill is attributable to the historic and future profitability of the acquired businesses.

The Directors believe the receivables are fully recoverable and no provision for impairment required.

No amount of the goodwill is deductible for tax purposes.

Profits and revenues resulting from the acquisitions are included in the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2015 are as follows:

	PROFIT / (LOSS) $000	REVENUE $000
Bartercard USA	(417)	497
Bartercard NZ	452	11,543

All costs associated with acquisition have been recognised as expenses in the profit and loss.

On 9 September 2014 the group acquired the remaining 34% of the shares in Bucqi Australia Pty Ltd, the total consideration for the acquisition was settled by the issue of 2,000,000 ordinary shares in BPS Technology Ltd. The purpose of the acquisition was part of the Group's strategy to acquire and operate software platforms.

C) Business Combinations

The following business combinations occurred during the reporting period:

- Effective 1 July 2014 Bartercard Operations Australia Pty Ltd acquired the business and assets of Bartercard Australia Pty Ltd, the operator of the Bartercard business in Australia for a purchase consideration of $9 million, settled by cash.
- Effective 1 July 2014 Bartercard Operations UK Ltd acquired the business and assets of Bartercard UK Ltd, the operator of the Bartercard business in the United Kingdom, for a purchase consideration of $2.5 million. The purchase was settled by the payment of cash.

The acquisition of these businesses was part of the overall strategy to acquire control of the Bartercard businesses worldwide.

	Bartercard Australia	Bartercard UK	TOTAL
	$000	$000	$000
Purchase consideration	9,000	2,500	11,500
TOTAL	**9,000**	**2,500**	**11,500**
LESS:			
Cash	266	1	267
Receivables	3,790	287	4,077
Property, plant and equipment	392	27	419
Intangibles	-	19	19
Inventories	3,561	-	3,561
Payables	(6,631)	(1,939)	(8,570)
IDENTIFIABLE NET ASSETS / (LIABILITIES) ASSUMED	**1,378**	**(1,605)**	**(227)**
GOODWILL	**7,622**	**4,105**	**11,727**
CASH INFLOW ON ACQUISITION	**266**	**1**	**267**

The goodwill represents the premium paid in excess of the net identifiable assets acquired and are represented by the synergies and future profitability gained by the Group from the acquisition of these two businesses.

Directors believe that the receivables acquired are all within standard terms of trade for these businesses and that the receivables will be recovered in the ordinary course of business.

None of the goodwill acquired with the business acquisitions will be deductible for taxation purposes.

Profits and revenue from the business combinations are included on the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2015 as follows:

	REVENUE $000	PROFIT / (LOSS) $000
Bartercard Australia	27,158	9,286
Bartercard UK	4,176	(268)

Note 14 | Property, Plant and Equipment

	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
Plant and equipment:		
At cost	707	-
Accumulated depreciation	(204)	-
	503	**-**
Leasehold improvements:		
At cost	430	-
Accumulated amortisation	(33)	-
	397	**-**
Leased plant and equipment:		
Capitalised leased assets	263	-
Accumulated depreciation	(182)	-
	81	**-**
TOTAL PLANT AND EQUIPMENT	**981**	**-**
Property:		
Freehold at cost	179	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,160**	**-**

A) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

CONSOLIDATED GROUP	FREEHOLD LAND $000	LEASEHOLD IMPROVEMENTS $000	PLANT AND EQUIPMENT $000	TOTAL $000
Balance at 17 January 2014	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Additions through business combinations	-	-	-	-
Depreciation expense	-	-	-	-
BALANCE AT 30 JUNE 2014	**-**	**-**	**-**	**-**
Additions	-	108	465	573
Disposals	(333)	-	-	(333)
Additions through business combinations	512	322	505	1,339
Depreciation expense	-	(33)	(386)	(419)
BALANCE AT 30 JUNE 2015	**179**	**397**	**584**	**1,160**

Note 15 | Intangible Assets

	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
GOODWILL		
Cost	18,926	1,500
Accumulated impairment losses	-	-
Net carrying amount	**18,926**	**1,500**
TECHNOLOGY AND SOFTWARE		
Cost	4,714	580
Accumulated amortisation and impairment losses	(200)	-
Net carrying amount	**4,514**	**580**
BRAND NAMES AND INTERNATIONAL RIGHTS		
Cost	2,976	-
Accumulated amortisation and impairment losses	-	-
Net carrying amount	**2,976**	**-**
TOTAL INTANGIBLES	**26,416**	**2,080**

