

**TopBetta Holdings Limited**  
**(Formerly OM Group Holdings Pty Ltd)**

**Financial Statements for the**  
**Financial Year Ended 30 June 2015**

# TopBetta Holdings Limited

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## Financial Statements for the Financial Year Ended 30 June 2015

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# TopBetta Holdings Limited

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## Directors' Report

The directors of TopBetta Holdings Limited ("the Group") submits herewith the annual financial report for the year ended 30 June 2015. The directors' report as follows:

### DIRECTORS

Todd Buckingham was director for the whole of the financial year and up to the date of this report. Nicholas Chan (appointed 29 October 2015), Matthew Cain (appointed 2 October 2015), and Simon Dulhunty (appointed 2 October 2015) were appointed directors after balance date.

### PRINCIPAL ACTIVITIES & RESULTS

The Group's principal activities during the period were online gaming and wagering services. The Group incurred a loss for the year ended 30 June 2015 of \$1,282,461 (2014 loss of: \$1,787,291).

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

### SUBSEQUENT EVENTS

On 1 July 2013, the Group was acquired by TopBetta Holdings Limited (formerly OM Group Holdings Pty Limited). In July 2015, one of the Company's subsidiaries, TopBetta Pty Ltd, received seven Court Attendance Notices issued by the New South Wales office of Liquor, Gaming and Racing in the Local Court in Sydney. Each of these Court Attendance Notices allege that the TopBetta Pty Ltd committed an offence under clause 12 of the Racing Administration Regulation 2012 relating to the publication of gambling advertisement on its website between 30 April 2015 to 16 May 2015, that offered a reward as an inducement to participate in a gambling activity. However, the promotion which appears to be the subject of the complaints is no longer being provided. If established, each of these offences would cause TopBetta Pty Ltd to be subject to a maximum penalty of \$5,500, or a total of \$33,000. TopBetta Pty Ltd, through its lawyers, has requested further information relating to the allegations made in the Court Attendance Notices. Until that information is received and reviewed, TopBetta Pty Ltd is not in a position to enter a plea in respect of the allegations made in the Court Attendance Notice. If the matters proceed to a hearing, TopBetta Pty Ltd anticipates that these hearings will take place in late 2015 or early 2016.

There has not been any other matter or circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### INDEMNIFICATION OF OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

# TopBetta Holdings Limited

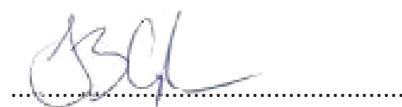
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## Director's Report

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 3 of the financial report.

This report is signed in accordance with a resolution of the directors.



Todd Buckingham

Newcastle, NSW

Dated: 17 November 2015

**Auditor's Independence Declaration  
to the Director of  
TopBetta Holdings Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of TopBetta Holdings Limited.

As lead audit partner for the audit of the TopBetta Holdings Limited financial report for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



**PKF NEWCASTLE**



**MJ Matthews**

Partner

Chartered Accountants

Dated: 17 November 2015

**Independent Audit Report to the Members of  
TopBetta Holdings Limited  
for the Financial Year Ended 30 June 2015**

**Report on the Financial Report**

We have audited the special purpose financial report of TopBetta Holdings Limited, which comprises the statement of financial position as at 30 June 2015, and statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled (the "Group"), at the year's end or from time to time during the financial year.

**Director's Responsibility**

The directors of the Group are responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with his financial reporting requirements and are appropriate to meet the needs of the members. The directors' responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Group's financial reporting obligations. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Australian professional ethical pronouncements.

**Independent Audit Report to the Members of  
TopBetta Holdings Limited  
for the Financial Year Ended 30 June 2015  
(Continued)**

**Audit Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Group as of 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to the Statement of Financial Performance which indicates that the Group incurred a net loss of \$1,282,461 during the year ended 30 June 2015 (2014: loss of \$1,787,291). These conditions, along with other matters as set out in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Accordingly, should the Group not be able to continue as a going concern, it may not realise its assets and extinguish its liabilities in the normal course of business.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.



