

**N1 Loans Pty Limited (Formerly WHL Pty Limited)**

**A.B.N. 361 422 598 54**

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**Financial Report  
for the year ended 30 June 2014**

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Directors' Report for the year ended 30 June 2014

The Director presents their report together with the financial statements of WHL Pty Limited (referred to hereafter as the 'company') at the end of, or during, the year ended 30 June 2014.

### Directors

The sole director in office during the year was Ren Wong.

### Principal Activities

The principal continuing activity of the company was the provision of mortgage brokering.

### Review of Operations

Company expect to receive ongoing trail commission throughout the life of a loan. In the financial reports, trail commission is only recognised on receipt. Future trail commission receivable is not included, which is an asset to the company.

Company allowed for \$161,816 possible commission claw back by lenders, which may or may not happen in the future.

### Operating Results

The operating loss of the company amounted to \$184 (profit 2013: \$34,642) after providing for income tax.

### State of Affairs

In the opinion of the Director, there has been no significant changes in the state of affairs of the company that occurred during the year which is not otherwise disclosed in this report or financial statements.

### Events Subsequent to Balance Date

Since year end 30 June 2014 the company has started to consider the option of listing on the Australian Stock Exchange. In addition a total of \$979,000 of convertible notes have been issued.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### Likely Developments

Information on likely developments in the operations of the company and the expected results of the operations have not been included in this report because the director believes it would be likely to result in unreasonable prejudice to the company.

### Environmental Obligations

The company operations are not regulated by any significant environmental regulations under the laws of the Commonwealth, States or Territories.

### Other items

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave 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.

### Dividends and Options

No dividends or options were paid or proposed during the year.

### Indemnification of Officers and Auditor

During or since the end of the financial year, the company has not given an indemnity or entered into an agreement to indemnify the officers or auditor.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

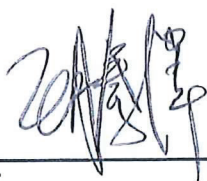
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## **Directors' Report** **for the year ended 30 June 2014**

### **Auditor's Independence**

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found prior to the audit report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



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**Director**  
Sydney

Dated this 14th day of December 2015.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2014

	NOTE	2014 \$	2013 \$
Revenue	2	1,672,024	704,601
Other Income	2	688	2
Consulting and referral fees		(1,296,622)	(478,739)
Depreciation		(40,766)	(20,460)
Finance costs - external		(14,735)	(5,955)
Salary and wages		(120,385)	(48,626)
Travel		(20,420)	(8,128)
Rental		(108,108)	(46,266)
Other expenses		(65,166)	(48,643)
<b>Profit/(loss) before income tax</b>		6,510	47,786
Income tax expense	4	(6,694)	(13,144)
<b>Profit/(loss) for the year attributable to members</b>		<b>(184)</b>	<b>34,642</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income/(deficit) for the year attributable to members</b>		<b>(184)</b>	<b>34,642</b>
Profit/(loss) attributable to: Members of the entity		<b>(184)</b>	<b>34,642</b>
Total comprehensive income/(deficit) attributable to: Members of the entity		<b>(184)</b>	<b>34,642</b>

The accompanying notes form part of these financial statements

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Statement of Financial Position As at 30 June 2014

	NOTE	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash	5	59,805	11,348
Trade and other receivables	6	341,638	102,295
Other assets	7	-	15,735
<b>Total current assets</b>		<b>401,443</b>	<b>129,378</b>
<b>NON-CURRENT ASSETS</b>			
Other assets	7	33,635	12,513
Motor Vehicle, Plant and equipment	8	166,991	84,882
Intangible assets	9	1,714	-
Deferred tax asset	10	16,635	6,579
<b>Total non-current assets</b>		<b>218,975</b>	<b>103,974</b>
<b>Total assets</b>		<b>620,418</b>	<b>233,352</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	228,611	72,681
Income tax liability/(Refund due)	12	27,359	19,723
Borrowings	13	59,457	43,120
Provisions	14	166,111	57,886
<b>Total current liabilities</b>		<b>481,538</b>	<b>193,410</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	13	137,293	39,842
Provisions	14	1,671	-
<b>Total current liabilities</b>		<b>138,964</b>	<b>39,842</b>
<b>Total liabilities</b>		<b>620,502</b>	<b>233,252</b>
<b>Net liabilities</b>		<b>(84)</b>	<b>100</b>
<b>Represented by</b>			
<b>EQUITY</b>			
Issued capital	15	100	100
Accumulated Profit/(Losses)		(184)	0
<b>Total equity</b>		<b>(84)</b>	<b>100</b>

