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Nedlands WA 6009
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ABN: 59 151 155 734

31 August 2016

Company Announcements Office
ASX Limited

FY2016 - ANNUAL RESULTS ANNOUNCEMENT

Attached are the following documents pertaining to the year ended 30 June 2016 for EZA Corporation Limited:

	<u>Pages</u>
Appendix 4E for the year ended 30 June 2016	2 - 3
Annual financial report for the year ended 30 June 2016	Attachment of 47 pages

EZA Corporation Limited
Appendix 4E
Preliminary final report
For the year ended 30 June 2016

1. Details of the reporting period and the previous corresponding period

Name of entity: EZA Corporation Limited
ABN: 59 151 155 734
Financial year ended: 30 June 2016
Previous financial year ended: 30 June 2015

2. Results for announcement to the market

	Percentage change over previous year	\$
Revenues from ordinary activities	Down 100%	-
Loss from ordinary activities after tax attributable to members	Down 41%	(304,321)
Net profit for the period attributable to members	Down 41%	(304,321)
Brief explanation of any of the figures necessary to enable the figures to be understood: Refer to the "Review of operations" section of the Directors' Report for the year ended 30 June 2016.		

3. Statement of comprehensive income for the financial year ended 30 June 2016

Refer to the audited annual financial statements of EZA Corporation Limited for the year ended 30 June 2016.

4. Statement of financial position as at 30 June 2016

Refer to the audited annual financial statements of EZA Corporation Limited for the year ended 30 June 2016.

5. Statement of cash flows for the financial year ended 30 June 2016

Refer to the audited annual financial statements of EZA Corporation Limited for the year ended 30 June 2016.

6. Statement of changes in equity for the year ended 30 June 2016

Refer to the audited annual financial statements of EZA Corporation Limited for the year ended 30 June 2016.

EZA Corporation Limited
Appendix 4E
Preliminary final report
For the year ended 30 June 2016

7. Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the year ended 30 June 2016.

8. Details of dividend reinvestment plans in operation

N/A

9. Net tangible assets per security

The net tangible assets per ordinary share at 30 June 2016 is 15.48 cents per share (30 June 2015: 15.97 cents per share).

10. Details of entities over which control has been gained or lost

N/A

11. Details of associates and joint venture entities

N/A

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer to the "Review of operations" section of the Directors' Report for the year ended 30 June 2016.

13. For foreign entities details of which set of accounting standards is used in compiling the report

N/A

14. Commentary on the results for the period

Refer to the "Review of operations" section of the Directors' Report for the year ended 30 June 2016.

15. This report is based on accounts to which the following applies.

Audited annual financial statements

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A



ABN 59 151 155 734

Annual Financial Report

For the year ended 30 June 2016

EZA Corporation Limited
30 June 2016 Annual Financial Report

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EZA Corporation Limited
30 June 2016 Annual Financial Report

Corporate Information

Directors	Mark Jones (Non-Executive Chairman) Douglas Rose (Managing Director) Andrew Quin (Non-Executive Director)
Company Secretaries	Krystel Kirou Leonard Math
ABN	59 151 155 734
Registered and Principal Office	39 Clifton Street Nedlands WA 6009
Postal Address	39 Clifton Street Nedlands WA 6009
Website	www.ezacorp.com.au
Auditors	HLB Mann Judd Chartered Accountants Level 4,130 Stirling Street PERTH WA 6000
Share Register	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Tel: +61 8 9389 8033
Securities Exchange Listing	Australian Securities Exchange (ASX: EZA) Level 40, Central Park 152-158 St George's Terrace Perth WA 6000

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Your directors present their report together with the consolidated financial statements of the Group comprising of EZA Corporation Limited ("EZA" or the "Company") and its subsidiaries for the year ended 30 June 2016.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors who held office during or since the end of the financial year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated:

Mr Mark Jones
Mr Douglas Rose
Mr Andrew Quin (Appointed 19 January 2016)
Mr Brett Montgomery (Resigned 18 January 2016)

Qualifications, Experience and Special Responsibilities of Directors

Mark Jones (Chairman/Non-Executive Director)

Mr. Jones has been the Non-Executive Chairman of EZA Corporation since the company floated on the Australian Stock Exchange in October 2011. He was instrumental in the listing of the company and subsequent capital raisings. Mr. Jones is a Non-Executive Director (Private Clients) of Patersons Securities Limited and brings 23 years' of capital markets experience to the Board.

In the 3 years immediately before the end of the financial year, Mr Jones also served as a director of the following listed companies:

Oakajee Corporation Limited*

* denotes current directorships

Douglas Rose (Executive Director)

Mr. Rose was appointed to the board of EZA Corporation in March 2013 as a Non-Executive director. He has been the Managing director of EZA Corporation since 1 July 2013 and oversaw the restructure and sale of the ATM business. Prior to his appointment as Managing Director, Mr. Rose was a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 11 years' experience in the financial services industry.

In the 3 years immediately before the end of the financial year, Mr Rose also served as a director of the following listed companies:

Oakajee Corporation Limited*

* denotes current directorships

Andrew Quin (Non-Executive Director) (Appointed 19 January 2016)

Mr Quin is an economist with extensive experience in both the Australian and US stock markets. He has a unique international perspective and macro view on markets, global economics and investment strategy. Mr Quin is currently Research Strategy Coordinator for Patersons Securities Limited, focused on both macroeconomic strategy and stock investment selection. He holds a Masters of Science, Mineral Economics from Curtin University of Technology.

