

iWebGate Technology Limited

ABN 79 108 728 472

Annual Report - 30 June 2013

Important note

In the directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of iWebGate Technology Limited. The directors have determined that the information included and the accounting policies adopted are appropriate to meet the needs of the owners of iWebGate Technology Limited

iWebGate Technology Limited
Directors' report
30 June 2013

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of iWebgate Technology Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

The following persons were directors of iWebgate Technology Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Timothy Gooch
Andrew Sutherland
Charlie Gargett
Mark Harrell
Marco Pieters

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of development and commercialisation of networking and internet security systems.

Dividends

No dividends were paid during the financial year 30 June 2013 or 30 June 2012

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,289,647 (30 June 2012: loss \$392,559).

All of the consolidated entity's divisions incurred losses during the period from development and commercialisation of the networking and internet security systems. The financial position of the consolidated entity depends on sales from the commercialisation of the networking and internet security systems and continued support from its creditors and shareholders. The networking and internet security industry is a fast moving industry and the rate of technological change is significant. The main risk for the consolidated entity, and therefore the focus of management, is sales from the commercialisation of the networking and internet security systems.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

During 2014 the Company completed its commitment under the \$2.0 million Commercialisation Australia grant funding agreement and has received external loan funding of \$1.6 million from My ATM Holdings Limited.

During 2014 the Company founding shareholders and My ATM Holdings Limited (MYA) entered into the Sale and Purchase Agreement on 17 April 2014, varied by agreement dated 10 July 2014, wherein MYA agreed to purchase 100% of the ordinary shares in iWebGate, and the founding shareholders agreed to sell all of their ordinary shares in iWebGate to MYA, and to use their best endeavours to arrange for the sale of the remaining shares in iWebGate to MYA.

During 2014 the Company has received external loan funding of \$1.6 million from My ATM Holdings Limited entered into a \$1.0 million loan facility with My ATM Holdings Limited.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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Directors' report
30 June 2013

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2013 and up to the date of this report.

Indemnity and insurance of officers

The company has not, during or since the end of the financial year, insured or agreed to insure the directors and executives of the company against a liability incurred by the directors.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

General information

The financial statements cover iWebGate Technology Limited as a consolidated entity consisting of iWebGate Technology Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is iWebGate Technology Limited's functional and presentation currency.

iWebGate Technology Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

First Floor, 254 Adelaide Tce
Perth WA 6000

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

On behalf of the directors



Marte Harvett

Director

15 September 2014
Perth

iWebGate Technology Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

	Consolidated	
	2013	2012
	\$	\$
Revenue		
Sales	750,564	791,261
Grants	1,255,160	325,032
Interest	23,045	9,856
	<u>2,028,769</u>	<u>1,126,150</u>
Expenses		
Sales, Marketing, Travel	(706,788)	(278,159)
Admin, Office, Corporate	(353,780)	(41,016)
Development & Commercialisation	(2,092,152)	(989,269)
Finance costs	<u>(165,696)</u>	<u>(210,264)</u>
	<u>(3,318,416)</u>	<u>(1,518,709)</u>
(Loss) before income tax expense	(1,289,647)	(392,559)
Income tax expense	<u>-</u>	<u>-</u>
(Loss) after income tax expense for the year	<u>(1,289,647)</u>	<u>(392,559)</u>
Total comprehensive (loss) for the year	<u>(1,289,647)</u>	<u>(392,559)</u>

The above statement of consolidated profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

iWebGate Technology Limited
Consolidated Statement of financial position
As at 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	2	326,026	1,587,468
Trade and other receivables	3	499,507	528,660
Total current assets		<u>825,533</u>	<u>2,116,128</u>
Non-current assets			
Property, plant and equipment	4	36,305	27,211
Other	5	22,469	-
Total non-current assets		<u>58,774</u>	<u>27,211</u>
Total assets		<u>884,307</u>	<u>2,143,339</u>
Liabilities			
Current liabilities			
Trade and other payables	6	172,962	350,680
Borrowings		-	-
Total current liabilities		<u>172,962</u>	<u>350,680</u>
Non-current liabilities			
Borrowings	7	1,967,224	1,834,586
Total non-current liabilities		<u>1,967,224</u>	<u>1,834,586</u>
Total liabilities		<u>2,140,186</u>	<u>2,185,266</u>
Net assets deficit		<u>(1,255,879)</u>	<u>(41,927)</u>
Equity			
Issued capital	8	2,632,407	2,556,713
Retained losses	9	(3,888,287)	(2,598,640)
Total equity		<u>(1,255,879)</u>	<u>(41,927)</u>

