



MINT WIRELESS LIMITED

ABN: 51 122 043 029

APPENDIX 4E

PRELIMINARY FINANCIAL REPORT

30 JUNE 2014

1. Reporting period

The current reporting period is the year ended 30 June 2014 and the previous corresponding period is for the year ended 30 June 2013.

2. Results for announcement to the market

			Year ended 30 June 2014
Revenue from ordinary activities	Up	124%	\$2,152,465
Loss from ordinary activities after tax attributable to members	Up	86%	\$(6,361,958)
Net loss for the period attributable to members	Up	86%	\$(6,361,958)

Commentary on results for the year ended 30 June 2014

- Operating revenue from continuing operations for the financial year has increased by 124% to \$2,152,465, following the launch of the new Mint Wireless mobile payments platform at the start of this financial year. The increase is attributable to the ability of Mint Wireless to secure key distribution partners with access to large potential merchant bases and reflective of the successful early adoption by merchants of the new Mint Wireless mobile payments platform.
- Loss from ordinary activities after tax attributable to members for the financial year ended 30 June 2014 was \$6,361,958 up by 86% from the previous corresponding year. This is explained as follows:

	%	Year Ended 30 June 2014	Year Ended 30 June 2013
Reported loss from ordinary activities after tax attributable to members	Up 86%	\$(6,361,958)	\$(3,338,966)
Addback: Share Option Expense		\$1,371,841	\$13,018
Addback: Loss on impairment		\$829,807	-
Underlying loss from ordinary activities after tax attributable to members	Up 25%	\$(4,160,310)	\$(3,325,948)

The loss on impairment of \$829,807 relates to Mint Wireless's pre-existing (windows 6.5, magnetic stripe) mobile payments platform which was launched initially in 2007 including subsequent development to 2012. This has since been superseded by Mint Wireless' new (EMV compliant Chip & PIN, bank grade, iOS and Andriod) mobile payments platform launched earlier this financial year. After taking into account the loss on impairment and the share options expense, the underlying loss from ordinary actives after tax attributable to members is \$4,160,310 up by 25%, the additional expense represents resources dedicated to continued product development initiatives as well as accelerated sales and marketing for the Mint Wireless new mobile payments platform described above.

- During the financial year, Mint Wireless successfully raised \$13.145 million (consisting of a \$3.145 million placement in September 2013 and a \$10 million placement in May 2014) from institutional, sophisticated and professional investors. In June 2014, the Company renegotiated its short-term finance facilities into working capital facilities totalling \$6 million, expiring in September 2016. The Company is pleased with the strong support it has received during the financial year with the capital raising activities and renegotiated finance facilities providing Mint Wireless with a strong and flexible balance sheet going into the new financial year.

Likely Developments

In July 2014, Mint Wireless announced that it had reached significant sales and operational milestones which included:

- Committed orders of approximately 15,000 users-licences from existing and new distribution partners (with customer activation to occur over a number of months);
- Strong sales pipeline with 30+ qualified medium to large opportunities across various industry verticals including financial services;
- Entered into a 5 year agreement with Wolfstrike Distributors (a leading merchant-based technology and services provider) including a large committed order; and
- Launched new EMV-compliant Chip & PIN card readers for MYOB's popular mobile payment solution MYOB PayDirect on the 7th of July 2014.

Mint Wireless is well placed to capitalise on the growing demand for its innovative and PCI compliant mobile payments platform, part of this demand has been driven by the new Chip & PIN mandate coming into effect (from August 2014 in Australia, and October 2014 in New Zealand). Sales and marketing activities have being accelerated through the investment in additional resources to capitalise on converting the strong and growing sales pipeline. Product development initiatives as outlined in the Company Presentation dated 4th July 2014) are being ramped up as well which will result in incremental revenue opportunities for Mint and enabling Mint to fulfil its vision in becoming the most innovative mobile payments platform in the Asia Pacific region.

Dividends

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

Earnings per share

	Year ended 30 June 2014	Year ended 30 June 2013
From continuing and discontinued operations:		
Basic earnings per share (cents)	(1.58)	(1.17)
Diluted earnings per share (cents)	(1.47)	(1.17)
From continuing operations:		
Basic earnings per share (cents)	(1.58)	(0.73)
Diluted earnings per share (cents)	(1.47)	(0.73)

3. Net tangible assets per share

	30 June 2014	30 June 2013
Net tangible assets per share (cents)	1.02	(0.99)

4. Audit qualification or review

The financial report has been subject to an audit and the independent auditor's report is attached.

5. Attachments

The financial report of Mint Wireless Limited for the year ended 30 June 2014 is attached.

The remainder of the information requiring disclosure to comply with ASX listing rule 4.3A is contained in the attached financial report.

MINT WIRELESS LIMITED
ABN: 51 122 043 029

FINANCIAL REPORT
30 JUNE 2014

<u>Contents</u>	<u>Page</u>
Corporate Directory	5
Directors' Report	6
Auditor's Independence Declaration	17
Financial Reports	
Consolidated Statement of Profit or Loss	18
Consolidated Statement of Comprehensive Income	19
Consolidated Statement of Financial Position	20
Consolidated Cash Flow Statement	21
Consolidated Statement of Changes in Equity	22
Notes to the Financial Statements	23
Directors' Declaration	50
Independent Auditor's report	51
Shareholders Information	53
Corporate Governance Statement	55

CORPORATE DIRECTORY

Directors

Alex Teoh
Executive Chairman

Andrew Teoh
Executive Director

Terry Cuthbertson
Non-executive Director

Company Secretary

David Owyong

Registered Office

Level 4, 450 Victoria Road
Gladesville NSW 2111

Phone: + 61 2 8752 7888
Fax: + 61 2 8752 7899

Postal Address

PO Box 336
Gladesville NSW 2111

Australian Company Number

122 043 029

Australian Business Number

51 122 043 029

Auditors

Pitcher Partners
Level 22
19 Martin Place
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Phone: + 61 2 8280 7511
Fax: + 61 2 9287 0303

www.linkmarketservices.com.au

Website

www.mintwireless.com
www.mintpayments.com

ASX Code

MNW

In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Mint Wireless Limited (Mint) and its controlled entities (together referred to as the Consolidated Entity or Group) for the financial year ended 30 June 2014 and the Independent Audit Report thereon.

Directors

Details regarding the Directors of Mint at any time during or since the end of the financial year are as follows:

- Alex Teoh
- Andrew Teoh
- Terry Cuthbertson

Current Director's qualifications, experience and special responsibilities are as follows:

Alex Teoh, Executive Chairman (effective 1 May 2014, previously Managing Director to 30 April 2014)

B. Sc (Business and Information Systems)

Alex has been involved in creating many successful businesses throughout his career. From 2001 to 2005, Alex was the CEO of a local and international supply chain and logistics business, Zoo Logistics Pty Limited. Alex was previously a Principal Consultant at the Hong Kong office of PricewaterhouseCoopers (PwC) Consulting. He was a member of the practice's senior management team responsible for its Customer Relationship Management strategy and solutions offering in East Asia (which includes Hong Kong, Singapore, Thailand, Malaysia and the Philippines). Prior to PwC, Alex worked as a Senior Consultant at Cap Gemini Ernst & Young Consulting, assisting in securing and implementing supply chain and application development contracts.

Alex is one of the founders of the Mint Business and has been on the Board of Mint since 15 November 2006.

Alex is a member of the Remuneration & Nomination Committee and Audit & Risk Management Committee.

Andrew Teoh, Executive Director

B. Comm (Accounting/Finance)

Andrew has extensive experience in business operations, sales and marketing sectors. His experience has been within the areas of emerging technologies, billing systems, management of telecommunication switches and client services.

Andrew was previously the Operations Manager for Zoo Telecom Pty Ltd and was involved in the strategic process development, running and maintenance of this medium sized telecommunications Company. Prior to that, Andrew was a Customer Services Manager at One.Tel Limited, where he was involved in the development, training and supervision of client service staff.

Andrew is one of the founders of the Mint Business and has been on the Board of Mint since 15 November 2006.

Andrew is a member of the Remuneration & Nomination Committee and Audit & Risk Management Committee.

Terry Cuthbertson, Non-executive Director (effective 1 May 2014, previously Chairman to 30 April 2014)

B. Bus, ACA

Terry is Chairman of ASX listed My Net Fone Limited, Montec International Limited, Austpac Resources NL, South American Iron and Steel, Sun BioMedical Limited and OMI Holding Limited. He is also Chairman of s2Net Limited (an unlisted Public Company) and a non-executive director of ASX listed, Malachite Resources Ltd. Terry has extensive corporate finance expertise, having advised several businesses and government organisations in relation to mergers, acquisitions and financing.

Formerly, Terry was a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Terry is a Chartered Accountant and holds a Bachelor of Business Degree.

Terry is the Chairman of the Remuneration & Nomination Committee and Audit & Risk Management Committee.

David Owyong, Company Secretary (effective 25 June 2014)

David is a Chartered Accountant and holds a Bachelor of Commerce Degree.

Gary Stewart was Company Secretary from the commencement of the financial year to his resignation on the 25th June 2014.

Principal Activities

The principal activities of the consolidated entity during the year were innovative mobile payments and transaction services.

Operating Results

Key financial results for the year ended 30 June 2014 were:

- Operating revenue from continuing operations for the financial year has increased by 124% to \$2,152,465, following the launch of the new Mint Wireless mobile payments platform at the start of the financial year. The increase is attributable to the ability of Mint Wireless to secure key distribution partners with access to large potential merchant bases and reflective of the successful early adoption by merchants of the new Mint Wireless mobile payments platform.
- Reported loss from ordinary activities after tax attributable to members for the financial year ended 30 June 2014 was \$6,361,958 up by 86% from the previous corresponding year. This is explained as follows:

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Review of Operations

The highlights for the year ended 30 June 2014 include:

- In July 2013, the Company announced it had successfully completed its bank and card scheme certifications with Bendigo Bank, enabling the Company's mobile payment solution to process ALL card types (credit, debit and eftpos) offering a real alternative to traditional EFTPOS solutions. The Company has also upgraded its leading and secure mobile payment solution in Australia to include certified Chip and PIN. In addition, the Company has entered into a wholesale merchant acquiring partnership agreement with Bendigo Bank where the Company can now provide merchants with competitive merchant service fee pricing via any approved Mint mobile payment solution. This now enables the Company to earn a recurring margin from merchant services fees for every card transaction.