Mr Quin did not hold any other directorships in other listed companies in the last 3 years immediately before the end of the financial year.

Brett Montgomery (Non-Executive Director) (Resigned 18 January 2016)

Mr. Montgomery has experience in the management of publicly listed mining companies having previously been the Managing Director of Kalimantan Gold NL, a Director of Grants Patch Mining Limited and Chairman and Joint Managing Director of Eurogold Limited.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Company Secretaries

Krystel Kirou

Ms Kirou holds a Bachelor of Commerce from the University of Western Australia and has over 8 years' experience in audit and corporate services. She is a member of Certified Practicing Accountants Australia and has held similar secretarial roles in various other listed companies in both industrial and resource sectors. Ms Kirou is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.

Leonard Math

Mr Math graduated from Edith Cowan University in 2003 with a Bachelor of Business and is a member of the Institute of Chartered Accountants and the Australian Institute of Company Directors. Mr Math is currently an Associate Director at Nexia Perth and holds secretarial and non-executive directorship roles with several ASX listed companies and unlisted companies, the majority of which operate in the mineral resources industry, both in Australia and internationally.

Directors' Interests

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

	No. of options over ordinary shares	No. of fully paid ordinary shares
Mark Jones	-	4,860,000
Douglas Rose	-	2,904,669
Andrew Quin	-	-

There were no ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of an option.

At the date of this report there are no unissued ordinary shares of the Company under option.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal activities

Following the sale of the ATM business on 31 October 2014 and the subsequent finalisation of sale adjustments in April 2015, the Company continues to evaluate potential new projects.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Review of operations

The net loss after income tax attributable to members of the Company for the financial year ended 30 June 2016 was \$304,321 (30 June 2015: net profit of \$7,013,802). The comparative period profit included a profit of \$8,131,009 following the sale of the ATM operations. At 30 June 2016, the Company had net assets of \$9,450,443 (30 June 2015: \$9,754,764).

The financial standing of the Company, and in particular its holding of cash and cash equivalents, places it in a strong position to pursue value-enhancing opportunities.

Operating Performance

The table below shows the key operating outcomes achieved as compared with the previous comparative period to 30 June 2016:

	Year ended 30 June 2016	Year ended 30 June 2015
<i>Gross operating revenue (\$'000)</i>	-	5,916
<i>Profit from disposal of ATM business (\$'000)</i>	-	8,131
<i>Net finance income / (expense) (\$'000)</i>	279	158
<i>Net (loss) / profit for the year (\$'000)</i>	(304)	7,014
<i>(Loss) / earnings per share (cents)</i>	(0.50)	10.69

Financial Position

As at 30 June 2016, the Company had cash and cash equivalents of \$9,382,429 and net assets of \$9,450,443. Cash and cash equivalents include a number of fixed interest deposits of varying terms to maturity.

Operational update and outlook

The financial standing of the Company, and in particular its holding of cash and cash equivalents, places it in a strong position to pursue other value-enhancing opportunities. The Board thus continues to seek and assess new corporate opportunities that have large potential for growth.

The Board has reviewed a number of opportunities within the technology, biotechnology and resources sectors. The Board is however applying a patient, focused and disciplined approach in evaluating such opportunities and will provide updates in due course.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report, other than as set out in this report.

Significant events after balance date

There has not been any matter or circumstance that has arisen after balance date 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 periods.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Environmental legislation

The Group is not subject to any significant environmental legislation.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Remuneration report - audited

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of EZA Corporation Limited for the financial year ended 30 June 2016. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

Mr Mark Jones
Mr Douglas Rose
Mr Andrew Quin (Appointed 19 January 2016)
Mr Brett Montgomery (Resigned 18 January 2016)

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external advisers and shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. The remuneration of the non-executive directors for the year ended 30 June 2016 is detailed in Table 1 of this report.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (which may comprise short-term and long-term incentive schemes).

Remuneration report (continued)

Remuneration philosophy

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Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (which may comprise short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Variable Remuneration

The objective of any short term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available will be set at a level so as to provide sufficient incentive to senior management to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual payments granted to each senior manager will depend on the extent to which specific operating targets set at the beginning of the financial year are met.

The aggregate of annual payments available for executives across the Group is subject to the approval of the Board. Payments made may be delivered as a cash or shares/options bonus in the following reporting period.

The Company currently does not have any long term incentive payment arrangements in operation.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Remuneration report (continued)

Service Agreement

The Company entered into a service agreement with Mr Rose on 16 June 2014. Both parties agreed to vary the terms of the service agreement on 1 July 2016. By way of variation, Mr Rose is entitled to a fixed base remuneration of \$100,000 per annum (previously \$150,000 p.a.) plus statutory superannuation.

The service agreement can be terminated by either party providing three months' notice, with the Company being entitled to make a payment in lieu of that notice. In the event of termination by the Company, Mr. Rose will be entitled to a termination payment of \$100,000, less any payment made in lieu of notice.

The service agreement was extended on 1 July 2016 for a period of two years to 30 June 2018.

Bonuses

There were no bonuses granted including those with service and performance criteria during the financial year.

