

Appendix 4E – Preliminary Final Report For the Year Ended 30 June 2014

Results for announcement to market	Up / Down	% Change	2014 \$	2013 \$
Revenue from ordinary activities	Up	367%	25,306	5,423
Loss after tax from ordinary activities attributable to members	Up	39%	(745,130)	(1,212,631)
Loss attributable to members	Up	39%	(745,130)	(1,212,631)

Dividend Information	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Net Tangible Asset Backing per Ordinary Share	cents
Net tangible asset backing per ordinary share – current reporting period	(0.48)
Net tangible asset backing per ordinary share – previous reporting period	(0.33)

Commentary on the Results for the Period

The Company's net loss after income tax for the year was \$745,130 and compared with a net loss after income tax for the year was \$1,212,631 for the previous financial year. The current year loss is attributable to working capital costs incurred in the ordinary course of business. The prior year loss was mainly comprised of amounts paid in relation to the recapitalisation, restructuring and reinstatement costs that saw the Company successfully reinstated on the ASX in June 2013.

Audit

This Preliminary Final Report is based on the Annual Financial Report which is in the process of being audited.



Adam Sierakowski

Director

Dated at Perth this 29th day of August 2014.

Review of operations

On 17 April 2014, the Company entered into the Sale and Purchase Agreement (“**SSA**”). Pursuant to the SSA, the Company agreed to acquire all of the issued share capital of iWebGate Technology Limited (“**IWG**”).

IWG is an unlisted company which has developed patented software that increases the security and functionality for the transfer of information. Its software is next generation, award winning security which significantly reduces the costs, complexity and risk of making network services available externally. IWG is looking to significantly increase the commercialisation of its products via engaging strategic channel partners and key customers plus increasing its marketing activities.

The Company intends to focus on the IWG business should the proposed IWG Transaction proceed. Further, since reinstatement to quotation on ASX on 21 June 2013, the Company has conducted a review of opportunities to make ATMs more competitive in the market in which they operate.

One of the major opportunities identified was the securitisation, speed and reliability of data transfer between ATMs and financial institutions. The Company believes that there is significant potential for the IWG technology to be integrated into ATM networking and information sharing given current security limitations, particularly with implementation of cloud computing platforms. These opportunities will be considered by the Company moving forward.

IWG Transaction

The Company and the IWG Founding Vendors entered into the SSA on 17 April 2014. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in IWG, and the IWG Founding Vendors agreed to sell all of their ordinary shares in IWG to the Company, and to use their best endeavours to arrange for the sale of the remaining shares in IWG to the Company (“**IWG Transaction**”). The SSA was varied by agreement dated 10 July 2014.

Completion of the IWG Transaction is due to occur 5 business days following the satisfaction or waiver of the following conditions:

- (a) The Company being satisfied with its due diligence enquiries in respect of IWG.
- (b) The Company obtaining all required regulatory and Shareholder approvals.
- (c) IWG obtaining all required regulatory and shareholder approvals.
- (d) The IWG Founding Vendors using the drag-along procedure in the IWG Shareholders’ Deed to require all remaining IWG Vendors to sell their ordinary shares in IWG to the Company.
- (e) The Company completing the capital raising of at least \$5,000,000.
- (f) As the Company is required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules, ASX providing the Company with a list of conditions reasonably acceptable to the IWG Founding Vendors and the Company which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX.

IWG Transaction (continued)

The acquisition is conditional on certain resolutions relating to the IWG Transaction that are being put to the Company's Shareholders at the General Meeting scheduled for 17 September 2014 being passed, including approval to proceed with a consolidation of capital on the basis that every four (4) Shares held will be consolidated into one (1) Share.

At completion of the SSA, the Company has agreed (subject to the passing of resolutions by Shareholders) to:

- issue 465,972,916 MYA Consideration Shares pro-rata to existing IWG shareholders;
- issue 5,000,000 Shares to facilitators of the IWG Transaction; and
- pay \$865,694 cash for the purpose of repaying loans.

Capital Raising Initiatives

During the year the following capital raising initiatives were completed by the Company:

- Placement raising \$750,000 at \$0.01 per share completed on 27 December 2013;
- Share issue to a Strategic Investor raising \$250,000 at \$0.005 per share completed on 11 March 2014; and
- Placement raising \$1 million at \$0.04 per share completed on 26 March 2014.