- In August 2013, the Company announced that MYOB, a leading provider of business management, accounting, payroll and tax solutions in Australia and New Zealand, has entered into an agreement with Mint Wireless for MYOB to distribute, license and integrate Mint Wireless' mobile payment solutions with MYOB's software products. Under this agreement, Mint Wireless will receive an annual license fee and a proportion of the monthly and transaction fees from the users of the mobile payment solution incorporated into MYOB's software products. This five year exclusive agreement will cover Australia and New Zealand.
- In September 2013, the Company executed an agreement with BNZ, New Zealand's leading small business bank, to deliver BNZ's Payclip mobile payments solution. Under the terms of the contract, BNZ will be Mint Wireless' first New Zealand customer utilising Minterprise, Mint's custom mobile payments platform. Mint will supply BNZ with a white label mobile payments solution allowing BNZ customers to take card payments through smartphones and tablets. BNZ and Mint Wireless will receive a proportion of the monthly transaction fees from users of the mobile payment solution. BNZ's Payclip was launched in October 2013 which demonstrated Mint Wireless capability to accelerate the rollout of its mobile payment platform within two months of signing the agreement.
- In January 2014, Mint Wireless announced the launch of Mintegrate, a simple yet powerful platform to support developers who are looking to integrate mobile payments into mobile applications. Mintegrate targets developers building mobile applications for small and medium enterprises (SMEs). SMEs are increasingly shifting towards mPOS to collect payments using tablets and smartphones. The solution comprises of free Software Developer Kits (SDKs) and Application Programming Interfaces (APIs) to support iOS and Android mobile Point-of-Sales (mPOS) transactions.
- In April 2014, Electrolux selected Mint Wireless to introduce a new mobile payments solution for its service technicians in Australia. Electrolux will develop its mobile payments solution using Mintegrate. The solution will integrate with Electrolux's backend systems and this will significantly reduce the number of administrative tasks to be performed.
- Effective from 1 May 2014, Alex Teoh was appointed as the Company's Executive Chairman (previous Managing Director and Chief Executive Officer of Mint Wireless) and Mr Robin Khuda, the new Chief Executive Officer. Prior to joining Mint Wireless, Mr. Khuda held senior leadership roles with various high growth, successful IT and telecommunications companies including ASX-listed NEXTDC Limited (ASX: NXT) and PIPE Networks Limited. He was a founding member of NEXTDC's board and senior executive team, and was instrumental in growing that company from a start up to a successful ASX-300 company. He also played a key role in PIPE Networks Limited's \$373 million merger with TPG Telecom Limited (ASX:TPM) in early 2010.
- During the financial year, Mint Wireless successfully raised \$13.145 million (consisting of a \$3.145 million placement in September 2013 and a \$10 million placement in May 2014) from institutional, sophisticated and professional investors. In June 2014, the Company renegotiated its short-term finance facilities into working capital facilities totalling \$6 million, expiring in September 2016. The Company is pleased with the strong support it has received during the financial year with the capital raising activities and renegotiated finance facilities providing Mint Wireless with a strong and flexible balance sheet going into the new financial year.

Further information about the Consolidated Entity's results of its operations together with the information about the financial position of the Consolidated Entity is in the attached Financial Report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Events Subsequent to Reporting Date

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

Likely Developments

In July 2014, Mint Wireless announced that it had reached significant sales and operational milestones which included:

- Committed orders of approximately 15,000 users-licences from existing and new distribution partners (with customer activation to occur over a number of months);
- Strong sales pipeline with 30+ qualified medium to large opportunities across various industry verticals including financial services;
- Entered into a 5 year agreement with Wolfstrike Distributors (a leading merchant-based technology and services provider) including a large committed order; and
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Mint Wireless is well placed to capitalise on the growing demand for its innovative and PCI compliant mobile payments platform, part of this demand has been driven by the new Chip & PIN mandate coming into effect (from August 2014 in Australia, and October 2014 in New Zealand). Sales and marketing activities have been accelerated through the investment in additional resources to capitalise on converting the strong and growing sales pipeline. Product development initiatives as outlined in the Company Presentation dated 4th July 2014) are being ramped up as well which will result in incremental revenue opportunities for Mint and enabling Mint to fulfil its vision in becoming the most innovative mobile payments platform in the Asia Pacific region.

Dividends

No dividend was paid, recommended for payment nor declared during the year.

Options and Rights

Unissued Shares under Option

As at the date of this Report, unissued ordinary shares of Mint under options pursuant to the Mint Wireless Limited Employee Option Plan are:

Issuing Authority	Exercise Date	Number of Options	Exercise Price (\$)	Expiry Date
Mint Wireless Limited	01-Jun-14	2,000,000	0.036	31-Jul-15
Mint Wireless Limited	25-Jun-14	15,000,000	0.036	31-Jul-15
Mint Wireless Limited	01-Aug-14	8,500,000	0.036	30-Sep-15
Mint Wireless Limited	01-Aug-14	1,500,000	0.450	31-Jul-15
Mint Wireless Limited	01-Jun-15	2,500,000	0.075	31-Jul-16
Mint Wireless Limited	01-Aug-15	9,000,000	0.075	30-Sep-16
Mint Wireless Limited	01-Aug-15	3,000,000	0.450	31-Jul-16
Mint Wireless Limited	01-Aug-15	1,000,000	0.600	31-Jul-16
Mint Wireless Limited	30-April-16	12,000,000	0.450	30-Apr-18

For details of options issued to Directors and Executives, refer to the Remuneration Report.

Shares issued on exercise of options

The following ordinary shares of Mint Wireless Limited were issued during or since the end of the financial year as a result of the exercise of an option:

Date Issued	Number of Ordinary Shares Issued	Amount Paid per Share (\$)
02-Oct-13	2,500,000	0.036
16-Oct-13	1,250,000	0.036
18-Oct-13	1,500,000	0.040
31-Mar-14	2,000,000	0.140
04-Jun-14	3,500,000	0.036

Directors' Meetings

Mint has an Audit and Risk Management Committee and Remuneration and Nomination Committee. The number of Directors' meetings, number of committee meetings and the number of meetings attended by each of the Directors during the financial year under review are:

Director	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended
Alex Teoh	10	10	2	2	2	2
Andrew Teoh	10	10	2	2	2	2
Terry Cuthbertson	10	10	2	2	2	2

Directors' Interests

Particulars of Directors' interests in securities as at the date of this report are as follows:

Director	Ordinary Shares	Options over Ordinary Shares
Alex Teoh ^{(i),(ii)}	73,428,634	5,000,000
Andrew Teoh ⁽ⁱ⁾	72,231,967	5,000,000
Terry Cuthbertson ⁽ⁱⁱⁱ⁾	4,000,000	5,000,000

(i) 72,231,967 securities are held by TAAJ Corporation Pty Ltd of this 50,731,967 are held on behalf of TAAJ Trust and 21,500,000 securities are held on behalf of Tygon Superannuation Fund. TAAJ Corporation Pty Ltd is the trustee of the TAAJ Trust, of which Alex Teoh and Andrew Teoh are beneficiaries, and of the Tygon Superannuation Fund, of which Alex Teoh and Andrew Teoh are members.

(ii) As at the date of report, Alex Teoh has 366,667 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has 830,000 fully paid ordinary shares.

(iii) 4,000,000 securities and 5,000,000 options are held by Kore Management Pty Ltd. Mr Cuthbertson's wife is the director of Kore Management Pty Ltd.

Other than that stated above in relation to the options, there are no contracts to which the Director is a party or under which the Director is entitled to a benefit that confers a right for the Director to call for shares in Mint.

Indemnification and Insurance of Officers and Auditors

Directors and the Secretary are indemnified by Mint against any liability incurred in their capacity as an officer of Mint or a related body corporate to the maximum extent permitted by law. Mint has Directors and Officers Liability insurance.

Mint has not paid any premiums in respect of any contract insuring its auditor against a liability incurred in that role as an auditor of Mint. Pitcher Partners, Mint's auditor has the benefit of an indemnity to the extent Pitcher Partners reasonably relies on information provided by Mint which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ended 30 June 2014 or to the date of this Report.

Non-Audit Services

Details of the amounts paid to Pitcher Partners as the auditor of Mint for audit and non-audit services provided during the year are set out in Note 20 to the financial statements.

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 17 and forms a part of the Directors' Report for the period ended 30 June 2014.

Proceedings on behalf of the Consolidated Entity

During the year under review and in the interval between the end of the financial year and the date of the report, no person has applied for leave of Court to bring proceedings on behalf of the Company or the Consolidated Entity under section 237 of the *Corporations Act 2001*.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Mint Wireless Limited's key management personnel for the financial year ended 30 June 2014, in accordance with the requirements of Accounting Standard AASB 124, the *Corporations Act 2001* and its Regulations.

The remuneration report is set out under the following main headings:

- | | |
|---|--|
| A | Principles used to determine the nature and amount of remuneration |
| B | Details of remuneration |
| C | Share-based compensation |

A. Principles used to determine the nature and amount of remuneration

Remuneration Policies and Practices

In relation to remuneration issues, the Board has established policies to ensure that Mint remunerates fairly and responsibly. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Directors and employees.

The Remuneration and Nomination Committee conducts reviews and provides recommendations to the Board on matters of remuneration policy and specific emolument recommendations in relation to senior management and Directors. The remuneration is structured to reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders.

The remuneration of Directors and the other Key Management Personnel is fixed annually. Further Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which will be periodically approved by shareholders in general meeting. The current limit is \$200,000 per annum. Some of the specified Executives are entitled to a performance bonus based on achievement of targets based on individual Key Performance Indicators ("KPIs"). The KPIs generally include measures relating to the relevant segment, covering financial, sales, and development measures. Ultimately, bonuses and discretionary payments to key management personnel are at the discretion of the Board.

Mint makes statutory employer contributions on behalf of Executives to the superannuation fund of their choice.

Non-Executive Directors' retirement payments are limited to compulsory employer superannuation. There are no retirement and termination benefits for Executive Directors or Executives apart from those that accrue from the relevant laws such as unpaid annual leave, superannuation, long service leave and notice of termination. Mint may consider payments on termination even though legally not required, to protect its rights if it is commercially beneficial to its interests.

Remuneration and other terms of employment of Key Management Personnel are formalised in employment agreements. These agreements may be terminated by either party with between one and six months' notice depending on the circumstance.

Relationship between Remuneration Policy and Mint's Performance (Audited)

i. Remuneration not dependent on satisfaction of performance condition

The non-executives remuneration policy is not directly related to company performance. The board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the company for shareholders.

ii. Remuneration dependent on satisfaction of performance condition

A portion of Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration includes short-term cash bonus and long-term incentive plan.

Details of the Cash Incentive and Option Plan are set out below which demonstrate Mint's willingness to design a remuneration philosophy for the benefit of its employees and shareholders alike.