Remuneration of Key Management Personnel

Table 1: Key Management Personnel remuneration for the years ended 30 June 2016 and 30 June 2015

		Short-term employee benefits		Post employment benefits	Other long-term benefits	Share-based payments	Total \$	Relative proportion of remuneration linked to performance	
		Salary & Fees \$	Bonus \$	Superannuation \$	Other \$	Shares \$		Fixed \$	Performance linked \$
Mark Jones	2016	150,000	-	14,250	-	-	164,250	100%	-
	2015	150,000	-	14,250	-	-	164,250	100%	-
Douglas Rose	2016	150,000	-	14,250	-	-	164,250	100%	-
	2015	150,000	150,000	15,394	-	120,000	435,394	38%	62%
Andrew Quin ¹	2016	13,306	-	1,264	-	-	14,570	100%	-
	2015	-	-	-	-	-	-	-	-
Brett Montgomery ²	2016	30,800	-	-	-	-	30,800	100%	-
	2015	28,000	-	-	-	-	28,000	100%	-
Robert Kelly ³	2016	-	-	-	-	-	-	-	-
	2015	20,833	-	1,979	-	-	22,812	100%	-
TOTAL	2016	344,106	-	29,764	-	-	373,870		
	2015	348,833	150,000	31,623	-	120,000	650,456		

¹ Appointed as a non-executive director on 19 January 2016

² Resigned as a non-executive director on 18 January 2016

³ Resigned as a non-executive director on 19 November 2014

Share Option Plans

There were no share options issued during the financial year.

Share-based compensation to Key Management Personnel

There were no share-based payments to directors and executives during the year.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Remuneration report (continued)

Shareholdings of Key Management Personnel

30 June 2016	Balance at beginning of year	Granted as remuneration	Net Change Other	Balance at end of year
<i>Directors:</i>				
Mark Jones	4,860,000	-	-	4,860,000
Douglas Rose	2,010,000	-	894,669	2,904,669
Andrew Quin	-	-	-	-
Brett Montgomery	948,185	-	(958,185) ¹	-
	<u>7,818,185</u>	<u>-</u>	<u>(63,516)</u>	<u>7,764,669</u>

¹ Balance held on ceasing to be a member of key management personnel

All equity transactions with key management personnel other than those granted as remuneration have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Loans to Key Management Personnel

There were no loans provided to key management personnel during the financial year or outstanding at balance date (2015: nil).

Other transactions with Key Management Personnel

The Company rents office accommodation from Oakajee Corporation Limited, a related entity of Mark Jones and Douglas Rose. Normal commercial terms apply. The amount paid during the year was \$13,000 (2015: \$7,150).

Associates and Joint Ventures in which the parent entity is a venturer

The Group does not have any associates and has no interests in joint ventures.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. No guarantees have been provided or received for any related party receivables or payables.

For the year ended 30 June 2016, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties (2015: nil).

END OF REMUNERATION REPORT

EZA Corporation Limited
30 June 2016 Annual Financial Report

Directors' Report

Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number eligible to attend	Number attended
Mark Jones	6	6
Douglas Rose	6	6
Andrew Quin	5	5
Brett Montgomery	1	1

Proceedings on behalf of the Company

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

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 11 and forms part of this directors' report for the year ended 30 June 2016.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 17 to the consolidated financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the Board of directors.



Mark Jones
Non-Executive Chairman
31 August 2016
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of EZA Corporation Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
31 August 2016



D I Buckley
Partner

EZA Corporation Limited
30 June 2016 Annual Financial Report

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
ATM network revenue		-	5,916,475
ATM network expense		-	(3,678,901)
Gross profit		-	2,237,574
Employee benefits expense	2	(389,782)	(1,062,240)
Other expenses	2	(227,038)	(1,254,026)
Depreciation	10	(2,348)	(298,825)
Amortisation	11	-	(855,564)
Profit from disposal of listed investments		35,289	-
Results from operating activities		(583,879)	(1,233,081)
Profit from disposal of ATM business	3	-	8,131,009
Finance income		279,641	214,129
Finance costs		(83)	(55,994)
Net finance income / (costs)		279,558	158,135
(Loss) / profit before tax		(304,321)	7,056,063
Income tax expense	4	-	(42,261)
Net (loss) / profit for the year		(304,321)	7,013,802
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(304,321)	7,013,802
Basic (loss) / profit per share (<i>cents per share</i>)	6	(0.50)	10.69
Diluted (loss) / profit per share (<i>cents per share</i>)	6	(0.50)	10.69

The accompanying notes form part of these financial statements.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Consolidated Statement of Financial Position
As at 30 June 2016

		2016	2015
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	7	9,382,429	9,661,464
Trade and other receivables	8	89,075	95,471
Other financial assets	9	26,608	27,242
Current tax asset	4	-	20,296
Total Current Assets		9,498,112	9,804,473
Non-Current Assets			
Property, plant and equipment	10	4,998	6,806
Total Non-Current Assets		4,998	6,806
Total Assets		9,503,110	9,811,279
Liabilities			
Current Liabilities			
Trade and other payables	12	31,471	37,353
Employee benefits liability	14	21,196	19,162
Total Current Liabilities		52,667	56,515
Total Liabilities		52,667	56,515
Net Assets		9,450,443	9,754,764
Equity			
Issued capital	15	16,405,862	16,405,862
Accumulated losses		(6,955,419)	(6,651,098)
Total Equity		9,450,443	9,754,764