CONSOLIDATED GROUP	GOODWILL $000	TECHNOLOGY AND SOFTWARE $000	BRAND NAME & INTERNATIONAL RIGHTS $000	TOTAL $000
YEAR ENDED 30 JUNE 2014				
Balance at 17 January 2014	-	-	-	-
Additions	1,500	580	-	2,080
Disposals	-	-	-	-
Amortisation charge	-	-	-	-
Impairment losses	-	-	-	-
	1,500	**580**	**-**	**2,080**
YEAR ENDED 30 JUNE 2015				
Balance at the beginning of the year	1,500	580	-	2,080
Additions	2,137	2,030	2,011	6,178
Internal development	-	1,762	-	1,762
Acquisitions through business combinations	15,289	342	965	16,596
Disposals	-	-	-	-
Amortisation charge	-	(200)	-	(200)
Impairment losses	-	-	-	-
CLOSING VALUE AT 30 JUNE 2015	**18,926**	**4,514**	**2,976**	**26,416**

Technology and Software assets have finite useful lives. The current amortisation charges for these assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill, Brand Names and International Rights have an indefinite useful life and as such are not subject to amortisation, instead these assets are subject to regular impairment reviews.

The recoverable amount of the cash generating unit is determined based on a value in use calculation. The model includes a sensitivity analysis allowing for a range of growth rates.

The following assumptions were used in the value in use calculations:

	GROWTH RATE	DISCOUNT RATE
2016 - 2019	5%	10.55%
2019 - 2025	2%	10.55%

The discount rate used reflects entity and market specific factors. To generate impairment, the discount rate would need to be in excess of 20% or growth rates would need to be cut by 50%.

Cash flows used in the value in calculations are based on forecasts produced by Management. These forecasts use growth rates consistent with historical performance and take into account appropriate cost growth assumptions and inflation expectations appropriate to the locations in which the Group operates. The cash flow forecasts have been projected over a period of ten years consistent with the Company's long term planning horizons.

Note 16 | Other Assets

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
CURRENT		
Prepayments	383	-
TOTAL CURRENT PREPAYMENTS	**383**	**-**

Note 17 | Trade and Other Payables

		CONSOLIDATED GROUP	
	NOTE	2015 $000	2014 $000
CURRENT			
Unsecured liabilities:			
Trade payables		2,324	81
Sundry payables and accrued expenses		3,396	-
Amounts payable to related parties	27	960	-
TOTAL CURRENT UNSECURED LIABILITIES		**6,680**	**81**
NON-CURRENT			
Unsecured liabilities:			
Amounts payable to related parties	27	341	-
Other payables		2,226	
TOTAL NON-CURRENT UNSECURED LIABILITIES		**2,567**	**-**

All liabilities in note 17 are unsecured.

Note 18 | Borrowings

		CONSOLIDATED GROUP	
	NOTE	2015 $000	2014 $000
CURRENT			
Unsecured liabilities:			
Other liabilities		-	2,000
		-	**2,000**

The amount shown as a liability in 2014, was an amount due in respect of the acquisition of Bucqi Australia Pty Ltd. This amount was settled by the issuing of shares in BPS Technology Limited on 9 September 2014.

Note 19 | Tax

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
CURRENT			
Income Tax Payable		1,456	-

CONSOLIDATED GROUP	OPENING BALANCE $000	CHARGED TO INCOME $000	CHARGED DIRECTLY TO EQUITY $000	ACQUISITION $000	CLOSING BALANCE $000
NON-CURRENT					
Deferred tax liability					
Intangibles	-	-	-	-	-
Provisions	-	-	-	-	-
Other	-	-	-	-	-
BALANCE AT 30 JUNE 2014	**-**	**-**	**-**	**-**	**-**
Intangibles	-	(659)	-	-	(659)
Provisions	-	(250)	-	-	(250)
Other	-	(12)	-	-	(12)
BALANCE AT 30 JUNE 2015	**-**	**(921)**	**-**	**-**	**(921)**
Deferred tax assets:					
Provisions	-	-	-	-	-
Transaction costs on equity issue	-	-	-	-	-
Employee benefits	-	-	-	-	-
Property, plant and equipment:	-	-	-	-	-
Other	-	-	-	-	-
BALANCE AT 30 JUNE 2014	**-**	**-**	**-**	**-**	**-**
Provisions	-	918	-	-	918
Transaction costs on equity issue	-	(379)	1,642	-	1,263
Employee benefits	-	280	-	288	568
Property, plant and equipment:	-	7	-	-	7
Other	-	84	-	-	84
BALANCE AT 30 JUNE 2015	**-**	**910**	**1,642**	**288**	**2,840**