Description	Rationale
<p><u>Cash Incentive</u></p> <p>As stated above, Executives may receive an individual performance based bonus, measured against Board approved key performance indicators.</p> <p>The key performance indicators are both objective and subjective and examples include:</p> <ul style="list-style-type: none"> • sales made per quarter (expressed both in a \$ and % value) • completion of contracts with key corporate clients of pre-determined size • successful implementation of strategic plan 	<p><i>The Cash Incentive is the short term "at risk" component of the Mint remuneration policy.</i></p> <p>The achievement of specific and desirable key performance indicators by employees will drive the growth, and is expected to improve the profitability of the Company.</p> <p>Good financial and operational performance of the Company will increase shareholder value.</p>
<p><u>Employee Option Plan</u></p> <p>Are issued to executives and employees subject to a period of employment before participation is permissible. Once exercisable options are converted into ordinary shares on a one-for-one basis. An exercise price is payable upon the conversion of options.</p> <p>Further details about the Plan are set out in note 18 of the Financial Statements.</p>	<p><i>The Option Plan is the longer term "at risk" component of the Mint remuneration policy.</i></p> <p>To support the achievement of the Company's business strategy by linking executive rewards to improvements in the financial performance of the Company and aligning the interests of executives with those of shareholders and to offer employees the opportunity to acquire shares in the Company.</p>

B. Details of remuneration

The Key Management Personnel of Mint Wireless Limited for the year ended 30 June 2014 were:

Directors

Alex Teoh	Executive Chairman
Andrew Teoh	Executive Director
Terry Cuthbertson	Non-executive Director

Executives

Robin Khuda	Chief Executive Officer
David Owyong	Chief Financial Officer and Company Secretary
Bjorn Behrendt	General Manager
Frederick Yip	Chief Technology Officer
Justus Hammer	Chief Marketing Officer

The individual details of remuneration of the Key Management Personnel are listed in the tables below:

Remuneration details for the financial year ended 2014

	Short Term		Total	Post Employment Super- annuation	Equity Based Payments Options	Total	Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
	Salary and fees	Bonus						
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Alex Teoh	160,183	-	160,183	14,817	29,804	204,804	-	14.55%
Andrew Teoh	137,684	-	137,684	12,736	29,804	180,224	-	16.54%
T Cuthbertson ⁽ⁱ⁾	60,000	-	60,000	-	29,804	89,804	-	33.19%
Executives								
R Khuda ⁽ⁱⁱ⁾	62,500	-	62,500	4,167	250,520	317,187	-	78.98%
D Owyong	145,000	10,000	155,000	13,413	28,199	196,612	-	14.34%
B Behrendt	134,457	10,000	144,457	12,437	97,084	253,978	-	38.23%
F Yip ⁽ⁱⁱⁱ⁾	132,500	10,000	142,500	12,256	54,740	209,496	-	26.13%
J Hammer	110,635	10,000	120,635	10,233	97,084	227,952	-	42.59%
TOTAL	942,959	40,000	982,959	80,059	617,039	1,680,057	-	36.73%

(i) Terry Cuthbertson was paid \$15,000 per quarter

(ii) Robin Khuda started on 01 May 2014

(iii) Frederick Yip started on 22 July 2013

Remuneration details for the financial year ended 2013

	Short Term		Total	Post Employment t Super- annuation	Equity Based Payments Options	Total	Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
	Salary and fees	Bonus						
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Alex Teoh	160,550	-	160,550	14,450	196	175,196	-	0.11%
Andrew Teoh	138,000	-	138,000	12,420	196	150,616	-	0.13%
T Cuthbertson ⁽ⁱ⁾	60,000	-	60,000	-	876	60,876	-	1.44%
TOTAL	358,550	-	358,550	26,870	1,268	386,688	-	0.33%

(i) Terry Cuthbertson was paid \$15,000 per quarter.

C. Share-based compensation*Analysis of Movement in Options Held by Key Management Personnel*

Details of the entitlement to options over ordinary shares in the Company that were granted as compensation during the reporting period and details on options that vested during the year are as follows:

	Balance 1-Jul-13	Granted as Remuneration	Options Exercised	Options Expired	Balance 30-Jun-14	Total Vested 30-Jun-14	Total Exercisable 30-Jun-14	Total Un- Exercisable 30-Jun-14
Directors								
Alex Teoh	5,000,000	-	-	-	5,000,000	5,000,000	5,000,000	-
Andrew Teoh	5,000,000	-	-	-	5,000,000	5,000,000	5,000,000	-
T Cuthbertson ⁽ⁱ⁾	6,500,000	-	(1,500,000)	-	5,000,000	5,000,000	5,000,000	-
Executives								
R Khuda	-	12,000,000	-	-	12,000,000	-	-	12,000,000
D Owyong	5,000,000	-	(2,500,000)	-	2,500,000	-	-	2,500,000
B Behrendt	-	5,500,000	-	-	5,500,000	-	-	5,500,000
F Yip	-	7,500,000	-	-	7,500,000	-	-	7,500,000
J Hammer	-	5,500,000	-	-	5,500,000	-	-	5,500,000
Total	21,500,000	30,500,000	(4,000,000)	-	48,000,000	15,000,000	15,000,000	33,000,000

(i) 5,000,000 options are held by Kore Management Pty Ltd. Mr Cuthbertson's wife is the director of the Kore Management Pty Ltd.

4,000,000 shares were issued to Directors or Executives on the exercise of options or rights previously granted as compensation, during the year.

Analysis of Options and Rights over Equity Instruments Granted as Compensation

Name	Grant Date	Granted Number	Value per Option at Grant Date	% Vested in Year	Financial Year in which Grant Vests	Value Exercised during the Year	Value Lapsed during the Year	% Forfeited in Year	Exercise Price	First Exercise Date	Expiry Date
G Stewart	30-Aug-10	1,000,000	\$0.023	-	30-Jun-12	-	(\$22,000)	100%	-	30-Jul-11	30-Jul-13
T Cuthbertson	30-Aug-10	1,500,000	\$0.011	100%	30-Jun-12	\$60,000	-	-	\$0.040	30-Nov-11	30-Nov-13
D Owyong	01-Jun-13	2,500,000	\$0.005	100%	30-Jun-14	\$90,000	-	-	\$0.036	01-Jun-14	31-Jul-15
D Owyong	01-Jun-13	2,500,000	\$0.013	-	30-Jun-15	-	-	-	-	01-Jun-15	31-Jul-16
Alex Teoh	25-Jun-13	5,000,000	\$0.006	100%	30-Jun-14	-	-	-	-	25-Jun-14	31-Jul-15
Andrew Teoh	25-Jun-13	5,000,000	\$0.006	100%	30-Jun-14	-	-	-	-	25-Jun-14	31-Jul-15
T Cuthbertson	25-Jun-13	5,000,000	\$0.006	100%	30-Jun-14	-	-	-	-	25-Jun-14	31-Jul-15
B Behrendt	01-Aug-13	3,000,000	\$0.012	-	30-Jun-15	-	-	-	-	01-Aug-14	30-Sep-15
B Behrendt	01-Aug-13	2,000,000	\$0.012	-	30-Jun-16	-	-	-	-	01-Aug-15	30-Sep-16
F Yip	01-Aug-13	5,500,000	\$0.012	-	30-Jun-15	-	-	-	-	01-Aug-14	30-Sep-15
F Yip	01-Aug-13	2,000,000	\$0.012	-	30-Jun-16	-	-	-	-	01-Aug-15	30-Sep-16
J Hammer	01-Aug-13	3,000,000	\$0.012	-	30-Jun-15	-	-	-	-	01-Aug-14	30-Sep-15
J Hammer	01-Aug-13	2,000,000	\$0.012	-	30-Jun-16	-	-	-	-	01-Aug-15	30-Sep-16
B Behrendt	29-Oct-13	500,000	\$0.280	-	30-Jun-16	-	-	-	-	01-Aug-15	31-Jul-16
J Hammer	29-Oct-13	500,000	\$0.280	-	30-Jun-16	-	-	-	-	01-Aug-15	31-Jul-16
R Khuda	01-May-14	12,000,000	\$0.254	-	30-Jun-16	-	-	-	-	30-Apr-16	30-Apr-18

Shareholding of Key Management Personnel

	Balance 1-Jul-13	Received as Remuneration	Purchased in their capacity as Investors	Options Exercised	Net Change Other	Balance 30-Jun-14
Directors						
Alex Teoh ⁽ⁱ⁾	104,428,634	-	-	-	(31,000,000)	73,428,634
Andrew Teoh ⁽ⁱ⁾	103,231,967	-	-	-	(31,000,000)	72,231,967
T Cuthbertson ⁽ⁱⁱⁱ⁾	3,000,000	-	1,500,000	-	(500,000)	4,000,000
Executives						
R Khuda	-	-	-	-	750,000	750,000
D Owyong	835,647	-	-	2,500,000	(186,498)	3,149,149
B Behrendt	1,000,000	-	-	-	(750,000)	250,000
F Yip	140,900	-	-	-	-	140,900
J Hammer	1,250,000	-	-	-	(800,000)	450,000

(i) 72,231,967 securities are held by TAAJ Corporation Pty Ltd of this 50,731,967 are held on behalf of TAAJ Trust and 21,500,000 securities are held on behalf of Tygon Superannuation Fund. TAAJ Corporation Pty Ltd is the trustee of the TAAJ Trust, of which Alex Teoh and Andrew Teoh are beneficiaries, and of the Tygon Superannuation Fund, of which Alex Teoh and Andrew Teoh are members. As at the date of report, Alex Teoh has 366,667 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has 830,000 fully paid ordinary shares.

(ii) The 3,000,000 securities are held by Kore Management Pty Ltd. Mr Cuthbertson's wife is the director of the Kore Management Pty Ltd.

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



ALEX TEOH

Executive Chairman

Sydney, New South Wales

31st July 2014



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MINT WIRELESS LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINT WIRELESS LIMITED**

In relation to the independent audit for the year ended 30 June 2014, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

R M Shanley

Partner

PITCHER PARTNERS

Sydney

Date: 31 July 2014

		Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Continuing operations	Notes		
Revenue and other income	7	2,152,465	960,457
Network and service delivery		511,429	278,592
Employee benefits expense (excluding share option expense)		2,974,534	1,239,616
Share option expense		1,371,841	13,018
Depreciation and amortisation expense	6	519,197	368,157
Finance costs	6	449,219	389,323
Professional fees		552,804	271,905
Administration, property & communication expenses		540,658	363,533
Loss on Impairment	13	829,807	-
Other expenses		764,934	176,363
Total expenses		8,514,423	3,100,507
Loss before income tax		(6,361,958)	(2,140,050)
Income tax (expense)/ credit	8	-	-
Net loss for the year from continuing operations		(6,361,958)	(2,140,050)
Discontinued operations			
Loss for the year from discontinued operations	23	-	(1,198,916)
Loss for the year		(6,361,958)	(3,338,966)
Loss attributable to:			
Equity shareholders	22	(6,361,958)	(3,414,527)
Minority Interests		-	75,561
Loss for the year		(6,361,958)	(3,338,966)

		Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Loss for the year		(6,361,958)	(3,338,966)
Other comprehensive income			
Exchange differences on translating			
Foreign controlled entities		58,778	49,601
Total comprehensive loss for the year		(6,303,180)	(3,289,365)
Total comprehensive attributable to:			
Equity shareholders		(6,303,180)	(3,364,926)
Minority Interests		-	75,561
		(6,303,180)	(3,289,365)
Earnings per share for loss from continuing and discontinued operations to equity holders			
Basic earnings per share (cents)	22	(1.58)	(1.17)
Diluted earnings per share (cents)	22	(1.47)	(1.17)
Earnings per share for loss from continuing operations to equity holders			
Basic earnings per share (cents)	22	(1.58)	(0.73)
Diluted earnings per share (cents)	22	(1.47)	(0.73)