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

iWebGate Technology Limited
Consolidated Statement of changes in equity
As at 30 June 2013

Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
Balance at 1 July 2011	632,412	-	(2,206,081)	(1,573,669)
Loss after income tax expense for the year	-	-	(392,559)	(392,559)
Total comprehensive loss for the year	-	-	(392,559)	(392,559)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	1,924,301	-	-	1,924,301
Balance at 30 June 2012	<u>2,556,713</u>	<u>-</u>	<u>(2,598,640)</u>	<u>(41,927)</u>
Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
Balance at 1 July 2012	2,556,713	-	(2,598,640)	(41,927)
Loss after income tax expense for the year	-	-	(1,289,647)	(1,289,647)
Total comprehensive loss for the year	-	-	(1,289,647)	(1,289,647)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	75,694	-	-	75,694
Balance at 30 June 2013	<u>2,632,407</u>	<u>-</u>	<u>(3,888,287)</u>	<u>(1,255,879)</u>

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

iWebGate Technology Limited
Consolidated Statement of cash flows
For the year ended 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Cash flows from operating activities			
Receipts from customers		757,248	818,759
Payments to suppliers and employees		(3,258,459)	(1,151,994)
		(2,501,211)	(333,235)
Grants received		1,255,160	-
Interest received		23,045	9,856
Income taxes paid		-	-
Net cash from operating activities	16	(1,223,006)	9,856
Cash flows from investing activities			
Payments for property, plant and equipment		(33,618)	(20,009)
Net cash used in investing activities		(33,618)	(20,009)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,020,001
Proceeds from borrowings		9,931	42,628
Share issue transaction costs		-	(95,700)
Repayment of borrowings		(14,750)	(36,073)
Net cash used in financing activities		(4,819)	1,930,856
Net increase/(decrease) in cash and cash equivalents		(1,261,442)	1,587,468
Cash and cash equivalents at the beginning of the financial year		1,587,468	-
Cash and cash equivalents at the end of the financial year	2	326,026	1,587,468

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

Note 1. Significant accounting policies

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

Basis of preparation

In the directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of iWebGate Technology Limited. The directors have determined that the information included and the accounting policies adopted are appropriate to meet the needs of the owners of iWebGate Technology Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 110 'Events after the end of the Reporting Period', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 13.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iWebGate Technology Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. iWebGate Technology Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Foreign currency translation

The financial statements are presented in Australian dollars, which is iWebGate Technology Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction for the period.

Note 1. Significant accounting policies (continued)

Revenue recognition

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

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue from service fees is recognised by reference to the stage of completion of the contracts. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant revenue

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Deferred tax assets and liabilities have not been recognised in the accounts.

iWebGate Technology Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Current and non-current classification

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 1. Significant accounting policies (continued)

Trade and other receivables

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

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

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs including interest on short-term and long-term borrowings are expensed in the period in which they are incurred.

Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 1. Significant accounting policies (continued)

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Going Concern

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

The Group incurred a net loss of \$1,289,647 for the year ended 30 June 2013 (\$392,559 comparative year). In addition the Group had a net asset deficiency of \$1,255,879 (\$41,297 comparative year). Notwithstanding this, the financial report has been prepared on a going concern basis.

The ability of the Group to continue as a going concern is dependent on the successful completion of the transaction disclosed in note 15 or if this transaction was not completed the group's ability to raise funds. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis.

No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Current assets - cash and cash equivalents

	Consolidated	
	2013	2012
	\$	\$
Cash on hand	-	-
Cash at bank	326,026	1,587,468
Cash on deposit	-	-
	<u>326,026</u>	<u>1,587,468</u>

Note 3. Current assets - trade and other receivables

	Consolidated	
	2013	2012
	\$	\$
Trade receivables	499,507	203,628
Other receivables	-	325,032
	<u>499,507</u>	<u>528,660</u>

Note 4. Non-current assets - property, plant and equipment

Plant and equipment - at cost	67,423	71,684
Less: Accumulated depreciation	<u>(31,131)</u>	<u>(44,473)</u>
	<u>36,305</u>	<u>27,211</u>

iWebGate Technology Limited
Notes to the financial statements
30 June 2013

Note 5. Non-current assets - other

Security deposits	22,469	-
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Note 6. Current liabilities - trade and other payables

Trade payables	172,962	350,680
Borrowings	-	-
	<u>172,962</u>	<u>350,680</u>

Note 7. Non-current liabilities - borrowings

Related party loans	1,764,884	1,647,372
Other loans	202,340	187,214
	<u>1,967,224</u>	<u>1,834,586</u>

