

eBet Limited

ABN : 59 056 210 774

APPENDIX 4E

Consolidated Preliminary Financial Statements for the year ended 30 June 2015

eBet Limited

ABN : 59 056 210 774

Appendix 4E - Preliminary Financial Report

Reporting period

Previous reporting period

Year ended 30 June 2015

Year ended 30 June 2014

Results for Announcement to the Market

	2015 \$'000's	2014 \$'000's	\$ Change \$'000's		% Change
Revenue from operating activities	50,968	40,135	10,833	up	27 up
Net profit before income tax	6,056	3,624	2,432	up	67 up
Net profit after income tax	8,932	2,909	6,023	up	207 up
Net profit attributable to members of the parent entity	8,932	2,909	6,023	up	207 up

Dividends	Amount per security	Franked amount per security
Final Dividend (30 June 2014)	5.5¢	2.75¢
Final Dividend (30 June 2015)	14¢	3.50¢

Record date for determining entitlements to the dividend	26 August, 2015
Date of final dividend payment	25 September, 2015

Brief explanation of any of the above necessary to enable the figures to be understood

During the year, the Gaming Systems and Gaming Operations segments recorded strong revenue growth of 76% and 19% respectively. In addition to this growth, the Group maintained a solid gross margin of 67%.

At the end of the financial year, a substantial adjustment to the Deferred Tax Asset of \$3.1 million has been recognised, in accordance with the Accounting Standards. This was made up of \$2.0 million in capitalised tax losses (Revenues), \$0.7 million in timing differences of intangibles and \$0.4 million from other movements in timing differences.

Net Tangible Asset Backing

	2015 cents	2014 cents
Net tangible asset / (liability) backing per ordinary security:	1.11	0.60

Other Information

	2015	2014
Control gained over entities (where material) Not applicable.		
Loss of control over entities (where material) Not applicable		
Dividend or distribution reinvestment plans Not applicable.		
Details of associates & joint venture entities Name of group of entities: Gaming Solutions Pty Limited (ACN 125 503 853) Percentage held: Share of profit recognised (\$'000):	 50% -	 50% -
Foreign entities Not applicable		
Audit status This report is based on accounts which are in the process of being audited		

Attachments

Any additional appendix 4E disclosure requirements can be found in the notes to the attached Consolidated Preliminary Financial Statements and the attached ASX announcement.

Signed By



Ken Carr - CEO

20 August 2015

eBet Limited

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

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

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

eBet Limited

Consolidated Statement of Financial Position as at 30 June 2015

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

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

eBet Limited

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

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

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

eBet Limited

Consolidated Cash Flow Statement for the year ended 30 June 2015

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

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

eBet Limited

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

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Consolidated Preliminary Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

Basis of Preparation

The Consolidated Preliminary Financial Statements have been prepared in accordance with ASX listing rule 4.3A, the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

These Consolidated Preliminary Financial Statements do not include all the notes of the type normally included in the annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015, the half year report for the half year ended 31 December 2014 and any public announcements made by eBet Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Consolidated Preliminary Financial Statements have been prepared on an accruals basis and are based on historical costs as modified by the revaluation of certain non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies adopted are consistent with those of the previous financial year.

	Consolidated Entity	
	2015	2014
	\$000	\$000
Note 2 Revenue		
Revenue		
Sales - Systems & Software	24,330	13,814
Sales - Operations	25,746	21,614
Sales - Machines	892	4,707
	<u>50,968</u>	<u>40,135</u>
Other revenue		
Foreign exchange gain	19	-
Other revenue	246	118
	<u>265</u>	<u>118</u>
	<u>51,233</u>	<u>40,253</u>
Note 3 Expenses		
Profit / (loss) before income tax includes the following specific expenses:		
Cost of sales	<u>16,757</u>	<u>12,038</u>
Depreciation and amortisation		
Plant and equipment depreciation	1,550	1,490
Intellectual property, software development and other intangible assets amortisation	2,845	2,494
	<u>4,395</u>	<u>3,984</u>
Foreign exchange		
Foreign exchange loss	-	178
Note 4 Financial Income and Expenses		
Interest Income	375	564
Interest expense	<u>(478)</u>	<u>(133)</u>
Net financing (expense) / Income	<u>(103)</u>	<u>431</u>

eBet Limited

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

Consolidated Entity
2015 2014
\$000 \$000

Note 5 Income tax

The prima facie tax on profit is reconciled to the income tax benefit / (expense) as follows:

Prima facie tax payable on profit before income tax at the Australian tax rate of 30% (2014: 30%):	(1,817)	(1,087)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment: non-deductible portion	(17)	(24)
Share Based Payment expense	(105)	(45)
Other non-deductible items	(100)	-
Stamp Duty Paid	(82)	-
Rebatable research & development	(205)	319
Recognition of previously unrecognised tax losses	3,240	-
Utilisation of previously unrecognised tax losses	100	-
Utilisation and recognition of previously unrecognised tax credits	1,705	-
Franking deficit tax	30	-
	2,749	(837)
Over provision in prior years	127	122
Income tax benefit / (expense)	2,876	(715)

Note 6 Earnings per Share

Basic earnings per share (cents per share)	51.11	18.98
Diluted earnings per share (cents per share)	51.11	18.98
Net profit used in calculating basic and diluted EPS (\$'000)	8,932	2,909
Weighted average number of ordinary shares used in calculating basic earnings per ordinary share ('000 shares)	17,476	15,324
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000 shares)	17,476	15,324

Note 7 Cash Flow Information

Reconciliation of profit after income tax to net cash from operating activities

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

eBet Limited

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

Consolidated Entity
2015 2014
\$000 \$000

Note 8 Cash and cash equivalents

Cash (i)

Cash at bank and on hand
Cash at bank held for jackpots

4,350	1,828
963	629
5,313	2,457

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to
Cash at bank and on hand

4,350	1,828
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(i) Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

Note 9 Financial Assets

Current

Held to Maturity Assets
Term Deposits

2,391	-
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Note 10 Intangible Assets

Goodwill
Impairment

7,057	5,833
-	-
7,057	5,833

Intellectual property, software development and other intangibles - at cost
Accumulated amortisation and impairment

43,171	38,715
(33,151)	(30,305)
10,020	8,410

Total Intangible Assets

17,077	14,243
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Note 11 Trade and other payables

Current

Trade payables
Jackpot Liability
Dividend payable
Other payables and accruals

1,990	3,741
947	619
-	843
4,078	2,148
7,015	7,351

Non-Current

Other payables and accruals

497	35
497	35

eBet Limited

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

Consolidated Entity	
2015	2014
\$000	\$000

Note 12 Borrowings

Current

Secured

Commercial bill facility

Finance leases

875 1,556

17 31

Unsecured

Convertible notes

- 8

892 1,595

Non-Current

Secured

Commercial bill facility

Finance leases

- 875

5 22

5 897

Note 13 Subsequent events

On 19th August 2015, the Company declared a 14 cent per share dividend to be paid 25th September 2015 to holders of shares as at 26th August 2015.

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