The accompanying notes form part of these financial statements.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Note	Issued capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2014		18,047,607	(13,664,900)	4,382,707
Profit for the year		-	7,013,802	7,013,802
Other comprehensive income for the year, net of income tax		-	-	-
Total comprehensive profit for the year, net of income tax		-	7,013,802	7,013,802
Shares bought-back	15	(1,761,745)	-	(1,761,745)
Share-based payment	15	120,000	-	120,000
Balance at 30 June 2015		16,405,862	(6,651,098)	9,754,764
Balance at 1 July 2015		16,405,862	(6,651,098)	9,754,764
Loss for the year		-	(304,321)	(304,321)
Other comprehensive income for the year, net of income tax		-	-	-
Total comprehensive loss for the year, net of income tax		-	(304,321)	(304,321)
Balance at 30 June 2016		16,405,862	(6,955,419)	9,450,443

The accompanying notes form part of these financial statements.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Consolidated Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		-	6,178,197
Finance income		289,713	118,943
Payments to suppliers and employees		(623,710)	(6,155,939)
Finance costs		(83)	(55,994)
Taxation received / (paid)		20,296	31,507
Net cash (outflow)/inflow from operating activities	7	(313,784)	116,714
Cash flows from investing activities			
Payments for property, plant and equipment		(1,412)	(101,722)
Proceeds from disposal of property, plant and equipment		660	15,929
Proceeds from disposal of ATM business, net of cash sold	3	-	10,396,891
Payment for listed investment		(175,156)	
Proceeds on disposal of listed investment		210,657	-
Net cash inflow from investing activities		34,749	10,311,098
Cash flows from financing activities			
Repayment of borrowings		-	(1,226,138)
Proceeds from borrowings		-	72,051
Net cash (outflow) from financing activities		-	(1,154,087)
Net increase / (decrease) in cash held		(279,035)	9,273,725
Cash and cash equivalents at beginning of year		9,661,464	387,739
Cash and cash equivalents at end of year	7	9,382,429	9,661,464

The accompanying notes form part of these financial statements.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of EZA Corporation Limited and its subsidiaries.

The financial report has been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial report is presented in Australian dollars. The Company is a listed public company, incorporated in Australia.

(b) Adoption of new and revised standards

In the year ended 30 June 2016, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 31 August 2016.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of EZA Corporation Limited ('Company' or 'parent entity') as at 30 June and the results of all subsidiaries for the year then ended. EZA Corporation Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability in its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Critical accounting estimates and judgments

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Recovery of deferred tax assets

Deferred tax assets are recognised when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Recognition of deferred tax liabilities

Deferred tax liabilities in relation to intangible assets recognised on business combinations have not been recognised where the directors assess that these liabilities will reverse against unrecognised deferred tax assets.

Impairment of intangible assets

The Group assesses at the end of each reporting period whether there is any indication that intangible assets may be impaired. Where any such indication exists, the Group estimates the recoverable amount attributable to such intangible assets. As at 30 June 2015, all intangibles assets had been sold.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that future economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty. The Group recognises revenue from the provision of the following services:

Automatic Teller Machine ("ATM") transaction services

The Group levies a fee on withdrawal and other transactions undertaken by bank cardholders through its ATMs deployed in third party businesses. The revenue from each transaction is recognised on completion of the transaction on the ATM as there are no further performance obligations for the Group, and the revenue is received by the Group on a daily basis.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition (continued)

Automatic Teller Machine ("ATM") support services

The Group provides settlement, communication and other related services to third-party ATM deployer businesses. It charges a fee to such deployers on underlying ATM transactions and for other support services provided. Revenue is recognised on completion of the underlying ATM transaction and is received by the Group on a daily basis.

Other sales and services

Revenue from the sales of ATMs, ATM parts and from maintenance services is recognised when the risks and rewards of ownership have passed or the service rendered and recovery of the consideration is probable.

Interest

Revenue is recognised as the interest accrues using the effective interest rate method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(g) Borrowing costs

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

EZA Corporation Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

EZA Corporation Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(l) Impairment of tangible and intangible assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of tangible and intangible assets (continued)

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Cash and cash equivalents

Cash comprises cash at bank and cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging up to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(o) Inventories

Inventories consist of ATM spare parts and are valued at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing the ATM spare parts to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(q) Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Derecognition of financial assets and financial liabilities (continued)

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(r) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Investment in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised on the consolidated statement of financial position and adjusted thereafter to recognised the Groups' share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture), the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of ASSB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceased to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities., the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassified to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and loss resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets and the rates of depreciation are as follows:

- ATMs deployed and on hand - 20% or such higher rates to write off assets over their estimated useful lives
- Other assets - between 20% and 67%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in other expenses.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(u) Goodwill

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

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Goodwill (continued)

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (Group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (Group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (Group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(v) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(w) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(x) Interest-bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(z) Employee leave benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date, they are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(AA) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of EZA Corporation Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(AA) Share-based payment transactions (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings or loss per share.

(AB) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(AC) Profit / (Loss) per share

Basic profit / (loss) per share is calculated as net profit / (loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted profit / (loss) per share is calculated as net profit / (loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(AD) Parent entity financial information

The financial information for the parent entity, EZA Corporation Limited, has been prepared on the same basis as the consolidated financial statements, except in relation to investments in subsidiaries, associates and joint venture entities.

