



**MINT PAYMENTS™**

**MINT PAYMENTS LIMITED**

**ABN: 51 122 043 029**

**APPENDIX 4D AND HALF-YEAR FINANCIAL REPORT**

**31 DECEMBER 2017**

**APPENDIX 4D**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

**1. Reporting period**

The current reporting period is the period ended 31 December 2017 and the previous corresponding period is for the period ended 31 December 2016.

**2. Results for announcement to the market**

			<b>Half-year ended 31 Dec 2017</b>
Revenue from ordinary activities	Up	3%	\$2,172,642
Net loss from ordinary activities attributable to members	Down	(12)%	\$(2,591,563)
Net loss attributable to members	Down	(12)%	\$(2,616,124)

*Commentary*

Further commentary on the results for the half-year can be found in the half year results presentation released subsequent to the Appendix 4D and the 'review of operations' section of the Directors' Report in the attached half-year financial report.

*Dividends*

No interim dividends have been paid or provided for during the period or the prior financial period by the Parent Entity.

*Earnings per share*

	<b>Half-year ended 31 Dec 2017</b>	<b>Half-year ended 31 Dec 2016</b>
Basic earnings per share (cents)	(0.40)	(0.52)
Diluted earnings per share (cents)	(0.40)	(0.52)

**3. Net tangible assets per share**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Net tangible assets per share (cents)	(0.51)	(0.76)

**4. Audit qualification or review**

The half-year financial report has been subject to review and the independent auditor's review report is attached as part of the financial report.

**5. Attachments**

The financial report of Mint Payments Limited for the half-year ended 31 December 2017 is attached. The half-year financial report should be read in conjunction with the most recent annual financial report.

The remainder of the information requiring disclosure to comply with ASX 4.2A.3 is contained in the attached half-year financial report.

**MINT PAYMENTS LIMITED**  
**ABN: 51 122 043 029**  
**HALF-YEAR FINANCIAL REPORT**  
**31 DECEMBER 2017**

<b><u>Contents</u></b>	<b><u>Page</u></b>
Directors' Report	3
Auditor's Independence Declaration	5
Half-Year Financial Report	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Cash Flows	8
Consolidated Statement of Changes in Equity	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report	15

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Mint Payments Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Mint Payments Limited present their report on the consolidated entity consisting of Mint Payments Limited and the entities it controlled ("the Group" or "Mint Payments") at the end of, or during, the half-year ended 31 December 2017.

## **DIRECTORS**

The names of the Directors of Mint Payments Limited during the half-year and until the date of this report are:

### Non Executive

Terry Cuthbertson (Chairman)  
William Bartee  
Anne Weatherston  
Peter Wright

### Executive

Alex Teoh (Chief Executive Officer and Managing Director)  
Andrew Teoh (Resigned effective from 5<sup>th</sup> December 2017)

All Directors were in office for the entire period unless otherwise stated.

## **PRINCIPAL ACTIVITIES**

The principal activities of the consolidated entity during the half-year under review were omni-channel payments solutions that utilises bank grade enabled technology and infrastructure on various POS, mobile, tablet devices and online interfaces. Mint Payments has an innovative payments technology and transactions processing platform that integrate business processes to service credit and debit card payments across multiple markets and multiple channels.

## **RESULTS AND REVIEW OF OPERATIONS**

### **Operating Results**

Key financial results for the half-year ended 31 December 2017 were:

- Overall, revenue from ordinary activities increased by 3%, more importantly the Company has seen an increase in recurring revenues:
  - as a total by 48% from previous corresponding period and;
  - as a proportion of total revenues representing 42% of total revenues (29% in the previous corresponding period).

The increase in recurring revenues was offset by the decrease in one-off revenues by 40% from the sales of goods and services as the Company naturally progresses towards an increasing recurring revenue model as noted above.

- Reported net loss from ordinary activities attributable to members for the half-year ended 31 December 2017 was \$2,591,563, an improvement by 12% from the previous corresponding year. This improvement is indicative of the increase in revenue and lower operating expenses.

### **Review of Operations**

The highlights for the half-year ended 31 December 2017 include:

- In October 2017, Mint signed 5-year agreement with Sektor to broaden distribution of payment solutions in retail, hospitality and enterprise mobility markets in Australia through Sektor's respected nationwide network of IT integrator Partners.