	Notes	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	9,456,153	647,171
Trade and other receivables	9	1,672,455	1,113,080
Inventories	10	170,682	26,973
Other financial assets	11	6,442	60,085
TOTAL CURRENT ASSETS		11,305,732	1,847,309
NON-CURRENT ASSETS			
Other financial assets	11	72,728	61,117
Plant and equipment	12	214,243	131,865
IT Development	13	648,482	1,186,386
TOTAL NON-CURRENT ASSETS		935,453	1,379,368
TOTAL ASSETS		12,241,185	3,226,677
CURRENT LIABILITIES			
Payables	14	1,480,818	919,643
Provisions	15	216,968	155,490
		-	5,792,000
TOTAL CURRENT LIABILITIES		1,697,786	6,867,133
NON-CURRENT LIABILITIES			
Provisions	15	110,695	20,966
Long term borrowings	4	5,842,000	-
TOTAL NON-CURRENT LIABILITIES		5,952,695	20,966
TOTAL LIABILITIES		7,650,481	6,888,099
NET ASSETS/ (LIABILITIES)		4,590,704	(3,661,422)
EQUITY			
Contributed equity	16	30,059,035	17,053,945
Reserves	17	1,749,599	140,605
Accumulated losses	17	(27,217,930)	(20,855,972)
		4,590,704	(3,661,422)
Minority Interests		-	-
TOTAL EQUITY		4,590,704	(3,661,422)

Consolidated Cash Flow Statement

For year ended 30 June 2014

	Notes	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,743,739	6,181,623
Operating grant receipts		742,122	-
Payments to suppliers and employees		(5,544,214)	(8,621,798)
Interest received		50,375	9,347
Interest paid		(508,395)	(391,908)
Net cash used in operating activities	21	(3,516,373)	(2,822,736)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(132,106)	(23,604)
Payment for IT development		(851,006)	(439,063)
Proceeds from sale of discontinued operations		-	469,392
Net cash provided by /(used in) in investing activities		(983,112)	6,725
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds for issue of shares		13,741,000	1,398,025
Repayment of convertible notes		-	(400,000)
Cost of share issue		(482,534)	(54,283)
Proceeds from borrowings		50,000	1,864,000
Net cash provided by financing activities		13,308,466	2,807,742
Net (decrease)/increase in cash and cash equivalents		8,808,982	(8,269)
Cash and cash equivalents at beginning of year		647,171	655,440
Cash and cash equivalents at end of the year	4	9,456,153	647,171

	Share Capital \$	Share Based Payment Reserve \$	Foreign Exchange Reserve \$	Accumulated Losses \$	Accumulated Losses Minority Interests \$	Minority Interests \$	Total \$
Balance at 1 July 2012	15,720,254	160,424	(82,438)	(17,441,445)	(8,639)	534,385	(1,117,459)
Loss for the year	-	-	-	(3,414,527)	75,561	-	(3,338,966)
Other comprehensive loss	-	-	49,601	-	-	-	49,601
Total comprehensive loss for the year	-	-	49,601	(3,414,527)	75,561	-	(3,289,365)
Recognition of share based payments	-	13,018	-	-	-	-	13,018
Derecognition of non-controlling interest upon disposal of J&C Pacific	-	-	-	-	(66,922)	(534,385)	(601,307)
Issue of ordinary shares	1,398,025	-	-	-	-	-	1,398,025
Share issue costs	(64,334)	-	-	-	-	-	(64,334)
Balance at 30 June 2013	17,053,945	173,442	(32,837)	(20,855,972)	-	-	(3,661,422)
Balance at 1 July 2014	17,053,945	173,442	(32,837)	(20,855,972)	-	-	(3,661,422)
Loss for the year	-	-	-	(6,361,958)	-	-	(6,361,958)
Other comprehensive loss	-	-	58,778	-	-	-	58,778
Total comprehensive loss for the year	-	-	58,778	(6,361,958)	-	-	(6,303,180)
Recognition of share based payments	-	1,550,216	-	-	-	-	1,550,216
Issue of ordinary shares	13,741,000	-	-	-	-	-	13,741,000
Share issue costs	(735,910)	-	-	-	-	-	(735,909)
Balance at 30 June 2014	30,059,035	1,723,658	25,941	(27,217,930)	-	-	4,590,705

NOTE 1: CORPORATE INFORMATION

The financial report of Mint Wireless Limited (the Company or "Mint") for the year 30 June 2014 was authorised for issue on 31st July 2014 under delegated authority in accordance with a resolution of the Directors on 31st July 2014.

Mint Wireless Limited (the Parent Entity) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report includes the Consolidated Entity comprised by Mint and its subsidiaries ("Group or Consolidated Entity").

The nature of the operations and principal activities of the Group are described in the Directors' Report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Going Concern

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

b) Principles of consolidation

The consolidated financial statements are those of the Consolidated Entity comprising the Parent Entity and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Investments in controlled entities are carried at cost, as calculated based on the fair value of consideration paid by the Company.

c) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets (including business combinations). Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of the acquisition plus incidental costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

d) Cash and cash equivalents

Cash on hand and in banks and short-term deposits is stated at nominal value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

e) Intangible assets

Intangible assets acquired in a business combination

All potential 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 value can be measured reliably. Amortisation of IT development is charged on a straight line basis over their expected useful lives of 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Patents, trademarks and licenses

Patents, trademarks and licenses are recorded at cost less accumulated amortisation and impairment.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Goodwill

Goodwill arises on the acquisition of subsidiaries. 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 and intangible assets arising on the acquisition of a foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate.

For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, is 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. Each unit or group of units to which the goodwill is so allocated includes the cash generating units. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

g) Revenue recognition

Sale of goods

Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Services

Revenue is recognised upon rendering of services and the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of expenses incurred that are recoverable.

Software licence fees

Revenue from the sale of software licences is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue

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

h) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all conditions complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

The group is treating its actual and expected receipt of the new R&D Tax Incentive refund as a government grant. Where the expenditure has been expensed, the R&D tax incentive is recognised as revenue. Where the expenditure had been capitalised as an asset, the R&D Tax Incentive attributable to the capitalised expenditure, is deducted from the cost of the asset and released to the profit and loss account as a reduction in amortisation expense over the expected useful life of the asset.

i) Goods and services tax

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

- where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances 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, with the exception of accrued expenses and expense provisions, are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the Consolidated Cash flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

j) Income tax

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

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

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

- (i) except where the deferred income tax 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

j) Income tax (Continued)

Deferred income tax liabilities are recognised for all taxable temporary differences: (continued)

- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences 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 assets and unused tax losses can be utilised:

- (iii) except where 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
- (iv) in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences 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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company / Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

As at the date of this report, deferred tax assets have been recognised only to the extent to which they offset deferred tax liabilities as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised.

Tax Consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group will also enter a tax funding agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

k) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise. The functional currency of Mint Wireless Limited and all of its subsidiaries is Australian dollars.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

l) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Trade accounts are normally settled within 30-60 days.

l) Trade and other payables (Continued)

Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method.

m) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt.

n) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

o) Investments and other 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 financial assets. 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.

p) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, 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 earnings per share are calculated as net profit 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 year 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.

q) Leased assets

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as an expense on a straight-line basis over the period of the lease.

r) Plant & equipment

Plant and equipment and fixtures & fittings are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Fixtures and fittings	5 years
Plant and equipment	5 - 15 years

s) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Provisions are made in respect of the consolidated entity's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle warranty obligations. As the group has limited warranty experience the provision is based on current expectations.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

An onerous contract is considered to exist where the Consolidated Entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

t) Share based payments

Share-based compensation benefits are provided to employees via the Mint Wireless Limited Employee Option Plan.

The fair value of options granted under the Mint Wireless Limited Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

u) 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 the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position 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 other income or other expenses.

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 balance date.

v) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and these benefits can be measured reliably.

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

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

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

w) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately.

x) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquire and the amount of any non-controlling interest in the acquire. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously acquired equity interest in the acquired at the acquisition-date fair value, and the difference between the fair value and the previous carrying amount is recognized in profit or loss.

Contingent consideration to be transferred by the acquirer is recognized at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognized in

x) Business combinations (Continued)

profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognized as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognized as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognized and also recognizes additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

y) Adoption of new and amended accounting standards that are first operative at 30 June 2014

(i) AASB 10: Consolidated Financial Statements

The consolidated financial statements are those of the Consolidated Entity, comprising the financial statements of the parent entity and of all entities which the parent controls. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Consolidated Entity concluded that the adoption of AASB 10 did not change the consolidation status of its subsidiaries. Therefore, no adjustments to any of the carrying amounts were required.

(ii) AASB 119: Employee Benefits

The amendments to AASB 119 revise the definitions of short term and long term employee benefits, placing the emphasis on when the benefit is expected to be settled rather than when it is due to be settled. The group has assessed its impact and concludes that the adoption of AASB 119 has no material effect on the amounts recognised in current or prior years.

No other new and amended accounting standards effective for the financial year beginning 1 July 2013 affected any amounts recorded in the current or prior year.

z) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report:

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

AASB 9 Financial Instruments improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. When adopted, the standard could change the classification and measurement of financial assets. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income for equity investments that are not held for trading. In the current reporting period, the group recognised \$Nil in other comprehensive income in relation to the movements in the fair value of available for sale financial assets, which are not held for trading.

Most of the requirements for financial liabilities were carried forward unchanged. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. The consolidated entity does not have any financial liabilities that are designated at fair value through profit or loss. The new requirements

z) New standard and interpretations not yet adopted (Continued)

only affect the accounting for financial liabilities that are designated at fair value through profit or loss. Therefore, there will be no impact on the consolidated entity's accounting for financial liabilities.

In December 2013, new general hedge accounting requirements were incorporated into AASB 9. The new model aligns hedge accounting more closely with risk management, and will be easier to apply and reduce the costs of implementation. However, the new model requires extended disclosure. The standard is not applicable until 1 January 2017 but is available for early adoption. The consolidated entity has yet to assess the impact of new general hedge accounting model on its hedge arrangements. The consolidated entity has decided not to early adopt AASB 9 at 30 June 2014.

Other standards and interpretations have been issued at the reporting date but are not yet effective. When adopted, these standards and interpretations are likely to impact on the financial information presented. However the assessment of impact has not yet been completed.