**PKF NEWCASTLE**

Chartered Accountants

Newcastle, NSW

Dated: 17 November 2015



**MARTIN MATTHEWS**

Partner

# TopBetta Holdings Limited

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## Directors' Declaration

In the directors' opinion:

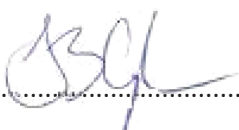
a) the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared to satisfy the director's financial reporting requirements;

b) the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations and other mandatory professional reporting requirements;

c) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

d) in the directors' opinion, the attached financial statements and notes thereto give a true and fair view of the financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

This statement is made in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

  
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Todd Buckingham

Newcastle, NSW

Dated: 17 November 2015



## TopBetta Holdings Limited

### Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2015

	Year Ended 30 June 2015 \$	Year Ended 30 June 2014 \$
Revenue	1,127,522	1,052,734
Cost of Sales	(716,883)	(1,031,178)
Gross Profit	410,639	21,556
Other income	429,280	617,452
Administration expenses	(158,747)	(311,923)
Finance costs	(145,659)	(169,952)
Employee benefits expense	(1,245,587)	(1,503,686)
Marketing expenses	(227,069)	(149,296)
IT expenses	(198,173)	(387,751)
Occupancy expenses	(59,633)	(50,282)
Depreciation and amortisation expense	(5,845)	(3,629)
Professional fees	(394,047)	(232,758)
Other expenses	(5,698)	-
<b>Loss before income tax expense</b>	(1,600,539)	(2,170,269)
Income tax benefit	318,078	382,978
<b>Loss after income tax expense</b>	(1,282,461)	(1,787,291)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	(1,282,461)	(1,787,291)

Notes to the financial statements are included on pages 11 to 19.

# TopBetta Holdings Limited

## Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	2	432,387	50,500
Trade and other receivables	3	1,081,753	482,012
<b>Total current assets</b>		1,514,140	532,512
<b>Non-current assets</b>			
Plant and equipment	4	20,828	10,071
Intangible assets	5	4,275,527	4,275,527
Tax assets	6	701,055	382,978
<b>Total non-current assets</b>		4,997,410	4,668,576
<b>Total assets</b>		6,511,550	5,201,088
<b>Current liabilities</b>			
Trade and other payables	7	939,434	1,349,762
Provisions	8	76,005	76,005
Borrowings	9	482,153	1,480,442
<b>Total current liabilities</b>		1,497,592	2,906,209
<b>Non-current liabilities</b>			
Provisions	8	24,027	15,313
Borrowings	9	-	199,903
<b>Total non-current liabilities</b>		24,027	215,216
<b>Total liabilities</b>		1,521,619	3,121,425
<b>Net assets</b>		4,989,931	2,079,663
<b>Equity</b>			
Issued capital		8,059,683	3,866,954
Accumulated losses	10	(3,069,752)	(1,787,291)
<b>Total equity</b>		4,989,931	2,079,663

Notes to the financial statements are included on pages 11 to 19.

## TopBetta Holdings Limited

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### Statement of Changes in Equity for the Financial Year Ended 30 June 2015

	Issued capital	Accumulated losses	Total equity
	\$	\$	\$
Balance at 1 July 2013	3,200,904	-	3,200,904
Shares issued during the year	666,050	-	666,050
Loss for the period	-	(1,787,291)	(1,787,291)
Balance at 30 June 2014	3,866,954	(1,787,291)	2,079,663
Shares issued during the year	4,192,729	-	4,192,729
Loss for the period	-	(1,282,461)	(1,282,461)
Balance at 30 June 2015	8,059,683	(3,069,752)	4,989,931

Notes to the financial statements are included on pages 11 to 19.

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# TopBetta Holdings Limited

## Statement of Cash Flows for the Financial Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b><u>Cash flows from operating activities</u></b>			
Receipts from customers		1,315,949	1,234,373
Payments to suppliers and employees		(3,273,961)	(3,383,966)
Interest paid		42,770	33,108
R&D claim received		602,152	468,722
Net cash used in operating activities	12(b)	(1,313,090)	(1,647,763)
<b><u>Cash flows from investing activities</u></b>			
Payments for plant and equipment		(16,602)	(2,000)
Net cash used in investing activities		(16,602)	(2,000)
<b><u>Cash flows from financing activities</u></b>			
Proceeds from issue of shares		1,326,374	666,050
Proceeds from unissued shares		65,000	135,430
Proceeds from issue of convertible notes		-	600,000
Proceeds from/(repayment of) borrowings		320,205	(75,620)
Net cash provided by financing activities		1,711,579	1,325,860
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>381,887</b>	<b>(323,903)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>50,500</b>	<b>374,403</b>
<b>Cash and cash equivalents at the end of the period</b>	12(a)	<b>432,387</b>	<b>50,500</b>

Notes to the financial statements are included on pages 11 to 19.