- In November 2017, Mint became an approved AFTA Insolvency Chargeback Scheme (AICS) payment provider. AICS will provide protection to thousands of travel agents and securing Mint Payments as the Scheme's newest payment partner is another strategic milestone.

#### **DIVIDENDS**

No dividends were declared or paid since the start of the financial half-year. No recommendation for payment of dividends has been made.

#### **SIGNIFICANT EVENTS AFTER BALANCE DATE**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

#### **ROUNDING OF AMOUNTS**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

#### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this half-year financial report.

Signed in accordance with a resolution of the Directors.



Alex Teoh  
**Chief Executive Officer and Managing Director**

**Sydney, 27 February 2018**

**AUDITOR'S INDEPENDENCE DECLARATION**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

---



**PITCHER PARTNERS**

ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre  
19 Martin Place  
Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1615  
Sydney NSW 2001  
Australia

Tel: +61 2 9221 2099  
Fax: +61 2 92231762

[www.pitcher.com.au](http://www.pitcher.com.au)  
[partners@pitcher-nsw.com.au](mailto:partners@pitcher-nsw.com.au)

Pitcher Partners is an association of independent firms  
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of Mint Payments Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (ii) any applicable code of professional conduct in relation to the review.

M A Godlewski  
Partner

PITCHER PARTNERS  
Sydney

27 February 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
<b>Continuing operations</b>			
Revenue and other income	3	2,172,642	2,114,192
Network and service delivery		(638,205)	(470,965)
Purchases & changes in inventories of finished goods		(23,445)	(73,200)
Employee benefit expense (excluding share options)		(2,834,582)	(3,028,860)
Share payments & option expense		(43,354)	(121,714)
Depreciation and amortization		(158,179)	(160,472)
Finance costs		(237,196)	(267,281)
Professional fees		(248,771)	(355,627)
Administration, property & communication expenses		(223,427)	(232,971)
Other expenses		(357,046)	(360,633)
<b>Loss before income tax</b>		<b>(2,591,563)</b>	<b>(2,957,531)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(2,591,563)</b>	<b>(2,957,531)</b>
<b>Other comprehensive Income</b>			
<b>Items that may be reclassified subsequently to profit &amp; loss</b>			
Foreign currency translation gain / (loss)		(24,561)	915
<b>Total comprehensive loss for the period</b>		<b>(2,616,124)</b>	<b>(2,956,616)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity shareholders		(2,616,124)	(2,956,616)
<b>Net loss attributable to:</b>			
Equity shareholders		(2,591,563)	(2,957,531)
<b>Earnings per share for loss to equity shareholders</b>			
Basic earnings per share (cents)	6	(0.40)	(0.52)
Diluted earnings per share (cents)	6	(0.40)	(0.52)

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2017

	Notes	As at 31 Dec 2017 \$	As at 30 Jun 2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,836,184	1,824,562
Trade and other receivables		2,201,800	3,815,658
Inventories		461,413	183,256
Other financial assets		262,877	271,361
<b>Total current assets</b>		<b>4,762,274</b>	<b>6,094,837</b>
<b>Non-current assets</b>			
Plant and equipment		135,564	116,522
IT development		512,034	484,896
<b>Total non-current assets</b>		<b>647,598</b>	<b>601,418</b>
<b>Total assets</b>		<b>5,409,872</b>	<b>6,696,255</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables		(1,460,164)	(1,824,199)
Unearned revenue		(120,000)	-
Provisions		(565,308)	(538,569)
Short term borrowings		(6,000,000)	-
<b>Total current liabilities</b>		<b>(8,145,472)</b>	<b>(2,362,768)</b>
<b>Non-current liabilities</b>			
Provisions		(69,221)	(65,537)
Long term borrowings		-	(4,500,000)
<b>Total non-current liabilities</b>		<b>(69,221)</b>	<b>(4,565,537)</b>
<b>Total liabilities</b>		<b>(8,214,693)</b>	<b>(6,928,305)</b>
<b>Net assets</b>		<b>(2,804,821)</b>	<b>(232,050)</b>
<b>Equity</b>			
Contributed equity	4	42,781,783	42,781,783
Reserves		2,546,737	2,527,945
Accumulated losses		(48,133,341)	(45,541,778)
<b>Total equity</b>		<b>(2,804,821)</b>	<b>(232,050)</b>