Unused tax losses for which no deferred tax assets have been brought to account relate to operating losses in the United Kingdom of $1,453,000 and losses in United States of America of $616,000 (2014;$nil). The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in note 1(b) occur. The UK losses have no expiry date. The USA losses expire in 2035.

Note 20 | Provisions

MOVEMENT IN PROVISIONS	CONSOLIDATED GROUP EMPLOYEE BENEFITS $000	CONSOLIDATED GROUP TOTAL $000
Opening balance at 1 July 2014	-	-
Additional provisions	3,075	3,075
Amounts used	(1,354)	(1,354)
Unused amounts reversed	-	-
BALANCE AT 30 JUNE 2015	**1,721**	**1,721**

ANALYSIS OF TOTAL PROVISIONS	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
Current	1,433	-
Non-current	288	-
TOTAL	**1,721**	**-**

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements as well long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in note 1(k).

Note 21 | Issued Capital

	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
58,509,615 (2014: 36,000,000) fully paid ordinary shares	26,167	1
TOTAL	**26,167**	**1**

BPS has no limits to its authorised share capital. During the year BPS reduced its initial issued capital from 36,000,000 to 28,500,000. The Company raised capital through the public issue of 30,000,000 shares on the 9 September 2014, and a further 9,615 on the 31 March 2015.

	CONSOLIDATED GROUP	
	2015 (NUMBER)	2014 (NUMBER)
ORDINARY SHARES		
At the beginning of the reporting period	36,000,000	-
17 July 2014 Reduction in issued shares	(7,500,000)	-
Shares issued during the year:		
17 January 2014	-	36,000,000
9 September 2014	30,000,000	-
31 March 2015	9,615	-
AT THE END OF THE REPORTING PERIOD	**58,509,615**	**36,000,000**

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. Shares have no par value.

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

The entity manages its capital to ensure that it maximises the returns to Shareholders as dividends and in capital value, whilst maintaining sufficient equity to ensure the Company can meet its business development objectives and continue as a going concern. The Group only has ordinary shares on issue and is not subject to any externally imposed capital requirements.

Capital is also managed having regard to the Group's long term growth requirements. As a result during the year the Company completed a $30 million capital raising to complete strategic acquisitions.

Note 22 | Capital and Leasing Commitments

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
OPERATING LEASE COMMITMENTS		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
Not later than 1 year	108	-
Between 2 and 5 years	347	-
Later than 5 years	264	-
	719	**-**

Note 23 | Contingent Liabilities and Contingent Assets

a. Contingent Liabilities

*i. **Trade dollar recoveries - costs orders***

In the ordinary course of business, the Bartercard businesses in Australia, New Zealand and the United Kingdom take court action for recovery of monies outstanding to the exchange. If an action is unsuccessful it may be possible that the Company receive a costs order against it. There were no such costs orders at 30 June 2015, and Directors believe the value of contingent assets greatly exceeds any contingent liabilities.

*ii. **UK franchise issues***

There are a number of legal matters on foot between the UK operating Company and number of franchisees and customers. Each of the matters is individually and cumulatively immaterial. The total value of the claims are not expected to exceed $150,000.

b. Contingent assets

The Bartercard businesses litigate customers for necessary recovery of unpaid amounts owing to the exchange and the operator in the ordinary course of business. No asset is taken up by the Exchange Manager until a judgement is made and the Company believes there is a realistic expectation of recovery. The total value of claims currently before the courts is approximately $500,000. The Directors are of the view that they will be successful in each of the recoveries but are uncertain as to the timing and measurement of the recovery.