NOTE 3: SEGMENT INFORMATION

Year ended 30 June 2014	Mobile Payments	Micro-transactions (discontinued operation)	Corporate & Eliminations	Consolidated
	\$	\$	\$	\$
Sales to customers outside the consolidated entity	1,305,271	-	-	1,305,271
Other revenue	847,194	-	-	847,194
Total segment revenue	2,152,465	-	-	2,152,465
Expenses	(8,514,423)	-	-	(8,514,423)
Segment result				
Consolidated entity loss from ordinary activities before income tax expense	(6,361,958)	-	-	(6,361,958)
Income tax expense	-	-	-	-
Consolidated entity loss from ordinary activities after income tax expense	(6,361,958)	-	-	(6,361,958)

Year ended 30 June 2013	Mobile Payments	Micro-transactions (discontinued operation)	Corporate & Eliminations	Consolidated
	\$	\$	\$	\$
Sales to customers outside the consolidated entity	143,258	6,405,394	231,782	6,780,434
Other revenue	576,154	81,436	9,263	666,853
Total segment revenue	719,412	6,486,830	241,045	7,447,287
Expenses	(2,832,975)	(7,685,746)	(267,532)	(10,786,253)
Segment result				
Consolidated entity loss from ordinary activities before income tax expense	(2,113,563)	(1,198,916)	(26,487)	(3,338,966)
Income tax expense	-	-	-	-
Consolidated entity loss from ordinary activities after income tax expense	(2,113,563)	(1,198,916)	(26,487)	(3,338,966)

NOTE 3: SEGMENT INFORMATION (Continued)

Year ended 30 June 2014	Mobile Payments	Micro-transactions (discontinued operation)	Corporate & Eliminations	Consolidated
	\$	\$	\$	\$
Assets				
Segment assets	12,241,185	-	-	12,241,185
Total assets	12,241,185	-	-	12,241,185
Liabilities				
Segment liabilities	(7,650,481)	-	-	(7,650,481)
Total liabilities	(7,650,481)	-	-	(7,650,481)
Other segment information:				
Depreciation and amortisation	519,197	-	-	519,197
Capital expenditure	893,479	-	-	893,479

Year ended 30 June 2013	Mobile Payments	Micro-transactions (discontinued operation)	Corporate & Eliminations	Consolidated
	\$	\$	\$	\$
Assets				
Segment assets	2,532,408	-	694,269	3,226,677
Total assets	2,532,408	-	694,269	3,226,677
Liabilities				
Segment liabilities	(8,417,973)	-	1,529,874	(6,888,099)
Total liabilities	(8,417,973)	-	1,529,874	(6,888,099)
Other segment information:				
Depreciation and amortisation	368,157	68,234	-	436,391
Capital expenditure	494,580	2,314	3,250	500,144
Bad debts written off	-	19,328	-	19,328
Net loss on disposal of plant and equipment	-	13,815	-	13,815

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Mint Wireless Limited's Audit and Risk Management Committee (Committee) assists the Board of Directors (Board) perform the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Committee and Board seek to balance the potential adverse effects of financial risks on Mint's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

AASB 132 *Financial Instruments Presentation and Disclosure* requires the disclosure of information to assist users of the financial report in assessing the extent of risks related to financial instruments faced by the Group. These risks include financial risks such as market risks (including currency risk, fair value interest rate risk and commodity price risk), credit risk & liquidity risk. These disclosures are not nor are they intended to be an exhaustive list of risks to which Mint is exposed.

a) Market risk**i) Foreign exchange risk**

Mint Wireless Limited is based in Australia, its shares are listed on the Australian Securities Exchange and the Consolidated Entity reports its financial performance and position in Australian dollars (A\$). The Group operates internationally, with the result being that the Group is to some extent exposed to foreign exchange risk arising from fluctuations predominantly in the British Pounds (GBP) and unless those exposures are appropriately hedged exchange rate.

As at balance date, the Board's position is to take up forward contracts for all the confirmed orders so as to minimise exposure to adverse foreign exchange fluctuations.

ii) Interest rate risk and fair values

As the Group has certain floating interest rate deposits there is a risk that the economic value of these deposits may fluctuate because of changes in market interest rates. This risk is considered an acceptable by-product of the Group's efforts to manage its cash flow obligations. As at balance date, the fair value of financial assets and liabilities is equivalent to their carrying amount.

The table below sets out the carrying amount of the financial instruments exposed to interest rate risk (all of which mature within one year):

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Financial Assets		
Cash Assets	9,456,153	647,171
Weighted average effective interest rate 3.38% (2013- 2.65%)		
Financial Liabilities		
Borrowings	5,482,000	5,792,000

The security and expiry for the borrowings facilities are as follows: -

A \$2,500,000 working capital facility (2013: \$2,500,000 finance facility) secured through a fixed and floating charge over the assets and undertakings of Mint (Aust) Pty Ltd. In addition, a \$3,500,000 working capital facility (2013: \$3,500,000 finance facility) unsecured is held by Mint (Aust) Pty Ltd. Both facilities attract an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and will expire in September 2016.

b) Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group can fund its operation and continue as a going concern
- To provide an adequate return to shareholders

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

The Group monitors capital on the basis of the carrying amount of equity plus borrowings less cash and cash equivalents as presented on the face of the statement of financial position.

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

There are no externally imposed capital requirements. There is no covenant on the long term borrowings.

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

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratio for the reporting periods under review is summarised as follows:

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Borrowings	5,842,000	5,792,000
Total debt	5,842,000	5,792,000
Total contributed equity	30,059,035	17,053,945
Debt to equity ratio	19.4%	33.9%

c) Credit risk

The Group trades only with recognised, trustworthy third parties and it is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Group. The Group's maximum exposure to credit risk arising from potential default of the counter-party is equal to the carrying value of receivables.

d) Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital.

The group has borrowing facilities of \$6,000,000 (2013: \$6,000,000) of which \$5,842,000 (2013: \$5,792,000) was utilised at balance date.

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)**Summarised sensitivity analysis**

The following table summarises the sensitivity of the Group's financial assets & financial liabilities to interest rate risk, foreign exchange risk & other price risk.

	Interest (AUD)				Foreign Exchange (AUD)			
	- 1%		+ 1%		- 10%		+ 10%	
	2014 \$		2014 \$		2014 \$		2014 \$	
Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets								
Cash & cash AUD 9,163,401	(91,634)	(91,634)	91,634	91,634	n/a	n/a	n/a	n/a
equivalents GBP 1,386	n/a	n/a	n/a	n/a	251	251	(251)	(251)
NZD 11,675	n/a	n/a	n/a	n/a	1,085	1,085	(1,085)	(1,085)
USD 263,192	n/a	n/a	n/a	n/a	27,940	27,940	(27,940)	(27,940)
Accounts receivable GBP 585	n/a	n/a	n/a	n/a	106	106	(106)	(106)
Financial Liabilities								
Trade payables GBP 2,208	n/a	n/a	n/a	n/a	(399)	(399)	399	399
Borrowings AUD 5,842,000	58,420	58,420	(58,420)	(58,420)	n/a	n/a	n/a	n/a

NOTE 5: CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing this Financial Report the Group has made certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of IT development expenditure

The Group capitalised IT development expenditure on the basis either that this is expected to be recouped through future successful exploitation of the associated technology or through subsequent sale of the asset.

Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not yet considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of IT development expenditure

The future recoverability of capitalised IT development expenditure is dependent on a number of factors, including whether the Group decides to continue to exploit the related technology itself or, if not, whether it successfully recovers the related asset through sale. Factors that could impact the future recoverability include the level of market demand, future technological changes, costs of commercialisation, input costs, future legal changes and changes to the pricing structure for credit card payment gateways.

As at 30 June 2014, the carrying value of capitalised IT development is \$648,482 after an impairment charge of \$829,807 for the current year. This impairment charge relates specifically to the Group's pre-existing (windows 6.5, magnetic stripe) mobile payments platform which was launched initially in 2007 including subsequent development to 2012.

NOTE 6: LOSS FROM CONTINUING OPERATIONS

Consolidated Entity
2014
\$

Consolidated Entity
2013
\$

Loss from continuing operations before income tax has been determined after the following specific expenses:

Depreciation and amortisation of non-current assets

Plant and equipment

49,727

25,046

IT Development

469,470

343,111

519,197**368,157****Finance cost expensed**

Short term borrowings

449,219

389,323

Other expenses

Movement in stock obsolescence provision

32,509

31,969

Movement in make good provision

87,600

-

Loss on Impairment of IT development Costs

829,807

-

NOTE 7: REVENUE

Consolidated Entity
2014
\$

Consolidated Entity
2013
\$

Revenues from continuing operations*Sales Revenue*

Revenue from sale of goods

304,579

-

Revenue from services

1,000,692

375,040

1,305,271**375,040***Other Income*

R&D Grant Income

764,056

578,207

Interest

83,139

7,210

Total Revenue**2,152,465****960,457**

NOTE 8: INCOME TAX

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
<i>(a) The components of tax (expense)/ credit:</i>		
Current tax	-	-
Total Income tax (expense)/ credit	-	-
(b) The prima facie tax on (loss)/profit before income tax is reconciled to the income tax as follows:		
Loss before tax from continuing operations	(6,361,958)	(2,140,050)
Loss before tax from discontinued operations	-	(1,198,916)
Loss before income tax	(6,361,958)	(3,338,966)
At the statutory income tax rate of 30% (2013: 30%)	(1,908,587)	(1,001,690)
Non-deductible expenses	1,425,353	888,790
Non-assessable (income)/expenses	(229,217)	(173,462)
Change in unrecognised temporary differences	429,691	(138,928)
Tax rate differential on foreign income	158,687	80,076
Tax losses not recognised during current period	124,073	383,765
Utilisation of unrecognised deferred tax assets	-	(38,552)
Income tax (expense) / credit	-	-

The Group has not recognised net deferred tax assets of \$5,404,668 (2013: \$4,944,932) at reporting date as it is not probable that the losses will be recouped in the short to medium term.

NOTE 9: RECEIVABLES

	Note	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Trade receivables		97,627	208,546
Allowance for doubtful debts		-	-
Net trade receivables	(i)	97,627	208,546
Other receivables		344,262	257,623
Prepayments and other assets		85,637	71,464
R & D receivable		1,144,929	575,447
		1,672,455	1,113,080

(i) Impaired receivables: as at 30 June 2014 current trade receivables of the group with a nominal value of \$Nil (2013: \$Nil) were impaired. The amount of the allowance for doubtful debt was \$Nil (2013: \$Nil).

0-3 months	-	-
3-6 months	-	-
Over 6 months	-	-
Allowance for doubtful debts	-	-

a) Movements in the provision for impairment of receivables.

At 1 July	-	90,760
Provision for impairment recognised during the year	-	-
Discontinued operations	-	(90,760)
	-	-

NOTE 9: RECEIVABLES (Continued)	Note	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
<i>b) Receivables not impaired</i>			
0-3 months		86,260	182,003
3-6 months		10,544	26,543
over 6 months		823	-
Net trade receivables	(iii)	97,627	208,546

(ii) The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(iii) As of 30 June 2014, trade receivables of \$138,687 (2013: \$208,546) were due but not impaired.

NOTE 10: INVENTORIES		Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CURRENT			
Finished goods			
- at cost		419,407	249,147
- provision for obsolescence		(248,725)	(222,174)
Total inventories		170,682	26,973

NOTE 11: OTHER FINANCIAL ASSETS	Note	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CURRENT			
Security Deposits	(i)	6,442	60,085
		6,442	60,085
NON-CURRENT			
Security Deposits	(i)	72,728	61,117
		72,728	61,117

(i) Security deposits are for the Group's Sydney and U.K. offices.

a) Wholly-owned Group

Details of interests in wholly-owned controlled entities are set out at part (b) of this note. Details of dealings with controlled entities are as follows:

Inter-Company accounts

Mint Wireless Limited provides working capital to its controlled entities. Transactions between Mint Wireless Limited and other controlled entities in the wholly-owned Group during the year ended 30 June 2014 consisted of:

- (i) Working capital advanced by Mint Wireless Limited;
- (ii) Provision of services by Mint Wireless Limited; and
- (iii) Expenses paid by Mint Wireless Limited on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for repayment.