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(AE) Going concern

The consolidated financial report has been prepared on a going concern basis.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 2: EXPENSES

	2016	2015
	\$	\$
Employee benefits expense		
Wages and salaries	353,857	905,789
Other associated personnel expenses	3,201	7,256
Contributions to defined contribution superannuation funds	30,690	70,054
Change in liability for annual leave	2,034	(40,859)
Employee share-based payments	-	120,000
	389,782	1,062,240
Other expenses		
Advertising and marketing	-	30,249
ASX fees	24,940	19,320
Communication costs	1,789	27,384
Contractors and consultants	40,614	255,991
Insurance	21,294	53,046
Legal fees	5,147	243,059
Loss on disposal or scrapping of property, plant and equipment	212	32,415
Premises costs	14,300	70,212
Travel	50,939	55,458
IT costs	16,798	65,314
Other	51,005	401,578
	227,038	1,254,026

NOTE 3: DISPOSAL OF ATM BUSINESS

On 18 September 2014, the Company entered into a share and asset sale agreement with DirectCash Payments Inc. ("DC") whereby DC agreed to acquire the ATM business of the Group. The transaction was subject to a number of conditions, including approval by the Company's shareholders. All such conditions were subsequently satisfied and the sale of the business was completed on 31 October 2014.

Completion of the sale resulted in the transfer of the shares held in Ezeatm Services Pty Ltd, the Group's main operating subsidiary, and other ATM business assets and contracts of the Group, to DC Australasia Pty Ltd, DC's main operating subsidiary in Australia. The consideration received by EZA comprised both cash consideration and the cancellation, by way of a selective buy-back, of 14,681,211 shares held by the DC Group in EZA (*refer note 17*). The cash consideration included a final payment of \$254,000 received by EZA in April 2015 following agreement of the completion date accounts and working capital adjustments.

Prior to this transaction, the Group operated in one business segment and one operational segment, namely the ATM industry in Australia (*Refer note 5*). The transaction did not, in the Directors' opinion, meet the definition of a discontinued operation as set out in AASB5 *Non-current Assets Held for Sale and Discontinued Operations*. The Group accordingly did not account for this transaction as a discontinued operation as it did not relate to any specific identifiable component of the Group, but rather the Group's operations and cash flows as a whole.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 3: DISPOSAL OF ATM BUSINESS (continued)

The profit on disposal of the ATM business in the year ended 30 June 2015 was determined as follows:

	2015
	\$
Cash, including cash received to be applied to cancel hire purchase agreements	10,794,085
Cancellation of shares	1,761,745
Total consideration	12,555,830
Less: Net assets disposed of:	
Cash	(397,194)
Other current assets	(535,824)
Property, plant and equipment	(4,107,044)
Intangible assets	(752,280)
Current liabilities	1,367,521
Profit on disposal of ATM business	8,131,009
Net cash inflow from disposal of ATM business	10,794,085
Less: Net cash held in subsidiary disposed of	(374,194)
Proceeds from disposal of ATM business, net of cash sold	10,396,891

NOTE 4: INCOME TAX

Income tax recognised in profit or loss

	2016	2015
	\$	\$
Current tax expense	-	-
Benefit arising from previously unrecognised tax losses of a prior period that is used to reduce current tax	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	(23,164)
Deferred tax expense / (income)	-	65,425
Income tax expense	-	42,261

The prima facie income tax expense / (benefit) on pre-tax accounting profit / (loss) from operations reconciles to the income tax expense as follows:

Accounting profit / (loss) before income tax	(304,321)	7,056,063
Income tax at 30%	(91,296)	2,116,819
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible expenses	2,909	378,977
Non-assessable income	-	(2,439,592)
Adjustments recognised in the current year in relation to the current tax of previous years	-	(23,164)
Effect of deferred tax not recognised in prior years	6,527	(8,624)
Deferred tax reversed on sale of subsidiary	-	(28,691)
Deferred tax assets not recognised	81,860	46,536
Income tax expense	-	42,261

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 4: INCOME TAX (continued)

The Company may be able to avail itself of the reduction in the income tax rate for small business entities to 28.5%, however for the purposes of the above reconciliation and other disclosures in this note, a rate of 30% has been used.

	2016	2015
	\$	\$
Current tax assets comprise:		
Income tax receivable	-	20,296

Deferred Tax Balances

At 30 June 2016, net deferred tax assets of \$134,923 have been reversed in terms of AASB112 *Income Taxes*. The Company does not currently have operating activities and therefore it may not have future taxable profit available against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

Unrecognised deferred tax assets and liabilities as at 30 June 2016 comprise:	Deferred tax assets \$	Deferred tax liabilities \$	Net \$
Property, plant and equipment	1,914		1,914
Trade and other receivables	-	(25,621)	(25,621)
Trade and other payables	5,295	-	5,295
Employee benefits	6,359	-	6,359
Unused tax losses	139,141	-	139,141
Other future deductions	7,835	-	7,835
Unrecognised deferred tax assets / (liabilities) before set-off	160,544	(25,621)	134,923
Set-off of deferred tax liabilities	(25,621)	25,621	-
Net unrecognised deferred tax asset	134,923	-	134,923

In addition to the assessed loss and other net future income tax deductions on which deferred tax has not been recognised at 30 June 2016 as set out in the table above, the Company also has accumulated capital losses of \$2,136,813 on which deferred tax has not been recognised. Such capital losses may only be utilised against potential future capital gains.