Note 8. Equity - issued capital

	2013 Shares	Consolidated 2012 Shares	2013 \$	2012 \$
Ordinary shares - fully paid	<u>11,342,893</u>	<u>11,288,826</u>	<u>2,632,407</u>	<u>2,556,713</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	30 June 2011	9,722,945		632,412
Issue of shares	March-June 2012	1,565,881	\$1.29	2,020,001
Share issue transaction costs		-		(95,700)
Balance	30 June 2012	<u>11,288,826</u>		<u>2,556,713</u>

Details	Date	No of shares	Issue price	\$
Balance	30 June 2012	11,288,826		2,556,713
Issue of shares	February 2013	54,067	\$1.40	75,694
Share issue transaction costs		-		-
Balance	30 June 2013	<u>11,342,893</u>		<u>2,632,407</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 9. Equity - retained losses

	Consolidated 2013 \$	2012 \$
Retained losses at the beginning of the financial year	2,598,640	2,206,081
Loss after income tax expense for the year	1,289,647	392,559
Retained losses at the end of the financial year	<u>3,888,287</u>	<u>2,598,640</u>

Note 10. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2013	2012
	\$	\$
<i>Audit services - BDO Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	10,000	10,000

Note 11. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Note 12. Commitments

Operating Lease Commitments.

Operating leases relate to leases of property in West Perth, software leases and servers.

	Consolidated	
	2013	2012
	\$	\$
Payable		
- not later than 1 year	74,601	-
- later than 1 year but not later than 5 years	46,413	-

The property in Osborne Park is on an ongoing monthly basis at a rate of \$1,813.26 per month and 11% of monthly shared electrical costs to the property.

Note 13. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2013	2012
	\$	\$
Loss after income tax	1,730,673	2,166,052

Statement of financial position

Total current assets	418,999	1,965,732
Total assets	442,849	1,982,089
Total current liabilities	144,231	161,130
Total liabilities	2,111,455	1,995,586
Equity		
Issued capital	2,632,407	2,556,713
Retained losses	(4,301,013)	(2,570,340)
Total equity	(1,668,606)	(13,626)

iWebGate Technology Limited
Notes to the financial statements
30 June 2013

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2013 and 30 June 2012.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 14. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2013 %	2012 %
iWebGate Pty Limited	Australia	100.00%	100.00%
iWebGate Corp	USA	100.00%	100.00%

Note 15. Events after the reporting period

During 2014 the Company completed its commitment under the \$2.0 million Commercialisation Australia grant funding agreement and has received external loan funding of \$1.6 million from My ATM Holdings Limited.

During 2014 the Company founding shareholders and My ATM Holdings Limited (MYA) entered into the Sale and Purchase Agreement on 17 April 2014, varied by agreement dated 10 July 2014, wherein MYA agreed to purchase 100% of the ordinary shares in iWebGate, and the founding shareholders agreed to sell all of their ordinary shares in iWebGate to MYA, and to use their best endeavours to arrange for the sale of the remaining shares in iWebGate to MYA.

During 2014 the Company has received external loan funding of \$1.6 million from My ATM Holdings Limited entered into a \$1.0 million loan facility with My ATM Holdings Limited.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 16. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2013 \$	2012 \$
Loss after income tax expense for the year	(1,289,647)	(392,559)
Adjustments for:		
Depreciation and amortisation	24,524	4,042
Share based payments	75,694	-
Accrued grant income	-	(325,032)
Interest accrued on loans	137,457	137,412
Change in operating assets and liabilities:		
Increase in trade and other receivables	29,153	27,498
Decrease/(increase) in other operating assets	(22,469)	-
Increase/(decrease) in trade and other payables	(177,718)	225,261
Increase in other operating liabilities	-	-
Net cash deficit from operating activities	<u>(1,223,006)</u>	<u>(323,379)</u>

iWebGate Technology Limited
Directors' declaration
30 June 2013

In the directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of iWebGate Technology Limited;
- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are, or may become, subject to.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Marte Harrett

Director

15 September 2014
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of iWebGate Technology Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of iWebGate Technology Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of iWebGate Technology Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of iWebGate Technology Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the successful completion of the transaction with My ATM Holdings Limited as disclosed in Note 15 or the future successful raising of necessary funding through equity. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Dean Just', is written over a faint, larger 'BDO' logo.

Dean Just

Director

Perth, 15 September 2014