NOTE 11: OTHER FINANCIAL ASSETS (Continued)**b) Investments in Controlled Entities**

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2014 %	Equity Holding 2013 %
Controlled Entities				
Mint (Aust) Pty Limited	Australia	Ordinary	100	100
Mobile Content Management Pty Limited	Australia	Ordinary	100	100
Mint Wireless International UK Limited	United Kingdom	Ordinary	100	100
Mint Wireless International Limited	Hong Kong	Ordinary	100	100
Mint Wireless Asia Pte. Ltd.	Singapore	Ordinary	100	100

c) Ultimate Parent Company

The ultimate parent company in the wholly-owned Group is Mint Wireless Limited, a Company incorporated in Australia.

NOTE 12: PLANT AND EQUIPMENT

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Plant & equipment		
At cost	476,931	343,867
Accumulated depreciation	(262,688)	(212,002)
	214,243	131,865

Plant and equipment

Carrying amount at beginning	131,865	565,405
Additions	132,105	21,102
Disposals	-	(13,192)
Discontinued operations	-	(416,404)
Depreciation expense	(49,727)	(25,046)
	214,243	131,865

NOTE 13: IT DEVELOPMENT

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
IT Development	3,249,987	2,605,157
Accumulated amortisation change	(1,771,698)	(1,418,771)
Accumulated impairment loss	(829,807)	-
Net carrying amount	648,482	1,186,386

Year ended 30 June 2014

Opening net book amount	1,186,385	1,232,913
Additions	761,374	476,727
R&D Tax Incentive received in respect of expenditure capitalised	-	(163,915)
Disposals	-	-
Discontinued operations	-	(16,228)
Amortisation charge	(469,470)	(343,111)
Loss on impairment	(829,807)	-
Closing net book value	648,482	1,186,386

NOTE 13: IT DEVELOPMENT (Continued)**a) Impairment tests for IT development**

The recoverable amount of the IT Development is determined based on value-in-use calculations. These calculations utilised cash flow projections for five years based on the FY2015 budget and a detailed five year plan which has been risk adjusted, reviewed and approved by management.

On this basis, the Group determined that the recoverable amount of IT Development of \$648,482 (2013: \$1,186,386) exceeded its carry value and impairment charge of \$829,807 was required in this financial year (2013: \$Nil). This impairment charge relates specifically to the Group's pre-existing windows 6.5, magnetic stripe mobile payments platform which was launched initially in 2007 including subsequent development to 2012.

The value-in-use calculations are sensitive to discount rates, revenue and cash flow forecasts. The Group has performed detailed sensitivity analysis as part of its impairment testing to ensure that the results of its testing are reasonable.

The Group's new mobile payments (EMV compliant Chip & PIN, bank grade, iOS and Andriod) platform is newly developed and was only launched at the beginning of the financial year ended 30 June 2014. Therefore there is little historical basis for the forecasts in relation to sales therefore there is more uncertainty with the forecasts used in the impairment models.

b) Key assumptions used for value-in-use calculations

Revenue projections are based on licence sales for the year ending 30 June 2015 and revenue projections based on the key drivers in the current business. Expenses are based on detailed knowledge of the business, historic activity, and detailed plans for the year ending 30 June 2015. These have been extrapolated in future years based on knowledge and assumptions around the growth in revenue and the level of expense required to support this.

Overhead expenses for the 2015 year have been projected in line with the current business structures and future growth expectations.

The discount rate applied to cash flow projections is 11.50% post-tax. Discount rate applied reflects management's estimate of the time value of money and the consolidated entities weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

There is no terminal value used in the value-in-use calculation due to the nature of the IT development asset.

c) Sensitivity

The directors have made judgements and estimates in respect of impairment testing of IT Development. Should these judgements and estimates not occur, the resulting IT Development may vary in carrying value.

The points noted below are sensitivities of these estimates:

- Revenue would need to decrease by more than 50% over the five year period before IT Development would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by more than 50% before IT development would need to be impaired, with all other assumptions remaining constant.

Management believes that any reasonable change in the key assumption on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

NOTE 14: PAYABLES

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CURRENT		
Trade payables	404,093	384,767
Other payables, accruals and income in advance	1,076,725	534,876
	1,480,818	919,643

NOTE 15: PROVISIONS

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
CURRENT		
Employee benefits	216,968	155,490
	216,968	155,490
NON-CURRENT		
Employee benefits	23,095	20,966
Make good provision	87,600	-
	110,695	20,966
	327,663	176,456

Movements in provisions for employee benefit

Carrying amount at the beginning of the year	176,456	135,755
Additional provision recognised	260,162	153,286
Utilised during the year	(196,555)	(95,112)
Discontinued operations	-	(17,473)
Carrying amount at the end of the year	240,063	176,456

NOTE 16: CONTRIBUTED EQUITY

2014 **2013**
No. **No.**

(a) Issued and paid up capital

Ordinary Shares	450,872,395	368,672,395
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(b) Movements in shares on issue

	Date	No. of Shares	\$
Beginning of the financial year	1-Jul-13	368,672,395	17,053,945
Issue of fully paid ordinary shares	19-Sep-13	31,450,000	3,145,000
Conversion of options to fully paid ordinary shares	1-Oct-13	2,500,000	85,000
Conversion of options to fully paid ordinary shares	15-Oct-13	1,250,000	45,000
Conversion of options to fully paid ordinary shares	18-Oct-13	1,500,000	60,000
Conversion of options to fully paid ordinary shares	31-Mar-14	2,000,000	280,000
Issue of fully paid ordinary shares	22-May-14	40,000,000	10,000,000
Conversion of options to fully paid ordinary shares	04-Jun-14	3,500,000	126,000
Share issue costs			(735,910)
Closing Balance	30-Jun-14	450,872,395	30,059,035

Ordinary Shares

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 or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held. Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital, nor par value in respect of its issued shares.

NOTE 17: RESERVES AND ACCUMULATED LOSSES

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
a) Share based payment reserve		
Balance at the beginning of year	173,442	160,424
Movement during the year	1,550,216	13,018
Balance at end of year	1,723,658	173,442
b) Foreign exchange reserve		
Balance at the beginning of year	(32,837)	(82,438)
Movement during the year	58,778	49,601
Balance at end of year	25,941	(32,837)
	1,749,599	140,605
c) Accumulated Losses		
Balance at the beginning of year	(20,855,972)	(17,441,445)
Net loss for the year	(6,361,958)	(3,414,527)
Balance at end of year	(27,217,930)	(20,855,972)

NOTE 18: OPTIONS

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

Description	Number	Exercise Price (cents)	Expiry
Unlisted options	1,625,000	3.6	17/04/2015
Unlisted options	17,000,000	3.6	31/07/2015
Unlisted options	2,500,000	7.5	31/07/2016
Unlisted options	1,500,000	45.0	31/07/2015
Unlisted options	8,500,000	3.6	30/09/2015
Unlisted options	3,000,000	45.0	31/07/2016
Unlisted options	1,000,000	60.0	31/07/2016
Unlisted options	9,000,000	7.5	30/09/2016
Unlisted options	12,000,000	45.0	30/04/2018
Total	56,125,000		

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

Mint Wireless Limited Employee Share Option Plan

Each option granted under the Mint Wireless Limited Employee Option Plan entitles the employee to acquire one ordinary share of Mint Wireless Limited. There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Mint shares are issued and quoted on the ASX. The options cannot be transferred and will not be quoted on the ASX.

All options expire on the earlier of their expiry date or termination of the individual's employment.

Share based payments

During or since the end of the financial year, 5,000,000 ordinary shares have been issued as result of exercise of options granted under the Mint Wireless Limited Employee Option Plan.

NOTE 18: OPTIONS (Continued)

	Weighted Average Exercise Price 2014 Cents	No. of Options 2014	Weighted Average Exercise Price 2013 cents	No. of Options 2013
Outstanding at the beginning of the year	4.0	35,500,000	4.0	2,500,000
Forfeited during the year		(10,000,000)		-
Expired during the year		(1,000,000)		-
Exercised during the year		(10,750,000)		-
Granted during the year		42,375,000		33,000,000
Outstanding at the end of the year	4.5	56,125,000	4.5	35,500,000
Exercisable at the end of the year	4.0	18,625,000	4.0	2,500,000

The options outstanding at 30 June 2014 have a weight averaged exercise price of 4.5 cents and a weighted average contractual life of 2.2 years. During the financial year, 10,750,000 options were exercised.

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES

The Directors of Mint Wireless Limited during the year were:

- **Alex Teoh**, Executive Chairman
- **Andrew Teoh**, Executive Director
- **Terry Cuthbertson**, Non-executive Director

Other Key Management Personnel in office at any time during the financial year were as follows:

- **Robin Khuda**, Chief Executive Officer
- **David Owyong**, Chief Financial Officer
- **Bjorn Behrendt**, General Manager
- **Frederick Yip**, Chief Technology Officer
- **Justus Hammer**, Chief Marketing Officer

Other than the above personnel, no other persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the current financial year.

The details of the remuneration of Directors and Key Management Personnel are disclosed in the Remuneration Report section of the Directors' Report.

a) Loans to Key Management Personnel

There were no loans made to Directors of Mint Wireless Limited or other Key Management Personnel of the Group (or their personally related entities) during the current year.

b) Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Short-term employee benefits	982,959	358,550
Post-employment benefits	80,059	26,870
Termination benefits	-	-
Share-based payments	617,039	1,268
	1,680,057	386,688

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)**c) Other transactions with Key Management Personnel**

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
(i) Payments to Director related party		
TAAJ Corporation Pty Ltd	-	72,000

NOTE 20: AUDITORS REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Amounts received or due and receivable by Pitcher Partners for:		
(i) Audit and other assurance services		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	47,000	40,500
Total remuneration for audit and other assurance services	47,000	40,500
(ii) Other non-audit services		
Taxation services	-	2,500
Total remuneration for non-audit services	-	2,500
Total remuneration of Pitcher Partners	47,000	43,000

NOTE 21: STATEMENT OF CASH FLOWS

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
Reconciliation of the net loss after tax to the net cash flows from operations:		
Net loss	(6,361,958)	(3,338,966)
Non-Cash Items		
Depreciation	49,727	95,780
Amortisation of IT development	469,470	343,111
Loss on disposal of fixed assets	-	13,815
Interest expenses accrued but not paid	58,236	112,913
Provision for obsolescence	32,509	40,222
Provision for make good	87,600	-
Share options expense	1,371,841	13,016
Bad debts written off	-	19,328
Impairment loss on intangibles	829,807	15,314
Loss on disposal of discontinued operation	-	788,156
Foreign exchange gain	(6,987)	(7,211)
	(3,469,755)	(1,904,522)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	(586,262)	(1,697,794)
(Increase)/decrease in inventory	(170,260)	38,529
(Increase)/decrease in prepayments & other assets	26,887	697,436
(Decrease)/increase in trade & other payables	619,410	2,914
(Decrease)/increase in employee entitlements	63,607	40,701
	(46,618)	(918,214)
Net cash flow used in operating activities	(3,516,373)	(2,822,736)

NOTE 22: EARNINGS PER SHARE

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net loss attributed to equity shareholders	(6,361,958)	(3,414,527)
Earnings used in calculating basic and diluted earnings per share	(6,361,958)	(3,414,527)
Earnings used in calculating basic and diluted earnings per share from continuing operations	(6,361,958)	(2,140,050)
	2014	2013
	No of shares	No of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	401,843,217	292,448,205
Effect of dilutive securities:		
Share options	30,372,216	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	432,215,433	292,448,205

NOTE 22: EARNINGS PER SHARE (Continued)**Basic earning per share**

From continuing and discontinued operations to equity holders	(1.58)	(1.17)
From continuing operations to equity holders	(1.58)	(0.73)

Diluted earning per share

From continuing and discontinued operations to equity holders	(1.47)	(1.17)
From continuing operations to equity holders	(1.47)	(0.73)

NOTE 23: DISCONTINUED OPERATIONS

In December 2012, Mint Wireless Limited exited and divested its micro-transactions business including its 51% Malaysian subsidiary for a consideration of \$622,363 or RM 2,000,000.