Unrecognised deferred tax assets and liabilities as at 30 June 2015 comprise:	Deferred tax assets \$	Deferred tax liabilities \$	Net \$
Property, plant and equipment			
Trade and other receivables	-	(28,642)	(28,642)
Trade and other payables	10,442	-	10,442
Employee benefits	5,749	-	5,749
Unused tax losses	7,379	-	7,379
Other future deductions	51,608	-	51,608
Unrecognised deferred tax assets / (liabilities) before set-off	75,178	(28,642)	46,536
Set-off of deferred tax liabilities	(28,642)	28,642	-
Net unrecognised deferred tax asset	46,536	-	46,536

EZA Corporation Limited
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Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 5: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the chief operating decision maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the ATM business and one geographical segment, namely the ATM industry in Australia. As more fully set out in note 3, the Group disposed of its ATM business on 31 October 2014.

The revenues and results of this segment, including the disposal of the ATM business segment, are those of the Group as a whole and are set out in the consolidated statement of comprehensive income. As the assets associated with this segment were disposed of as at 31 October 2014, the assets and liabilities set out in the consolidated statement of financial position represent the proceeds from the sale of these operations, together with other residual assets and liabilities of the Group.

NOTE 6: (LOSS) / PROFIT PER SHARE

	2016	2015
	Cents per share	Cents per share
<i>Basic (Loss) / Profit per share:</i>	(0.50)	10.69
<i>Diluted (Loss) / Profit per share:</i>	(0.50)	10.69

The (loss) / profit and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	61,068,789	65,605,197
	\$	\$
(Loss) / Profit used in the calculation of total basic and diluted loss per share are as set out in the statement of comprehensive income as follows:	(304,321)	7,013,802

NOTE 7: CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at bank	1,435,511	81,304
Short-term deposits	7,946,918	9,580,160
	9,382,429	9,661,464

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 7: CASH AND CASH EQUIVALENTS (continued)

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Reconciliation of profit/ (loss) for the year to net cash flows from operating activities:

	2016	2015
	\$	\$
Profit / (loss) for the year	(304,321)	7,013,802
Employee share-based payments	-	120,000
Depreciation	2,348	298,825
Amortisation	-	855,564
Loss on disposal of property, plant and equipment	212	32,415
Profit from disposal of ATM business	-	(8,131,009)
Profit on disposal of listed investment	(35,501)	-
(Increase)/decrease in assets:		
Trade and other receivables	10,071	161,011
Tax asset	20,296	73,768
Inventories	-	6,896
Other financial assets	634	(36,151)
Increase/(decrease) in liabilities:		
Trade and other payables	(4,707)	(237,548)
Employee benefits liability	(2,816)	(40,859)
Net cash (outflow)/inflow from operating activities	(313,784)	116,714

NOTE 8: CURRENT TRADE AND OTHER RECEIVABLES

	2016	2015
	\$	\$
Trade and other receivables	89,075	95,471

As at 30 June 2016, no provision for doubtful debts was required (2015: nil). There are no receivables which are past due or impaired.

NOTE 9: OTHER FINANCIAL ASSETS

	2016	2015
	\$	\$
Prepayments	951	1,584
Deposits	25,658	25,658
	26,608	27,242

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	ATMs	Motor Vehicles	Other Assets	Total
Net carrying amount:	\$	\$	\$	\$
Balance at 1 July 2014	3,943,601	130,318	285,378	4,359,297
Additions	61,496	31,777	8,449	101,722
Disposals	(3,698,083)	(151,073)	(257,888)	(4,107,044)
Other disposals	(48,344)	-	-	(48,344)
Depreciation	(258,670)	(11,022)	(29,133)	(298,825)
Balance at 30 June 2015	-	-	6,806	6,806

At 30 June 2015:

Cost or fair value	-	-	8,449	8,449
Accumulated depreciation	-	-	(1,643)	(1,643)
Net carrying amount	-	-	6,806	6,806

	ATMs	Motor Vehicles	Other Assets	Total
Net carrying amount:	\$	\$	\$	\$
Balance at 1 July 2015	-	-	6,806	6,806
Additions	-	-	1,412	1,412
Disposals	-	-	(872)	(872)
Depreciation	-	-	(2,348)	(2,348)
Balance at 30 June 2016	-	-	4,998	4,998

At 30 June 2016:

Cost or fair value	-	-	8,657	8,657
Accumulated depreciation	-	-	(3,659)	(3,659)
Net carrying amount	-	-	4,998	4,998

NOTE 11: INTANGIBLE ASSETS

There are no intangible assets held at 30 June 2016 (2015: \$nil).

NOTE 12: TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade and other payables	31,471	37,352

Trade payables are unsecured, non-interest bearing and are normally settled on 30-60 day terms.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 13: BORROWINGS, COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group does not have any operating lease commitments as at 30 June 2016 (2015: \$250,944).

Capital commitments

There are no commitments contracted for at balance date but not recognised as liabilities at 30 June 2016 (2015:\$nil).