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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 1 Summary of accounting policies

#### Financial reporting framework

The Group is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements.

#### Statement of compliance

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies have been adopted in the preparation and presentation of the following report:

#### (a) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group generated a net loss of \$1,282,461 for the year ended 30 June 2015 (2014: loss of \$1,787,291). The Group has signed an agreement with Foster Stockbroking Pty Limited in connection with a proposed initial public offering ("IPO") and issue of up to \$7m of securities in the parent entity. It is expected that this IPO will occur before 31 December 2015.

It is on this basis that the Directors considers the Group to be a going concern. Should the Group be unable to raise additional capital, there is significant uncertainty over its ability to continue as a going concern. Should the Group not be able to continue as a going concern, it may not realise its assets and extinguish its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Group not continue as a going concern.

#### (b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of TopBetta Holdings Limited ("parent entity") and entities controlled by the parent entity (its subsidiaries) (collectively referred to as 'the Group' in these financial statements). Control is achieved where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 1 Summary of accounting policies (Continued)

#### (c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### (d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

#### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

#### (f) Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 1 Summary of accounting policies (Continued)

#### **(g) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### Wagering revenue

Revenue is recognised as the residual value after deducting the return to customers from wagering turnover.

The amounts bet on an event are recognised as a liability until the outcome of the event is determined, at which time the revenue is brought to account. Open betting positions are carried at fair value and gains and losses arising on these positions are recognised in revenue.

##### Rendering of services

Revenue is recognised once the service has been rendered.

##### Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### **(h) Receivables**

Trade accounts receivable generally settled within 30 days are carried at amounts due. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

#### **(i) Income Tax**

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

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 1 Summary of accounting policies (Continued)

#### (i) Income Tax (Continued)

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

Deferred tax assets related 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.

#### (j) Intangible Assets

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition.

Goodwill is not amortised but is reviewed for impairment annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash generating units or groups of cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash generating unit (or Group of cash generating units) is less than the carrying amount of the cash generating unit (or Groups of cash generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or Group of cash generating units) and then to the other assets of the cash generating units pro rata on the basis of the carrying amount of each asset in the cash generating unit (or Group of cash generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

#### (k) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.



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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 1 Summary of accounting policies (Continued)

#### (l) Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### Financial liabilities

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

##### Impairment

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

#### (m) Adoption of New and Revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

# TopBetta Holdings Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
<b>2 Cash and cash equivalents</b>		
Cash on hand	219	3,851
Petty cash	500	500
Cash at bank	431,668	46,149
	<u>432,387</u>	<u>50,500</u>
<b>3 Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	56,639	-
Other receivables	776,664	-
Research & development tax receivable	189,734	377,152
GST receivable	55,076	104,860
Rental bond	3,640	-
	<u>1,081,753</u>	<u>482,012</u>
<b>4 Plant &amp; equipment</b>		
Plant & equipment - at cost	17,349	18,070
Plant & equipment - accumulated depreciation	(10,960)	(9,024)
	<u>6,389</u>	<u>9,046</u>
Computer equipment - at cost	16,086	-
Computer equipment - accumulated depreciation	(2,728)	-
	<u>13,358</u>	
Furniture & fittings - at cost	2,679	2,164
Furniture & fittings- accumulated depreciation	(1,598)	(1,139)
	<u>1,081</u>	<u>1,025</u>
Total plant & equipment	<u>20,828</u>	<u>10,071</u>
<b>5 Intangible assets</b>		
Goodwill	<u>4,275,527</u>	<u>4,275,527</u>
<b>6 Tax assets</b>		
Deferred tax asset	<u>701,055</u>	<u>382,978</u>