The results of the discontinued operations for the period until disposal as included in the consolidated statement of comprehensive income and consolidated cashflow statement are detailed below: -

	2013
	\$
(i) Financial performance from discontinued operations	
Revenue	6,521,443
Expenses	(6,932,203)
Loss before income tax	(410,760)
Income tax expense	-
Loss after income tax from discontinued operation	(410,760)
Loss recognised on disposal of discontinued operation	(788,156)
Income tax expense	-
Loss from discontinued operation	(1,198,916)
(ii) Cash flow from discontinued operations	
Net cash outflows from operating activities	(427,340)
Net cash outflows from investing activities	(4,414)
Net cash (outflows)/inflows from financing activities	(83,819)
Net cash outflows from discontinued operations	(515,573)
(iii) Carrying amount of assets and liabilities from discontinued operations	
Assets	
Cash and cash equivalent	153,310
Trade and other receivables	890,072
Inventories	625,954
Other current assets	250,812
Plant and equipment	349,934
Total assets	2,270,082
Liabilities	
Trade and other payables	(2,473,014)
Provisions and accruals	(131,502)
Total liabilities	(2,604,516)
Net(liabilities)/assets attributable to discontinued operation	(334,434)

NOTE 24: SUBSEQUENT EVENTS

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

NOTE 25: COMMITMENTS AND CONTINGENCIES

	Consolidated Entity 2014 \$	Consolidated Entity 2013 \$
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Lease expenditure commitments

(a) Operating leases (non-cancellable):

Premises Rented (i)

Minimum lease payments

- Not later than one year	126,563	152,029
- Later than one year and not later than five years	65,001	191,976
- Later than five years	-	-
- Aggregate lease expenditure contracted for at reporting date	<u>191,564</u>	<u>344,005</u>

(i) Relates to the rental of the Group's Sydney office which has been secured for 5 years from 1 December 2010 until 30 November 2015 and the Group's UK Office which has been secured for 1½ years from 1 March 2013 to 31 August 2014.

NOTE 26: RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the year ended 30 June 2014 other than as disclosed elsewhere in the financial report.

NOTE 27: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Mint Wireless Limited, financial statements:

	Parent Entity 2014 \$	Parent Entity 2013 \$
(a) Summarised statement of financial position		
Assets		
Current assets	10,605,736	1,045,810
Non-current assets	12,257,925	8,725,528
Total assets	22,863,661	9,771,338
Liabilities		
Current liabilities	433,497	158,852
Non-current liabilities	87,600	-
Total liabilities	521,097	158,852
Net assets	22,342,564	9,612,486
Equity		
Share capital	30,059,037	17,053,945
Reserves	1,661,215	111,000
Accumulated losses	(9,377,688)	(7,552,459)
Total equity	22,342,564	9,612,486
(b) Summarised statement of comprehensive income		
Loss for the year	(1,825,229)	(5,047,388)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(1,825,229)	(5,047,388)

(c) Parent entity guarantees

The parent entity has not given any guarantee or indemnity in respect of the debt facilities of the controlled entities.

(d) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 30 Jun 2014 (2013: \$Nil).

(e) Parent entity contractual commitments

As at 30 Jun 2014, the parent entity did not have any contractual commitments for the acquisition of the property, plant and equipment.

1) Mint Wireless Limited is a listed public Company, incorporated and operating in Australia.

Registered Office	Principal place of business
Level 4, 450 Victoria Road GLADESVILLE NSW 2111 Australia	Level 4, 450 Victoria Road GLADESVILLE NSW 2111 Australia

2) The entity has a formally constituted audit committee.

In the Directors' opinion:

- (a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) compliance with Accounting Standards and Corporations Regulations 2001; and
 - (iii) compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

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



.....
ALEX TEOH
Executive Chairman

Sydney, New South Wales
31st July 2014



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

Report on the Financial Report

We have audited the accompanying financial report of Mint Wireless Limited and controlled entities, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity 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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



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

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.

Opinion

In our opinion:

- (a) the financial report of Mint Wireless Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. 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 Mint Wireless Limited and controlled entities for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in dark ink, appearing to read 'R M Shanley'.

R M SHANLEY

Partner

A handwritten signature in dark ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS

Sydney

Date: 31 July 2014

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report is set out below:

A) Number of Security Holders and Securities on Issue

Mint has issued 450,872,395 fully paid ordinary shares, of which 450,872,395 are quoted on the ASX and are held by 1,751 shareholders.

B) Voting Rights

The voting rights attached to ordinary shares are that on the show of hands, every member present, in person or proxy has one vote and upon a poll, each share shall have one vote.

C) Distribution of Security Holders

Quoted ordinary fully paid ordinary shares.

Holding	Number of Shareholders	Number of Shares	%
1-1,000	41	3,228	0.00
1,001-5,000	403	1,234,180	0.27
5,001-10,000	308	2,608,934	0.58
10,001-100,000	758	28,268,059	6.27
100,001 and over	241	418,757,994	92.88
Total	1,751	450,872,395	100.00

D) Unmarketable Parcels of Shares

The number of shareholders holding less than a marketable parcel of ordinary shares of \$0.215 (on 30 June 2014) is 179 and they hold 246,157 securities.

E) Substantial Shareholders

The number of securities held by the substantial shareholders and their associates are set out below:

Ordinary Fully Paid Shares

Name	Number of Shares	%
TAAJ CORPORATION PTY LTD	71,512,967	15.86
NATIONAL NOMINEES LIMITED	43,073,732	9.55
DOBRANI PTY LTD	27,268,012	6.05
J P MORGAN NOMINEES AUSTRALIA LIMITED	25,365,209	5.63
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,349,977	5.18

F) On-Market- Buy-Back

There is no current on-market buy-back.

G) Statement Regarding Use of Cash and Assets

Mint has used its cash and assets readily convertible to cash that it had at the time of ASX admission in a way consistent with its business objective.

H) Twenty Largest Shareholders

Details of the 20 largest shareholders by registered shareholding are:

Name	Number of Shares	%
TAAJ CORPORATION PTY LTD	71,512,967	15.86
NATIONAL NOMINEES LIMITED	43,073,732	9.55
DOBRANI PTY LTD	27,268,012	6.05
J P MORGAN NOMINEES AUSTRALIA LIMITED	25,365,209	5.63
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,349,977	5.18
SUN HUNG KAI INVESTMENT SERVICES LTD	17,394,308	3.86
CITICORP NOMINEES PTY LIMITED	16,222,496	3.60
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,330,577	2.51
UBS NOMINEES PTY LTD	11,014,082	2.44
BNP PARIBAS NOMS PTY LTD	9,741,265	2.16
CITICORP NOMINEES PTY LIMITED	9,703,465	2.15
ROADHOUND ELECTRONICS PTY LTD	9,441,561	2.09
TRANDARA PTY LTD	7,130,481	1.58
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	6,202,082	1.38
EML INVESTMENTS PTY LIMITED	5,600,000	1.24
UOB KAY HIAN PRIVATE LIMITED	4,603,882	1.02
GENERAL & PRIVATE FUNDS MANAGEMENT PTY LTD	4,300,000	0.95
AUST EXECUTOR TRUSTEES LTD	4,000,001	0.89
KORE MANAGEMENT SERVICES PTY LTD	4,000,000	0.89
MR KUNIHISA ISHII	3,345,414	0.74
Total	314,599,511	69.78

The Board of is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Mint Wireless Limited on behalf of the shareholders by whom it is elected and to whom it is accountable.

In accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 2nd Edition (Revised Principles) (the Principles), the Corporate Governance Statement must contain specific information and also report on the Company's adoption of the Council's best practice recommendations on an exception basis, whereby disclosure is required of any recommendations that have not been adopted by the Company and why. The Company's corporate governance principles and policies are therefore structured with reference to the Principles, which are as follows:

- 1: Lay solid foundations for management and oversight.
- 2: Structure the board to add value.
- 3: Promote ethical and responsible decision making.
- 4: Safeguard integrity in financial reporting.
- 5: Make timely and balanced disclosure.
- 6: Respect the rights of shareholders.
- 7: Recognise and manage risk.
- 8: Remunerate fairly and responsibly.

A number of the Recommendations under the Principles recommend that certain governance documents should be made publicly available, ideally by posting such information on the company's website. All corporate governance principles and policies, regarding the Company as required by the Principles are set out in this Corporate Governance Statement.

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

The Board is committed to maximising Company and management performance, thereby generating appropriate levels of shareholder value and financial return.

The Board, therefore, ensures that the Company is properly managed to protect and enhance shareholder interests and that the Company, its directors, officers and employees operate in an appropriate environment of corporate governance.

The Board is responsible for, inter alia, development of strategy, oversight of business and Company management, risk management and compliance systems and monitoring performance. The Board has established certain policies and protocols in relation to the Company's operations, some of which are summarised in this Corporate Governance Statement.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The performance of the Board, individual Directors and key executives is reviewed regularly, and has taken place during this reporting period.

The Company has established a Remuneration or Nomination Committee as subcommittees of the Board. Remuneration and nomination issues are discussed and resolved at Board meetings and accordingly, the Board is responsible for determining and reviewing the remuneration of the Directors. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executives with the skills to manage the Company's operations. In making decisions regarding the appointment of Directors, the Board as a whole periodically assesses the appropriate mix of skills and experience represented on the Board. The Board may also obtain information from, and consult with management and external advisers, as it considers appropriate.

The remuneration policy for the Directors is disclosed in the Directors' Report.

Recommendation 1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.

In accordance with the 'Guide to Reporting on Principle 1', the Company provides the following information:

- as at the date of this Corporate Governance Statement, the Company is of the view that it has complied with each of the Recommendations under Principle 1; and
- the Company has undertaken a performance evaluation for senior executives during the financial year in accordance with the process set out in Recommendation 1.2.

Principle 2: Structure the Board to add value

Recommendation 2.1: A majority of the Board should be independent directors.

At the date of this statement, the Board comprises of three Directors, of which one is deemed as independent Non-Executive Director as defined under the Board policy on Director independence. The company does not comply with this principal and the company is actively seeking to strengthen the board by way of other suitable independent directors:

- Mr Alex Teoh was appointed as a Director of the Company on 15 November 2006 and was appointed the Executive Chairman on 1 May 2014;
- Mr Andrew Teoh was appointed as a Director of the Company on 01 October 2013;
- Mr Terry Cuthbertson, was appointed as a Non-Executive Director of the Company on 27 November 2007 and was the Non-Executive Chairman till 30 April 2014.

Recommendation 2.2: The Chairperson should be an independent Director.