NOTE 14: EMPLOYEE BENEFITS LIABILITY

	2016 \$	2015 \$
Annual leave	<u>21,196</u>	<u>19,162</u>

NOTE 15: ISSUED CAPITAL

	2016 \$	2015 \$
61,068,789 Fully paid ordinary shares (30 June 2015: 61,068,789)	<u>16,405,862</u>	<u>16,405,862</u>

	Year to 30 June 2016		Year to 30 June 2015	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of year	61,068,789	16,405,862	74,750,000	18,047,607
Shares bought back 31 October 2014 (note (a) below)	-	-	(14,681,211)	(1,761,745)
Shares issued 28 November 2014 (note (b) below)	-	-	1,000,000	120,000
Closing balance	<u>61,068,789</u>	<u>16,405,862</u>	<u>61,068,789</u>	<u>16,405,862</u>
Less: Share issue costs	-	-	-	-
Balance at end of year	<u>61,068,789</u>	<u>16,405,862</u>	<u>61,068,789</u>	<u>16,405,862</u>

(a) As part of the sale of the Company's ATM operations, the Company's shareholders approved the selective buy-back of 14,681,211 shares held by the purchaser of the ATM business at 12c per share. The buy-back was completed on 31 October 2014.

(b) The Company's shareholders approved the issue of 1,000,000 ordinary shares to Mr Rose. These have been accounted for as a share-based payment with a fair value of 12c per share.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 16: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows and cash holdings are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

At 30 June 2016, the Group had no debt.

	2016	2015
	\$	\$
Categories of financial instruments		
Financial assets		
Cash and cash equivalents	9,382,429	9,661,464
Trade and other receivables	89,075	95,471
Other financial assets	26,605	27,242
Financial liabilities		
Trade and other payables	31,471	37,353

Financial risk management objectives

The Group is exposed to market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not seek to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rate. The Group does not enter into derivative financial instruments to manage its exposure to this risk.

(i) Foreign currency risk management

The Group does not undertake any transactions denominated in foreign currencies. All contracts are denominated in Australian dollars.

(ii) Equity price risk

The Group is not exposed to equity price risks arising from available-for-sale financial assets. At balance date, the Group did not hold any available-for-sale equity investments.

(iii) Interest rate risk sensitivity analysis

The Group is exposed to interest rate risk as it has cash at floating and fixed interest rates. Borrowings were at fixed rates.

The following tables summaries the sensitivity of the Company's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved by 1%, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2016 and 2015, and represents management's judgement of a reasonably possible movement.

EZA Corporation Limited
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Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

NOTE 16: FINANCIAL INSTRUMENTS (continued)

30 June 2015	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss \$	Equity \$	Net Gain \$	Equity \$
<i>Financial assets</i>					
Cash and cash equivalents	9,661,464	(96,615)	(96,615)	96,615	96,615
Trade and other receivables	95,471	-	-	-	-
Other financial assets	27,242	-	-	-	-
	9,784,177	(96,615)	(96,615)	96,615	96,615
<i>Financial liabilities</i>					
Trade and other payables	37,353	-	-	-	-
30 June 2016	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss \$	Equity \$	Net Gain \$	Equity \$
<i>Financial assets</i>					
Cash and cash equivalents	9,382,429	(93,824)	(93,824)	93,824	93,824
Trade and other receivables	89,075	-	-	-	-
Other financial assets	26,608	-	-	-	-
	9,498,112	(93,824)	(93,824)	93,824	93,824
<i>Financial liabilities</i>					
Trade and other payables	31,471	-	-	-	-

None of the Company's trade and other receivables and trade and other payables are interest bearing (2015: \$nil).

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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Notes to the Consolidated Financial Statements
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NOTE 16: FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

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

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities.

	Less than 1 year \$	1 - 5 years \$	5+ years \$
2016			
Non-interest bearing	<u>31,471</u>	<u>-</u>	<u>-</u>
2015			
Non-interest bearing	<u>37,353</u>	<u>-</u>	<u>-</u>

NOTE 17: AUDITOR'S REMUNERATION

The auditor of EZA Corporation Limited is HLB Mann Judd.

	2016 \$	2015 \$
<i>Auditor of the parent entity</i>		
Audit or review of the financial statements	26,000	80,425
Other services		
- Taxation services	8,050	86,022
- Other	-	8,687
	<u>34,050</u>	<u>175,134</u>

NOTE 18: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of EZA Corporation Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest	
		2016	2015
ATM One Pty Ltd	Australia	100%	100%
Transact Pty Ltd	Australia	100%	100%

EZA Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Transactions with Key Management Personnel

The Company rents office accommodation from Oakajee Corporation Limited, a related entity of Mark Jones and Douglas Rose. Normal commercial terms apply. The amount paid during the year was \$13,000 (2015: \$7,150).