# TopBetta Holdings Limited

## Notes to the Financial Statements for the

### Financial Year Ended 30 June 2015

	2015 \$	2014 \$
<b>7 Trade and other payables</b>		
Trade payables	273,990	618,385
Other payables	548,839	549,095
Accrued expenses	116,605	182,283
	<u>939,434</u>	<u>1,349,762</u>
<b>8 Provisions</b>		
<b>Current</b>		
Annual leave	<u>76,005</u>	<u>76,005</u>
<b>Non-current</b>		
Long service leave	<u>24,027</u>	<u>15,313</u>
<b>9 Borrowings</b>		
<b>Current</b>		
<i>Secured liabilities:</i>		
Loan - convertible notes (i)	<u>-</u>	<u>979,342</u>
<i>Unsecured liabilities:</i>		
Loan - related parties	<u>482,153</u>	<u>501,100</u>
	<u>482,153</u>	<u>1,480,442</u>
<b>Non-current</b>		
<i>Unsecured liabilities:</i>		
Loan - related parties	<u>-</u>	<u>199,903</u>
(i) Borrowings are secured over the assets of the company		
<b>10 Accumulated losses</b>		
Balance at the beginning of the financial year	(1,787,291)	-
Net loss for the period	(1,282,461)	(1,787,291)
Balance at the end of the financial year	<u>(3,069,752)</u>	<u>(1,787,291)</u>

# TopBetta Holdings Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
<b>11 Remuneration of auditors</b>		
During the year the following fees were paid or payable to PKF Newcastle		
Audit of the financial statements	13,000	16,000
<b>12 Notes to the cash flow statement</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	432,387	50,500
<b>(b) Reconciliation of loss for the period to net cash flows from operating activities</b>		
Loss for the year	(1,282,461)	(1,787,291)
Depreciation of plant and equipment	5,845	3,629
Interest capitalised on convertible notes & loans	82,047	124,155
Services satisfied through share issuance	80,000	7,000
Changes in assets / liabilities:		
Decrease/(increase) in trade and other receivables	186,923	(121,916)
Decrease/(increase) in deferred tax assets	(318,077)	(382,978)
(Decrease)/increase in trade and other payables	(76,081)	448,158
Increase in provisions	8,714	61,480
Net cash from operating activities	(1,313,090)	(1,647,763)
<b>(c) Significant non-cash financing activities</b>		
Amounts receivable from employee share plan or other investors	786,664	-
Conversion of loans and convertible notes into share capital	1,521,842	-
Trade payables converted to shares	399,247	-
Interest capitalised on convertible notes & loans	78,602	-
Services satisfied through share issuance	80,000	-
Total non-cash transaction	2,866,355	-
Proceeds from issue of shares	1,326,374	666,050
Shares issued during the year	4,192,729	666,050

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# TopBetta Holdings Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2015

### 13 Subsequent events

In July 2015, one of the Company's subsidiaries, TopBetta Pty Ltd, received seven Court Attendance Notices issued by the New South Wales office of Liquor, Gaming and Racing in the Local Court in Sydney. Each of these Court Attendance Notices allege that the TopBetta Pty Ltd committed an offence under clause 12 of the Racing Administration Regulation 2012 relating to the publication of gambling advertisement on its website between 30 April 2015 to 16 May 2015, that offered a reward as an inducement to participate in a gambling activity. However, the promotion which appears to be the subject of the complaints is no longer being provided. If established, each of these offences would cause TopBetta Pty Ltd to be subject to a maximum penalty of \$5,500, or a total of \$33,000. TopBetta Pty Ltd, through its lawyers, has requested further information relating to the allegations made in the Court Attendance Notices. Until that information is received and reviewed, TopBetta Pty Ltd is not in a position to enter a plea in respect of the allegations made in the Court Attendance Notice. If the matters proceed to a hearing, TopBetta Pty Ltd anticipates that these hearings will take place in late 2015 or early 2016.

There has not been any other matter or circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 14 Contingent liabilities and assets

The group had no contingent liabilities or assets as at 30 June 2015.

### 15 Commitments

The group had no commitments as at 30 June 2015.

### 16 Additional company information

TopBetta Holdings Limited is a company limited by shares, incorporated in Australia.

#### ***Principal Place of Business and Registered Office***

TopBetta Holdings Limited  
83 Regent Street,  
New Lambton NSW 2305