The Chairman, Mr Terry Cuthbertson, has acted as an independent Non-Executive Chairman since his appointment on 27 November 2007 to 30 April 2014. Mr Alex Teoh was appointed Executive Chairman on 1 May 2014 and since the appointment the Company has not complied with this principal. As disclosed under Recommendation 2.1, the Company is actively seeking to strengthen the board by way of suitable independent directors.

Recommendation 2.3: The roles of Chairperson and Chief Executive Officer should not be exercised by the same person.

At the date of this Corporate Governance Statement Mr. Alex Teoh is the Chairman of the Board. Mr. Robin Khuda is employed as the Chief Executive Officer of the Company.

Recommendation 2.4: The Board should establish a nomination committee.

The Board has established a nomination committee which meets when required.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The Board reviews and evaluates the performance of the Board and the Board committees. The process is to involve the assessment of all of the Board's key areas of responsibility. The Board's contribution as a whole is reviewed and areas where improvement can be made are noted. The performance evaluation process is as follows:

- each Director will periodically evaluate the effectiveness of the Board and its committees and submit observations to the Chairman;
- the Chairman of the Board will make a presentation incorporating his assessment of such observations to enable the Board to assess, and if necessary, take action;
- the Board will agree on development and actions required to improve performance;
- outcomes and actions will be minuted; and
- the Chairman will assess during the year the progress of the actions to be achieved.

This process aims to ensure that individual Directors and the Board as a whole contribute effectively in achieving the duties and responsibilities of the Board. The performance of the Board, individual Directors and key executives has taken place during this reporting period in accordance with the process set out above.

Recommendation 2.6: Provide the information indicated in Guide to Reporting on Principle 2.

The Board takes the ultimate responsibility for corporate governance and operates in accordance with the following broad principles:

- the Board shall comprise of between 3 and 10 Directors;
- Directors shall have the power at any time to appoint any other suitably qualified person subject to election at the Company's following annual general meeting;
- in the interest of ensuring a continual supply of new talent to the Board, all Directors with the exception of the Managing Director (where appointed) will serve for a period of three years before they are requested to stand down for re-election; and

- the Board should comprise Directors with a broad range of skills and experience.
- The 'Guide to Reporting on Principle 2' provides that certain information should be included in the corporate governance section of the Company's Annual Report or be made publicly available. In accordance with the 'Guide to Reporting on Principle 2', the Company provides the following information:
- The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is detailed in the Director's Report.
- All the Directors are considered by the Board to constitute independent directors. In assessing whether a Director is independent, the Board has regard to the standards it has adopted that reflect the independence requirements of applicable laws, rules and regulations, including the Principles.
- Whenever necessary, individual members of the Board may seek independent professional advice at the expense of the Company up to \$5,000 per annum in relation to fulfilling their duties as Directors. All Directors are encouraged to actively participate in all decision making processes and are given every opportunity to have their opinion heard and respected on all matters.
- The term of office held by each Director in office at the date of the Annual Report is detailed in the Director's Report.
- The Company does have a separate nomination committee and therefore a charter or an appointment policy has been created.
- The performance of the Board, individual Directors and key executives has taken place during the reporting period in accordance with the process set out in Recommendation 2.5.
- As at the date of this statement, the Company is of the view that it has complied with each of the Recommendations under Principle 2.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Board has adopted a Code of Conduct that provides a framework in which the Company and its representatives conduct their business and activities in a fiscally efficient and socially responsible manner whilst seeking to maximise shareholder returns.

The Code of Conduct also outlines how the Company expects Directors, management and employees to behave and conduct business in a range of circumstances. In particular, the Code of Conduct requires awareness of, and compliance with laws and regulations relevant to the Company's operations.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Company has a policy concerning trading in the Company's securities by Directors, management and staff (*Trading Policy*). The Trading Policy restricts directors and employees from:

- acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the prices of securities; and
- trading in securities other than in a trading window of 5 days prior to either:
 - the announcement of results; and
 - a General Meeting of shareholders.

The Trading Policy requires that, in accordance with the ASX Listing Rules, a Director notify the ASX within five (5) business days after any dealing in the Company's securities that results in a change in the relevant interests of the Director in the Company's securities.

Recommendation 3.3: Companies should provide the information indicated in the Guide to reporting on Principle 3.

The 'Guide to Reporting on Principle 3' provides that certain information should be included in the corporate governance section of the Company's Annual Report or be made publicly available. The Company notes that it has made the Code of Conduct or Trading Policy publicly available on the Company's website.

The Company has a commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability. This commitment means that the company has policies and procedures to ensure it has an environment supportive of equal opportunity and equal access to career development, remuneration, and benefits. The company's workforce is split female 25% and male 75%. Currently there are no female senior executives.

Mint's commitment to diversity means that it works to ensure that it has an environment supportive of equal opportunity and with equal access to career development, remuneration and benefits through the implementation of practices, procedures and policies which support, among other matters, diversity.

Mint believes that diversity is about recognising and valuing the contribution of people from different backgrounds, with different perspectives and experiences. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background.

Mint operates in a number of countries, and, to date, diversity initiatives have been focused at the local level, having regard to the legislative requirements of those countries.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1: The Board should establish an Audit Committee.

The Company has established an Audit Committee as recommended under Recommendation 4.1 and the Audit Committee meets on a regular basis.

Accordingly, it is the Board's responsibility to establish and maintain an effective internal control framework to examine the effectiveness and efficiency of the management of the Company and significant business processes such as the safeguarding of assets, the maintenance of proper accounting records and the integrity of financial information, the implementation of quality assurance practices and procedures and ensuring compliance with environmental regulations.

Recommendation 4.2, 4.3 and 4.4 Structure of the Audit Committee, Audit Committee Charter and information indicated in the Guide to Reporting on Principle 4.

These recommendations have been implemented by the Board as outlined above.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Board and senior management are aware of the continuous disclosure requirements of the ASX and have written policies and procedures in place to disclose any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. Furthermore, the Directors and senior management of the Company acknowledge that they each have an obligation to immediately identify and immediately disclose information that may be regarded as material to the price or value of the Company securities.

The Directors are authorised to make statements and representations on the Company's behalf. The Company Secretary is responsible for overseeing and coordinating the disclosure of information to the ASX, analysts, stockbrokers, shareholders, the media and the public.

The Directors of the Company ensure that the Secretary is aware of all information to be presented at briefings with analysts, stockbrokers, shareholders, the media and the public. Prior to being presented, information that has not already been the subject of disclosure to the market and is not generally available to the market is the subject of disclosure to the ASX. Only when confirmation of receipt of the disclosure and release to the market by the ASX is received may the information be presented.

If information that would otherwise be disclosed comprises of matters of supposition or is insufficiently definite to warrant disclosure, or if the effect of a disclosure on the value or price of the Company's securities is unknown, the Company may request that the ASX grant a trading halt or suspend the Company's securities from quotation. Management of the Company may consult the Company's external professional advisers and the ASX in relation to whether a trading halt or suspension is required.

Recommendation 5.2: Provide the information indicated in Guide to Reporting on Principle 5.

The 'Guide to Reporting on Principle 5' provides that certain information should be included in the corporate governance section of the Company's Annual Report or be made publicly available. The Company notes that it has made the Code of Conduct publicly available on the Company's website.

Principle 6: Respect the rights of the Shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Board aims to ensure in accordance with Recommendation 6.1, all shareholders are informed of relevant major developments affecting the affairs of the Company. Information is communicated to the shareholders through the annual and half year reports, disclosures made to the ASX, notices of meetings and occasional letters to shareholders where appropriate.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

The 'Guide to Reporting on Principle 6' provides that certain information should be included in the corporate governance section of the Company's Annual Report or be made publicly available. The Company notes that it has made the Code of Conduct publicly available on the Company's website.

Principle 7: Recognise and manage risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Board has procedures in place to recognise and manage risk in accordance with Recommendation 7.1. The risk oversight and management system covers:

- operations risk;
- financial reporting; and
- compliance

The Company is committed to the proper identification and management of risk. The Company regularly undertakes reviews of its risk management procedures which include implementation of a system of internal sign-offs to ensure not only that the Company complies with its legal obligations, but that the Board and ultimately shareholders can take comfort that an appropriate system of checks and balances are in place regarding those areas of the business which present financial or operating risks.

The Company has also adopted a Code of Conduct which sets out the Company's commitment to maintaining a high level of integrity and ethical standards in all business practices.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose management has reported to it as to the effectiveness of the company's management of its material business risks.

The Company does engage executives who report to the Board on a regular basis. Accordingly the Company's Board is responsible for providing leadership and direction for the Company, for establishing a context which fosters a risk management culture and for ensuring business, financial and risk management approaches are integrated during the planning, implementation and reporting of major ventures at all levels within the organisation.

The Company regularly undertakes reviews of its risk management procedures, which include implementation of a system of internal approvals to ensure not only that it complies with its legal obligations, but that the Board and shareholders can take comfort that an appropriate system of checks and balances is in place in those areas of the business that present financial or operating risks. As part of this risk management process, the Company's management has reported to the Board in relation to its management of the Company's material business risks.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

As set out under Recommendation 2.3, both the Managing Director and the Chief Financial Officer have provided declarations in accordance with Section 295A of the Corporations Act. Each of the Directors have reviewed the Financial Reports and the Chairman on behalf of the Board has declared that the Financial Reports are founded on a sound system of risk management, internal compliance and control which implements the policies adopted by the Board. The Chairman has also declared that the Company's risk management, internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

In accordance with the 'Guide to Reporting on Principle 7', the Company provides the following information:

- The Company has not departed from Recommendations 7.1, 7.2 and 7.3.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1: The board should establish a remuneration committee.

The performance of the Board, individual Directors and key executives is reviewed annually, and has taken place during this reporting period.

The Company has established an Audit, Remuneration and Nomination Committee as subcommittees of the Board. Remuneration and Nomination issues are discussed and resolved at Board meetings and accordingly, the Board is responsible for determining and reviewing the remuneration of the Directors. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executive with the skills to manage the Company's operations. In making decisions regarding the appointment of Directors, the Board as a whole periodically assesses the appropriate mix of skills and experience represented on the Board. The Board may also obtain information from, and consult with management and external advisers, as it considers appropriate.

It is the Company's objective to provide maximum shareholder benefit from the retention of high quality Board members having regard to the Company's level of operations and financial resources. Directors are remunerated with reference to market rates for comparable positions. Remuneration policies for each Non-Executive Director are disclosed in the Directors' Report.

The Remuneration policy for the Directors is disclosed in the Directors' Report.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Non-Executive Directors are paid a set fee as disclosed in the Director's Report in this Annual Report. The remuneration of executives is dependent on the terms of the employment agreement with those executives. The remuneration structure of Non-Executive Directors and executives is clearly distinguishable.

There are no schemes for retirement benefits, other than statutory superannuation, in existence for the Non-Executive Directors.

Recommendation 8.3: Companies should provide the information indicated in the Guide to reporting on Principle 8.

In accordance with the 'Guide to Reporting on Principle 8', the Company provides the following information:

- there are no schemes for retirement benefits, other than statutory superannuation, in existence for the Non-Executive Directors;
- as at the date of this statement, the Company is of the view that it has complied with each of the Recommendations under Principle 8.