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
<b>Cashflows from operating activities</b>		
Receipts from customers	1,530,828	1,548,660
Operating grant receipts	2,126,530	1,901,392
Payments to suppliers and employees	(4,796,917)	(4,721,905)
Interest and other similar items received	31,340	20,645
Interest and other cost of finance paid	(166,452)	(197,132)
<b>Net cash used in operating activities</b>	<b>(1,274,671)</b>	<b>(1,448,340)</b>
<b>Cashflows from investing activities</b>		
Payments for plant and equipment	(47,903)	(11,236)
Payments for capitalised IT Development	(165,804)	(192,775)
<b>Net cash used in investing activities</b>	<b>(213,707)</b>	<b>(204,011)</b>
<b>Cashflows from financing activities</b>		
Proceeds from issue of shares	-	-
Repayment of borrowings	-	-
Proceeds from borrowings	1,500,000	190,033
Share issuance costs	-	(9,199)
Proceeds from other financial assets	-	(5,723)
<b>Net cash provided by financing activities</b>	<b>1,500,000</b>	<b>175,111</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>11,622</b>	<b>(1,477,240)</b>
Cash and cash equivalents at the beginning of the half-year	1,824,562	3,234,787
<b>Cash at end of the half-year</b>	<b>1,836,184</b>	<b>1,757,547</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Share capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2016</b>	<b>36,623,204</b>	<b>2,543,568</b>	<b>22,594</b>	<b>(40,261,572)</b>	<b>(1,072,206)</b>
Loss for the half-year	-	-	-	(2,957,531)	(2,957,531)
Other comprehensive Income for the half-year	-	-	915	-	915
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>-</b>	<b>915</b>	<b>(2,957,531)</b>	<b>(2,956,616)</b>
Recognition of share based payment	-	(143,619)	-	-	(143,619)
Issue of ordinary shares	388,591	-	-	-	388,591
Share issue costs	(8,362)	-	-	-	(8,362)
<b>Balance at 31 Dec 2016</b>	<b>37,003,433</b>	<b>2,399,949</b>	<b>23,509</b>	<b>(43,219,103)</b>	<b>(3,792,212)</b>

	Share capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2017</b>	<b>42,781,783</b>	<b>2,511,575</b>	<b>16,370</b>	<b>(45,541,778)</b>	<b>(232,050)</b>
Loss for the half-year	-	-	-	(2,591,563)	(2,591,563)
Other comprehensive income for the half-year	-	-	(24,562)	-	(24,562)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>-</b>	<b>(24,562)</b>	<b>(2,591,563)</b>	<b>(2,616,125)</b>
Recognition of share based payment	-	43,354	-	-	43,354
Issue of ordinary shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
<b>Balance at 31 Dec 2017</b>	<b>42,781,783</b>	<b>2,554,929</b>	<b>(8,192)</b>	<b>(48,133,341)</b>	<b>(2,804,821)</b>

*The accompanying notes form part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

---

**1. Summary of significant accounting policies**

**Basis of preparation**

The condensed financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards AASB 134 Interim Financial Reporting. The financial report has also been prepared on a historical cost basis.

The half-year financial report does not include all the notes of the type normally included with the annual report. As a result, it should be read in conjunction with the 30 June 2017 annual financial report of Mint Payments Limited, together with any public announcements made by Mint Payments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Stock Exchange.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Statement of compliance**

Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS).

**Rounding amounts**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

**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 incurred a net loss of \$2,591,563 and a net cash outflow from operations of \$1,274,671 for the half-year ended 31 December 2017. As at 31 December 2017, the Group had cash assets of \$1,836,184, current assets of \$4,762,274 and current liabilities of \$8,145,472.

The financial report has nonetheless been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the next 12 months. These forecasts are based on projected margins from contracted and new customers, available funding from the Group's finance facilities (\$2,000,000 undrawn as at 31 December 2017) and negotiating an extension to the existing current finance facilities (which the Group has been historically successful).

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

**2. Segment information**

The consolidated entity operates in one segment being mobile payments. This is based on the internal reports that are reviewed and used by the Board of Directors (identified as the Chief Operating Decision Maker (CODM)) in assessing performance and in determining the allocation of resources.

The consolidated entity operates predominantly in one geographical region being Australia.