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. No guarantees have been provided or received for any related party receivables or payables.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 18: RELATED PARTY DISCLOSURE (continued)

For the year ended 30 June 2016, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties (2015: nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation paid to directors and other key management personnel of the Group is set out below:

	2016	2015
	\$	\$
Short-term employee benefits	344,106	498,833
Post-employment benefits	29,764	31,623
Share-based payments	-	120,000
	373,870	650,456

NOTE 20: PARENT ENTITY DISCLOSURES

	2016	2015
	\$	\$
<i>Financial position</i>		
Assets		
Current assets	9,498,112	9,804,473
Non-current assets	4,998	6,806
Total assets	9,503,110	9,811,279
Liabilities		
Current liabilities	52,667	56,515
Non-current liabilities	-	-
Total liabilities	52,667	56,515
Net assets	9,450,443	9,754,764
Equity		
Issued capital	16,405,862	16,405,862
Accumulated losses	(6,955,419)	(6,651,098)
Total equity	9,450,443	9,754,764
<i>Financial performance</i>		
(Loss) / Profit for the year	(304,321)	5,768,420
Other comprehensive income	-	-
Total comprehensive (loss) / Income	(304,321)	5,768,420

The parent entity has no contingent liabilities or commitments for the acquisition of property, plant and equipment.

EZA Corporation Limited
30 June 2016 Annual Financial Report

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance that has arisen after balance date 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 periods.

EZA Corporation Limited
30 June 2016 Annual Financial Report
Directors' Declaration

1. In the opinion of the directors of EZA Corporation Limited (the 'Company'):
 - (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - (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.
 - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

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



Mark Jones
Non-Executive Chairman
31 August 2016
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

To the members of EZA Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of EZA Corporation Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements 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 Group'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 and its controlled entities' 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

Auditor's Opinion

In our opinion:

- (a) the financial report of EZA Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and 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(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of EZA Corporation Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink, appearing to read 'D I Buckley'.

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
31 August 2016

EZA Corporation Limited
30 June 2016 Annual Financial Report

ASX ADDITIONAL INFORMATION
AT 29 AUGUST 2016

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period is can be found on the Company's website: <http://www.ezacorp.com.au/corporate-directory>

B. SHAREHOLDING

1. Substantial Shareholders

The names of the substantial shareholders listed on the company's register:

Size of Holding	No. Shares	%
Oakajee Corporation Limited	11,000,000	18.012
Asian Star Investments Limited	4,750,000	7.778
Success Concept Investment Limited	4,500,000	7.369
Dog Meat Pty Limited <DM A/C>	3,500,000	5.731
Total	23,750,000	38.89

2. Number of holders in each class of equity securities and the voting rights attached

There are 304 holders of Ordinary shares. Each shareholder is entitled to one vote per share held.

On a show of hands every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

There are no unquoted securities of the Company.

3. Distribution schedule of the number of ordinary holders

Size of Holding	Number of Holders	Shares Held
1 - 1,000	8	361
1,001 - 5,000	17	56,800
5,001 - 10,000	153	1,504,398
10,001 - 100,000	68	2,586,654
100,001 and over	58	56,920,576
Total	304	61,068,789

4. Marketable Parcel

There are 18 shareholders with less than a marketable parcel.

EZA Corporation Limited
30 June 2016 Annual Financial Report

ASX ADDITIONAL INFORMATION
AT 29 AUGUST 2016

5. *Twenty largest holders of each class of quoted equity security*

The names of the twenty largest holders of each class of quoted equity security, the number of equity security each holds and the percentage of capital each holds is as follows:

	Shareholder	No. Shares	%
1	Oakajee Corporation Limited	11,000,000	18.012
2	Asian Star Investments Limited	4,750,000	7.778
3	Success Concept Investment Limited	4,500,000	7.369
4	Dog Meat Pty Limited <DM A/C>	3,500,000	5.731
5	One Managed Invst Funds Limited <1 A/C>	2,870,575	4.701
6	Garry William Thomas & Nancy-Lee Thomas <Thomas Family Super A/C>	2,850,000	4.667
7	Falfaro Investments Limited	2,632,005	4.310
8	Parabolica Capital Pty Limited <Tabac A/C>	2,010,000	3.291
9	Dragon Asset Corporation Limited	1,875,000	3.070
10	Bjorn Herluf Jonshagen & Beverley Vickers <B & B's Super Fund A/C>	1,510,000	2.473
11	Nancy-Lee Thomas <Thomas Family A/C>	1,410,000	2.309
12	Goldcrest Corporation Pty Limited	1,200,000	1.965
13	Prosperity Finance Co Limited	1,125,000	1.842
14	Stephen Frederick Schmedje & Cornelia Petra Schmedje	1,030,000	1.687
15	Dog Meat Pty Limited <DM A/C>	1,000,000	1.637
16	Gerise Pty Limited	958,185	1.569
17	Malcora Pty Ltd <C & C Cenviva A/C>	948,000	1.552
18	Pipe Link of Australia Pty Limited <Pipelink of Aus P/L S/F A/C>	750,000	1.228
19	Prosperity Finance Co Limited	625,000	1.023
20	Mr Douglas John Rose	580,000	0.950
	Total	47,123,765	77.165

EZA Corporation Limited
30 June 2016 Annual Financial Report

ASX ADDITIONAL INFORMATION
AT 29 AUGUST 2016

C. OTHER DETAILS

1. *Company Secretaries*

Krystel Kirou and Leonard Math

2. *Address and telephone details of the Company's registered and administrative office*

39 Clifton Street, Nedlands WA 6009
Tel: +61 8 9389 6032
Fax: +61 8 9389 8226

3. *Address and telephone details of the office at which a register of securities is kept*

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

4. *Stock exchange on which the Company's securities are quoted*

The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX: EZA).

5. *Review of Operations*

A review of operations is contained in the Directors' Report.

6. *Consistency with business objectives*

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business