Note 24 | Segment Information

The Directors have determined there is only one operating segment in the Group and thereby no operating segment disclosures are required. All product offerings by the Group are considered to have similar economic characteristics as they rely on the same asset pool and customer base and are managed on that basis.

a. Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	30 JUNE 15 $000	30 JUNE 14 $000
Australia	27,785	-
UK	4,176	-
New Zealand	11,543	-
USA	497	-
Licensed Countries	4,060	-
Other	96	-
TOTAL REVENUE	**48,157**	**-**

b. Assets by geographical region

The location of non-current segment assets by geographical location of the assets is disclosed below:	30 JUNE 15 $000	30 JUNE 14 $000
Australia	17,823	2,081
UK	4,008	-
New Zealand	4,431	-
USA	1,799	-
TOTAL ASSETS	**28,061**	**2,081**

c. Major Customers

The group has no major customers with all customers contributing small balances to revenues.

Note 25 | Cash Flow Information

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX		
Profit after income tax:	7,889	-
Non-cash flows in profit:		
Amortisation	200	-
Depreciation	419	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	(2,209)	-
(Increase)/decrease in other current assets	703	
(Increase)/decrease in prepayments	54	-
(Increase)/decrease in inventories	(2,198)	-
Increase/(decrease) in trade payables and accruals	(1,432)	-
Increase/(decrease) in income taxes payable	1,455	-
Increase/(decrease) in deferred taxes payable	1,634	-
(Increase)/decrease in deferred taxes receivable	(1,631)	-
Increase/(decrease) in provisions	1,202	-
CASH FLOW FROM OPERATING ACTIVITIES	**6,086**	**-**
B) ACQUISITION OF ENTITIES & BUSINESS COMBINATIONS		
During the year various ownership interests were acquired. Details of these transactions are:		
Total purchase consideration	17,100	-
Consisting of:		
Cash consideration	17,100	-
TOTAL CONSIDERATION	17,100	-
CASH OUTFLOW	**17,100**	**-**
Assets and liabilities held at acquisition date:		
Cash	990	-
Receivables	5,123	-
Inventories	3,563	-
Property, plant and equipment	2,061	-
Intangibles	1,307	-
Payables	(11,233)	-
TOTAL	**1,811**	**-**
Goodwill on consolidation	15,289	-
TOTAL	**17,100**	**-**

Information regarding the acquisitions, including the profit since acquisition, is disclosed in note 13.

C) NON-CASH FINANCING AND INVESTING ACTIVITIES

On 9 September 2014, BPS Technology Ltd issued 2,000,000 fully paid ordinary share in settlement of the residual liability owing in respect of the acquisition of the Bucqi Australia Pty Ltd

D) CREDIT STANDBY ARRANGEMENTS WITH BANKS

The major facilities are summarised as follows:

Bank overdrafts:

- Bank overdraft facilities are arranged with a number of banks with the general terms and conditions being set and agreed to annually.
- Interest rates are variable and subject to adjustment.
- Bartercard Services Pty Ltd has an overdraft facility of $50,000 with National Australia Bank, which has been secured by a term deposit of $50,000.
- Bartercard Operations NZ Ltd had an overdraft facility of NZD$500,000 with the Bank of New Zealand. Since Balance Sheet date the Company has changed its banking arrangements and currently negotiating a facility for NZ$500K with ASB Bank. The overdraft was secured by a general security over the Company's current and future assets.

New Facilities

Since the balance sheet date BPS Technology Ltd has secured a facility for $4.0 million with the Commonwealth Bank of Australia comprising of the following:

- Overdraft $3 million;
- Corporate charge card $200,000;
- Contingent liability Bank Guarantee $300,000;
- Equipment finance $500,000.

The facility is secured by a first charge over all the present and after acquired property of the Group.

Note 26 | Events After the Reporting Period

The Directors are not aware of any significant events which have occured since the end of the reporting period.

Note 27 | Related Party Transactions

A) Related Parties

The Group's main related parties are as follows:

i. Key Management Personnel

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to Key Management Personnel, refer to note 6.

ii. Other related parties

Other related parties include entities controlled by the Company and entities over which key management personnel have joint control.

B) Transactions With Related Parties

Transactions between related parties are on normal commercial terms and conditions that are no more favourable than those available to other parties unless otherwise stated.

Transactions between the Company and controlled entities include loans, management fees and interest. These are eliminated on consolidation.