**3. Revenue and other income**

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Revenue from sales of goods	4,329	216,154
Revenue from services	239,470	187,220
Recurring revenues	916,402	620,537
R&D grant income	1,000,000	1,069,036
Interest income	12,441	21,245
<b>Total revenue and other income</b>	<b>2,172,642</b>	<b>2,114,192</b>

**4. Contributed equity**

		31 Dec 2017 No.	30 Jun 2017 No.
<b>(a) Issued and paid up capital</b>			
Ordinary Shares		<b>648,504,776</b>	<b>648,504,776</b>
<b>(b) Movements in shares on issue</b>			
		Half-year ended 31 Dec 2017	Half-year ended 31 Dec 2017
	Date	No. of Shares	\$
<b>Beginning of the financial half-year</b>	<b>1-Jul-17</b>	<b>648,504,776</b>	<b>42,781,783</b>
Issue of ordinary shares under employee share plan		-	-
Share issue costs		-	-
<b>Closing Balance</b>	<b>31-Dec-17</b>	<b>648,504,776</b>	<b>42,781,783</b>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

**5. Unlisted options****(a) Options on issue at balance date**

As at balance date, the Company had the following class of options on issue:

Description	Number	Exercise Price (cents)	Expiry
Unlisted options	5,000,000	15.0	27/11/2018
<b>Total</b>	<b>5,000,000</b>		

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

**(b) Movement in options on issue**

	Half-year ended 31 Dec 2017 No.
<b>Outstanding at the beginning of the half-year</b>	<b>5,000,000</b>
Granted during the half-year	-
Expired during the half-year	-
Exercised during the half-year	-
Forfeited during the half-year	-
<b>Outstanding at the end of the half-year</b>	<b>5,000,000</b>

**6. Earnings/(loss) per share**

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net Loss attributed to equity shareholders	(2,591,563)	(2,957,531)
<b>Loss used in calculating basic and diluted earnings per share</b>	<b>(2,591,563)</b>	<b>(2,957,531)</b>
	<b>Number of shares</b>	<b>Number of shares</b>
<b>Weighted average number of ordinary shares used in calculating basic loss per share</b>	<b>648,504,776</b>	<b>569,763,223</b>
<b>Effect of dilutive securities:</b>		
Share options	-	-
<b>Adjusted weighted average number of ordinary shares used in calculating diluted earnings loss per share</b>	<b>648,504,776</b>	<b>569,763,223</b>
Basic earnings per share to equity shareholders	(0.40 cents)	(0.52 cents)
Diluted earnings per share to equity shareholders	(0.40 cents)	(0.52 cents)

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

---

**7. Dividends**

No dividend was paid, recommended for payment nor declared during the period under review.

**8. Contingent liabilities**

There has been no change in contingent liabilities since the last annual reporting date.

**9. Subsequent events**

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

Mint Payments Limited is a listed public company, incorporated and operating in Australia.

**Registered Office**

Level 4, 450 Victoria Road  
Gladesville  
NSW 2111  
Australia

**Principal place of business**

Level 4, 450 Victoria Road  
Gladesville  
NSW 2111  
Australia

**DIRECTORS' DECLARATION**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

---

**Directors' declaration**

In the Directors' opinion:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position for the half-year ended 31 December 2017 and of its performance for the period ended on that date; and
  - (ii) compliance with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**ALEX TEOH**

**Chief Executive Officer and Managing Director**

Sydney, New South Wales

**27 February 2018**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

---



**PITCHER PARTNERS**

ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre  
19 Martin Place

Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1615

Sydney NSW 2001  
Australia

Tel: +61 2 9221 2099  
Fax: +61 2 92231762

[www.pitcher.com.au](http://www.pitcher.com.au)  
[partners@pitcher-nsw.com.au](mailto:partners@pitcher-nsw.com.au)

Pitcher Partners is an association of independent firms

Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF MINT PAYMENTS LIMITED**

We have reviewed the accompanying half-year financial report of Mint Payments Limited, which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Mint Payments Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mint Payments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mint Payments Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 1 Going Concern in the financial report which states that the consolidated entity incurred a loss for the half-year ended 31 December 2017 of \$1,274,671 and had cash assets of \$1,836,184, current assets of \$4,762,274 and current liabilities of \$8,145,472. The financial report has nonetheless been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the next 12 months. These forecasts are based on projected margins from contracted and new customers, available funding from the Group's finance facilities (\$2,000,000 undrawn as at 31 December 2017) and negotiating an extension to the existing current finance facilities (which the Group has been historically successful).

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.



M A Godlewski  
Partner

27 February 2018



PITCHER PARTNERS  
Sydney