The accompanying notes form part of these financial statements

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Statement of Changes in Equity For the year ended 30 June 2014

	Share Capital Ordinary	Retained Earnings/(Loss)	Total
<b>Balance at 30 June 2012</b>	100	(18,818)	(18,718)
Profit attributable to equity shareholders	-	34,642	34,642
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	100	15,824	15,924
<i>Transactions with owners in their capacity as owners:</i>			
Contribution of equity net of transaction costs	-	-	-
Dividends paid	-	(15,824)	(15,824)
<b>Balance at 30 June 2013</b>	100	0	100
Profit attributable to equity shareholders	-	(184)	(184)
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	100	(184)	(184)
<i>Transactions with owners in their capacity as owners:</i>			
Contribution of equity net of transaction costs	-	-	-
Dividends paid	-	-	-
<b>Balance at 30 June 2014</b>	<b>100</b>	<b>(184)</b>	<b>(84)</b>

The accompanying notes form part of these financial statements

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Statement of Cash Flows

For the year ended 30 June 2014

	NOTE	2014 \$	2013 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,764,313	761,302
Payments to suppliers and employees		(1,699,098)	(673,388)
Net Interest received		(14,047)	(5,953)
Income tax paid		(9,116)	-
<b>Net cash used in operating activities</b>	<b>22</b>	<b>42,052</b>	<b>81,961</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds in disposal		30,902	-
Purchase of plant & equipment & Intangibles		(18,548)	-
<b>Net cash used in investing activities</b>		<b>12,354</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance liability repaid		(39,066)	(24,488)
Dividend paid		-	(15,824)
Loans (repaid)/received		33,117	(35,509)
		<b>(5,949)</b>	<b>(75,821)</b>
Net increase (decrease) in cash held		48,457	6,140
Cash at the beginning of the year		11,348	5,208
<b>Cash at the end of the year</b>	<b>5</b>	<b>59,805</b>	<b>11,348</b>

The accompanying notes form part of these financial statements

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these standards did not have any significant impact on the financial performance or position of the company.

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

#### **Basis of Preparation**

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001, as appropriate for a for profit entity.

Australian Accounting Standards set out accounting policies that the AASB concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

The financial statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The functional and presentational currency is Australian dollars.

The financial statements were authorised for issue on 14 December 2015 by the directors of the company.

#### **Revenue**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Upfront commission and trail commission earned to date is recognised when earned. Future trail commission is recognised as income when received.

Commission income maybe clawed back from the company if the recipient of the loan changes policies within a two year period. A provision for this clawback has been included in provisions.

Interest revenue is recognised using the effective interest rate method, which for floating financial assets is the rate inherent in the instrument.

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



# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

#### Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. 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.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets 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, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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, 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.

#### Current and non-current classification

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

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

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

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

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

#### Cash and cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Where applicable, bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

#### Leases

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

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance leased assets are depreciated over the assets useful life or the shorter of the assets useful life and the lease term.

#### Impairment of non financial assets

At each reporting date, the company assesses the carrying values of its intangible and tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

#### Trade and other payables

Trade and other payables represent unpaid liabilities for goods received and services provided to the company prior to the end of the financial year. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

#### 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.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

#### Provisions

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

#### Employee benefits

##### *Short-term employee benefits*

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

##### *Other long-term employee benefits*

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

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

#### Goods & 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 Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recovered 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 payment to suppliers.

#### Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

##### Key judgement

The company has provided for future clawback on income received. The provision has been based on past history and is estimated at 10%. The agents commissions paid and then clawed back from the agents and the same % rate has been applied.

##### Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### New Accounting Standards for application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. The company has not assessed that at this stage the impact on the Company.

#### *AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### Note 1: Summary of Significant accounting policies

#### *AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the company.

#### **Going concern**

Notwithstanding the operating loss for the year of \$184 and net current liabilities of \$80,905, the director believes that the going concern basis is appropriate for the preparation and presentation of the financial statements as the Company has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. Further, the Company is confident of being able to raise additional funds through an IPO, and other borrowings.

In the unlikely event the matters referred to above result in a negative outcome, then the going concern basis may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>2 REVENUE AND OTHER INCOME</b>		
<i>Revenue</i>		
Commission income	1,624,108	694,512
Other	47,916	10,089
	<b>1,672,024</b>	<b>704,601</b>
<i>Other income</i>		
Interest received - related parties	-	-
Interest received - external parties	688	2
	<b>1,672,712</b>	<b>704,603</b>
<b>3 EXPENSE DETAIL</b>		
Interest paid - related parties	-	-
Interest paid - external parties	14,735	5,955
Superannuation	9,018	2,888
Remuneration of auditor		
- auditing or reviewing the financial report	-	-
- other services due diligence and tax review	-	-
	<b>9,018</b>	<b>2,888</b>
<b>4 INCOME TAX EXPENSE</b>		
(a) The components of the tax expense comprise:		
Current tax	16,749	19,723
Deferred tax	(10,055)	(6,579)
	<b>6,694</b>	<b>13,144</b>
(b) The prima facie tax payable on the profit from ordinary activities is reconciled to the income tax provided for in the account as follows:		
The prima facie tax payable on the profit from ordinary activities before income tax calculated at 30% (2013: 30%)	1,953	14,336
Add tax effect of :		
Permanent differences	4,741	1,093
- prior year adjustment	-	(2,285)
	<b>6,694</b>	<b>13,144</b>
Deferred tax assets		
- Leave Entitlements	1,790	-
- Agents Commission	-	(10,787)
- Clawback	14,845	17,366
	<b>16,635</b>	<b>6,579</b>

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements For the year ended 30 June 2014

### 5 CASH

Cash at bank

2014 \$	2013 \$
59,805	11,348

### 6 TRADE AND OTHER RECEIVABLES

#### Current

Commission receivable

Agent Commission Clawback receivable

Provision for impairment

229,305	66,340
112,333	35,955
-	-
341,638	102,295

The balances of receivables that remain within initial trading terms (as detailed in the table) are considered to be of high credit quality.

Within initial trade terms

Past Due but not impaired <30 days

Past Due but not impaired 31-60 days

Past Due but not impaired 61-90 days

Gross

Receivables 2014 \$	Receivables 2013 \$
341,638	102,295
-	-
-	-
-	-
341,638	102,295

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired. No collateral is held over trade and other receivables.

### 7 OTHER ASSETS

#### Current

Loans receivable - director

2014 \$	2013 \$
-	15,735

#### Non Current

Rental Deposit

33,635	12,513
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# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements For the year ended 30 June 2014