The following transactions occurred with related parties:

- During the year on 9 September 2014 the company and its controlled entities acquired various businesses and entities from entities associated with the executive directors. The details of the acquisitions can be found in note 13.

	CONSOLIDATED GROUP	
	2015 $000	2014 $000
AMOUNTS PAYABLE TO RELATED PARTIES		
Trade and other payables:		
Loans from other key management personnel related entities	1,301	-

The loan is repayable in monthly instalments and is unsecured. No interest is charged on the loan.

Note 28 | Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from Subsidiaries.

The totals for each category of financial instruments are measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement, as detailed in the accounting policies to these financial statements. These are summarised as follows:

	NOTE	CONSOLIDATED GROUP 2015 $000	CONSOLIDATED GROUP 2014 $000
FINANCIAL ASSETS			
Cash and cash equivalents	10	2,743	-
Trade and other receivables	11	6,772	-
TOTAL FINANCIAL ASSETS		**9,515**	**-**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
Trade and other payables	17	7,021	81
Borrowings	18	-	2,000
TOTAL FINANCIAL LIABILITIES		**7,021**	**2,081**

Financial Risk Management Policies

Senior Management meet on a regular basis to review currency and interest rate exposure and to evaluate treasury management strategies where relevant, in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. This strategy includes the review of the use credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (including the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period (excluding the value of any collateral or other security held) is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 11.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

c. Foreign exchange risk

The Group is exposed to foreign currency risk on the sale of licences and transaction fee income from foreign entities as well as on the translation of its foreign subsidiaries. The Group has not hedged foreign currency transactions as at 30 June 2015. Senior Management continue to evaluate this risk on an ongoing basis.

With instruments being held by overseas operations, fluctuations in the US dollar and UK pound sterling may impact on the Group's financial results unless those exposures are appropriately hedged.

Note 29 | Company details

The registered office of the Company is:
Pilot Partners
Level 10, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

The principal places of business are:

BARTERCARD OPERATIONS AUSTRALIA PTY LTD
TRADE EXCHANGE SOFTWARE PTY LTD
BUCQI AUSTRALLIA PTY LTD
BARTERCARD SERVICES PTY LTD

121 Scarborough Street
Southport QLD 4215

BARTERCARD OPERATIONS NZ LIMITED

Building 3, Level 3, Candida Office Park,
61 Constellation Drive
Mairangi Bay
Auckland
New Zealand.

BARTERCARD OPERATIONS UK LTD

Churchill House
1 London Road
Slough
Berkshire
SL3 7FJ
United Kingdom.

BARTERCARD USA INC

146 Fairchild St, Suite 170
Charleston
South Carolina 29492
United States of America.

7.0 Directors' Declaration

Directors' Declaration

In accordance with a resolution of the Directors of BPS Technology Limited Listed Public Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 29 to 62, are in accordance with the *Corporations Act 2001* and:
    a. Comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. Give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and the Directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Murray d'Almeida
Chairman

Trevor Dietz
Chief Executive Officer

29 September 2015

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BPS Technology Limited
Level 1, 121 Scarborough Street
Southport QLD 4215
PO Box 582
Southport Qld 4215

Independent Auditors' Report

8.0

PILOT PARTNERS
Chartered Accountants

Level 10, Waterfront Place
1 Eagle St. Brisbane 4000

PO Box 7095 Brisbane 4001
Queensland Australia

P +61 7 3023 1300
F +61 7 3229 1227

pilotpartners.com.au

TO THE SHAREHOLDERS OF BPS TECHNOLOGY LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of BPS Technology Ltd, which comprises:

- the Consolidated Statement of Financial Position as at 30 June 2015;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows for the year then ended;
- notes comprising a summary of significant accounting policies and other explanatory information; and
- Directors' declaration of the Company and 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 control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 (IFRS)*.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 judgment, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of BPS Technology Ltd, would be in the same terms given to the Directors as at the time of this auditor's report.

PILOT PARTNERS
Chartered Accountants

Level 10, Waterfront Place
1 Eagle St. Brisbane 4000

PO Box 7095 Brisbane 4001
Queensland Australia

P +61 7 3023 1300
F +61 7 3229 1227

pilotpartners.com.au

AUDITOR'S OPINION

In our opinion:

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

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

   ii. complying with Australian Accounting Standards and the *Corporations Act 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 in pages 23 to 25 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.