	2014 \$	2013 \$
<b>8 MOTOR VEHICLE, PLANT AND EQUIPMENT</b>		
Cost	215,268	117,949
Accumulated depreciation	(48,277)	(33,067)
	<b>166,991</b>	<b>84,882</b>
Opening written down value	84,882	45,577
Additions	151,794	59,765
Disposals	(28,919)	-
Depreciation	(40,766)	(20,460)
Closing written down value	<b>166,991</b>	<b>84,882</b>
<b>9 INTANGIBLE ASSETS</b>		
Cost	2,227	-
Accumulated depreciation	(513)	-
	<b>1,714</b>	<b>-</b>
Opening written down value	-	573
Additions	2,227	-
Disposals	-	(573)
Depreciation	(513)	-
Closing written down value	<b>1,714</b>	<b>-</b>
<b>10 DEFERRED TAX ASSET</b>		
Deferred tax assets	16,635	6,579
	<b>16,635</b>	<b>6,579</b>
<b>11 TRADE AND OTHER PAYABLES</b>		
<b>Short-term unsecured</b>		
Commission payable	159,563	52,382
Employee payables	19,967	696
Other creditors and accruals	49,081	19,603
	<b>228,611</b>	<b>72,681</b>
<b>12 TAX PROVISION</b>		
Current		
Income tax liability	27,359	19,723
	<b>27,359</b>	<b>19,723</b>
<b>13 BORROWINGS</b>		
<i>Current</i>		
Finance lease	42,076	43,120
Director loan	17,381	-
	<b>59,457</b>	<b>43,120</b>
<i>Non Current</i>		
Finance lease	137,293	39,842
The finance leases have security over the associated motor vehicles.		



## Notes to the Financial Statements

### For the year ended 30 June 2014

	2014 \$	2013 \$
<b>14 PROVISIONS</b>		
<i>Current</i>		
Claw back provision	161,816	57,886
Employee entitlements	4,295	-
	<b>166,111</b>	<b>57,886</b>
<i>Non current</i>		
Employee entitlements	1,671	-
	<b>1,671</b>	-
<b>15 ISSUED CAPITAL</b>		
Ordinary shares	100	100
	<b>100</b>	<b>100</b>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders meeting 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 company has authorised share capital amounting to 100 ordinary shares of no par value.

Ordinary no of shares at the beginning of the year	100	100
Movement in the year	-	-
Total number of ordinary shares at the end of the year	<b>100</b>	<b>100</b>

## Capital Management

Management controls capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate return and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital, preference shares and financial liabilities, supported by financial assets.

The company has no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to the shareholders and shares issues.

The gearing ratios for the period ended is as follows

	Note		
Trade and other payables	11	228,611	72,681
Borrowings	13	196,750	82,962
Less cash and cash equivalents	5	(59,805)	(11,348)
Net debt		365,556	144,295
Total equity		(84)	100
Total capital		365,472	144,395

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

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## Notes to the Financial Statements

For the year ended 30 June 2014

### 16 FINANCIAL INSTRUMENTS

#### *Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis and ageing analysis.

Risk management is carried out by senior management under policies approved by the directors. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance reports to the director at a minimum monthly.

#### *Market risk*

The company is not exposed to any significant risk for foreign exchange or price risk.

#### *Interest rate risk*

The company's main interest rate risk arises from borrowings. Borrowings with the director are interest free.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date is the recognised financial assets which are recorded at the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral.

The company has a credit risk exposure with Finsure as disclosed in note 6 as commission receivable. This balance was within its terms of trade and no impairment was made as at 30 June 2014. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements

For the year ended 30 June 2014

### Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

	1 year or less \$	1-5 years \$	TOTAL \$
<b>2014 Financial Liabilities</b>			
Other creditors and	228,611	-	228,611
Clawback	161,816	-	161,816
Loans	17,381	-	17,381
Finance lease	42,076	137,293	179,369
	<u>449,884</u>	<u>137,293</u>	<u>587,177</u>
<b>2014 Financial assets</b>			
Cash	59,805	-	59,805
Trade and other receivables	341,638	-	341,638
Rental deposits	-	33,635	33,635
	<u>401,443</u>	<u>33,635</u>	<u>435,078</u>
<b>2013 Financial Liabilities</b>			
Other creditors and	72,681	-	72,681
Clawback	57,886	-	57,886
Finance leases	43,120	39,842	82,962
	<u>173,687</u>	<u>39,842</u>	<u>213,529</u>
<b>2013 Financial assets</b>			
Cash	11,348	-	11,348
Trade and other receivables	102,295	-	102,295
Rental deposits	-	12,513	12,513
Loans	15,735	-	15,735
	<u>129,378</u>	<u>12,513</u>	<u>141,891</u>

The cashflows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements

For the year ended 30 June 2014

### 17 FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

### 18 KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to directors and other members of key management personnel of the company is set out below. The only KMP was the director.

	2014 \$	2013 \$
Short-term employee benefits	-	-
Post employment benefits	-	-
Long-term benefits	-	-
Share based payments	-	-
	<u>-</u>	<u>-</u>

### 19 RELATED PARTIES

#### Director loan

Opening balance	15,735	30,812
Advance	-	-
Repayment	(33,115)	(15,077)
Interest	-	-
Closing balance	<u>(17,380)</u>	<u>15,735</u>

All transactions were made on normal commercial terms and conditions and at market rates.

### 20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The company does not have any contingent assets and contingent liabilities at year end, or at the end of the previous financial year.

### 21 COMMITMENTS

#### Operating lease commitment not recognised as a liability at year end

Within one year	128,293	97,993
One to five years	43,290	171,583
	<u>171,583</u>	<u>269,576</u>

Operating lease commitments include contracts for office rental.

#### Finance leases

Within one year	42,076	41,552
One to five years	165,582	54,077
Total commitment	207,658	95,629
Less: Future finance charges	(28,288)	(12,667)
Net commitment recognised as a liability	<u>179,370</u>	<u>82,962</u>

# N1 Loans Pty Limited (Formerly WHL Pty Limited)

## Notes to the Financial Statements

For the year ended 30 June 2014

### 22 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2014 \$	2013 \$
Profit (loss) from ordinary activities after income tax	(184)	34,642
Non-cash flows in loss from ordinary activities		
Non-cash flow income and expenses	41,279	21,033
Gain on disposal	(1,984)	-
Changes in assets and liabilities		
(Increase) decrease in receivables	(80,157)	(20,952)
(Increase) decrease in deferred assets	(10,056)	(6,579)
(Decrease) increase in trade and other payables	79,552	34,093
(Decrease) increase in other provisions	13,601	19,724
Cash used in operations	<b>42,051</b>	<b>81,961</b>

### 23 SUBSEQUENT EVENTS

Since year end the company has started to consider the option of listing on the Australian Stock Exchange. In addition a total of \$979,000 of convertible notes have been issued.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### 24 COMPANY DETAILS

The company is domiciled in Australia.

The registered office and principal place of business of the company is:

77 King Street  
Sydney NSW 2000

## N1 Loans Pty Limited (Formerly WHL Pty Limited)

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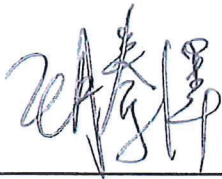
### Directors' Declaration

For the year ended 30 June 2014

The Director of the company declare that:

- a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- c) the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Directors:



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Director

Sydney

Dated this 14th day of December 2015.



The Board of Directors  
N1 Loans Pty Limited  
77 King Street  
Sydney NSW 2000

**Crowe Horwath Sydney**

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Dear Board Members

N1 Loans Pty Limited (Formerly WHL Pty Limited)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Director of N1 Loans Pty Limited.

As lead audit partner for the audit of the financial report of N1 Loans Pty Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor 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.

Yours sincerely

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

*Leah Russell*

**LEAH RUSSELL**  
Partner

Date this 14<sup>th</sup> day of December 2015

# N1 Loans Pty Limited (Formerly WHL Pty Ltd)

## Independent Auditor's Report to the Members of N1 Pty Limited

### Report on the Financial Report

We have audited the accompanying financial report of N1 Loans Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

#### *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 Statement*, that the financial statement comply with *International Financial Reporting Standards*.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company'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 N1 Loans Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Auditor's Opinion*

In our opinion:

- a. the financial report of N1 Loans Pty Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 of the financial statements that indicates that the accounts have been prepared on a going concern basis which is dependent on the ability of the Company to raise additional funding. In the unlikely event the matter referred above results in a negative outcome, the going concern basis may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the financial report.

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

A handwritten signature in blue ink that reads "Leah Russell".

**LEAH RUSSELL**

Partner

Dated this 14<sup>th</sup> day of December 2015