AUDITOR'S OPINION

In our opinion the Remuneration Report of BPS Technology Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Pilot Partners
Chartered Accountants

Michael Traynor
Partner

Dated 29 September 2015

Level 10
1 Eagle Street
Brisbane Qld 4000

Additional ASX Disclosures

9.0

Additional information required by the Australian Securities Exchange not shown elsewhere in this report is as follows.

The following information is current as at 29 September 2015:

1. Shareholding

a. Distribution of Shareholders

CATEGORY (SIZE OF HOLDING)	NUMBER ORDINARY
1 - 1,000	20
1,001 - 5,000	194
5,001 - 10,000	89
10,001 - 50,000	231
50,000 - 100,000	43
100,001 and over	33
TOTAL	610

b. The number of shareholdings held in less than marketable parcels is 5.

c. The names of the substantial Shareholders listed in the holding Company's register are:

CATEGORY (SIZE OF HOLDING)	NO OF ORDINARY SHARES HELD
Coralnet Pty Ltd	10,500,000
Norwood St Pty Ltd	10,500,000
TCM Investments Australia Pty Ltd	10,500,000
HSBC Custody Nominees (Australia) Limited	4,239,990

d. Voting Rights

The Company only has ordinary shares. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders – Ordinary Shares

NAME	NO OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
1. Coralnet Pty Ltd	10,500,000	17.95
2. Norwood St Pty Ltd	10,500,000	17.95
3. TCM Investments Australia Pty Ltd	10,500,000	17.95
4. HSBC Custody Nominees (Australia) Limited	4,239,990	7.25
5. National Nominees Limited	2,500,000	4.27
6. Virpaysol Pty Ltd	2,000,000	3.42
7. DFL Portfolio Pty Ltd	1,200,741	2.05
8. J.P Morgan Nominees Australia Limited	1,154,778	1.97
9. Narlack Pty Ltd	1,037,825	1.77
10. Kinscote Pty Ltd	340,463	0.58
11. Clemwell Pty Ltd	300,000	0.51
12. Occasio Holdings Pty Ltd	300,000	0.51
13. Mrs Avril Irons	280,500	0.48
14. Monticone Investments Pty Ltd	268,779	0.46
15. SHL Pty Ltd	250,000	0.43
16. UBS Nominees Pty Ltd	250,000	0.43
17. Locope Pty Ltd	232,000	0.40
18. Mr Simon Charles Barker	200,000	0.34
19. Yeppoon Property Group Pty Ltd	197,010	0.34
20. Comley Super Pty Ltd	191,799	0.33

2. The name of the Company Secretary is:

Antonie Wiese

3. The address of the principal registered office in Australia is:

Level 10, Waterfront Place
1 Eagle Street
Brisbane Qld 4000
(07) 3023 1300

The principal place of business is:

121 Scarborough Street
Southport Qld 4215
(07) 5561 9000

4. Registers of securities are held at the following addresses:

Link Market Service
Level 15, 324 Queen Street
Brisbane Qld 4000
(07) 3320 2211

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

CORPORATE INFORMATION

BPS TECHNOLOGY LTD

ABN	43 167 603 992
Directors	Murray d'Almeida | Director (Non-Executive) Anthony Lally | Director (Non-Executive) Andrew Pipolo | Director (Non-Executive) Trevor Dietz | Chief Executive Officer Brian Hall | Managing Director Antonie Wiese | Chief Financial Officer
Company Secretary	Antonie Wiese
Registered Office	Level 10, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Principal Place of Business	**BARTERCARD OPERATIONS AUSTRALIA PTY LTD** **TRADE EXCHANGE SOFTWARE PTY LTD** **BUCQI AUSTRALIA PTY LTD** **BARTERCARD SERVICES PTY LTD** 121 Scarborough Street, Southport QLD 4215
Auditor	PILOT PARTNERS Level 10, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Bankers	National Australia Bank Level 20, 100 Creek Street Birsbane Qld 4000
Share Register	Link Market Services Limited Level 15, 324 Queen Street Brisbane QLD 4000
Website	www.bpstechnology.com.au
Securities Exchange	BPS Technology Ltd is listed on the Australian Securities Exchange (ASX: BPS)

BPS Technology

Level 10, Waterfront Place,
1 Eagle Street,
Brisbane QLD 4000

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info@bpstechnology.com