Subsequent events

On 28 August 2014 the Company announced it has successfully completed a Placement to sophisticated investors raising \$1 million at 10 cents per share. Funds raised will be used to advance further loan funds to IWG as well as providing additional working capital as it works towards the completion of the IWG acquisition.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2014

	Note	Company 2014 \$	Company 2013 \$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Interest revenue		25,306	5,423
Director fees		(114,000)	(85,500)
Legal fees		(180,419)	(71,727)
Administration expenses		(255,530)	(163,801)
Corporate advisory expense		(220,000)	(150,000)
Other expenses		-	(50,000)
Other		-	(5,799)
Finance costs		(487)	(39,456)
Loss before income tax		(745,130)	(560,860)
Income tax expense		-	-
 (Loss) for the year from continuing operations		 (745,130)	 (560,860)
 (Loss) from discontinued operations		 -	 (651,771)
(Loss) for the year		(745,130)	(1,212,631)
 Other comprehensive income:		 -	 -
(Loss) attributable to members of the parent entity		(745,130)	(1,212,631)
 Total comprehensive (loss) attributable to members of the parent entity		 (745,130)	 (1,212,631)
 Earnings per share for (loss) from continuing operations (cents)	2		
- basic loss per share (cents)		(0.2)	(0.73)
- diluted loss per share (cents)		(0.2)	(0.73)
 Earnings per share for (loss) / profit attributable to members	2		
- basic loss per share (cents)		(0.2)	(1.58)
- diluted loss per share (cents)		(0.2)	(1.58)

Statement of financial position

As at 30 June 2014

	Note	Company 2014	Company 2013
		\$	\$
Current assets			
Cash and cash equivalents		510,658	1,158,706
Trade and other receivables		141,481	55,718
Loan receivable	1	1,600,000	-
Other current assets		23,860	50,000
Total current assets		2,275,999	1,264,424
 Current liabilities			
Trade and other payables		132,477	255,335
Total current liabilities		132,477	255,335
 Net assets		 2,143,522	 1,009,089
 Equity			
Issued equity	4	4,086,490	2,206,927
Reserves	3	-	39,380
Accumulated losses		(1,942,968)	(1,237,218)
Total equity		2,143,522	1,009,089

Statements of changes in equity

For year ended 30 June 2014

	Issued Equity	Accumulated Losses	Convertible notes reserve	Total
	\$	\$	\$	\$
Company				
Balance at 30 June 2013	2,206,927	(1,237,218)	39,380	1,009,089
Total comprehensive (loss) for the year	-	(745,130)	-	(745,130)
Shares issued during the year	2,000,000	-	-	2,000,000
Cost of shares issued	(120,437)	-	-	(120,437)
Recycling of convertible note reserve		39,380	(39,380)	
Balance at 30 June 2014	4,086,490	(1,942,968)	-	2,143,522
Company				
Balance at 30 June 2012	11,824,833	(11,849,420)	-	(24,587)
Reduction of capital due to permanent loss of earnings	(11,824,833)	11,824,833	-	-
Total comprehensive (loss) for the year	-	(1,212,631)	-	(1,212,631)
Shares issued during the year	2,400,000	-	-	2,400,000
Cost of shares issued	(193,073)	-	-	(193,073)
Convertible notes, net of transaction costs	-	-	39,380	39,380
Balance at 30 June 2013	2,206,927	(1,237,218)	39,380	1,009,089

Statement of cash flows

For year ended 30 June 2014

	Note	Company 2014 \$	Company 2013 \$
Cash flows from operating activities			
Payments to suppliers		(924,462)	(1,265,995)
Interest received		22,338	5,423
Finance costs		(487)	(311)
		<hr/>	<hr/>
Net cash (used in)/provided by operating activities		(902,611)	(1,260,883)
		<hr/>	<hr/>
Cash flows from investing activities			
Loan paid		(1,625,000)	-
		<hr/>	<hr/>
Net cash (used in) by investing activities		(1,625,000)	-
		<hr/>	<hr/>
Cash flows from financing activities			
Issue of capital		2,000,000	2,400,000
Capital raising costs		(120,437)	-
		<hr/>	<hr/>
Net cash provided by financing activities		1,879,563	2,400,000
		<hr/>	<hr/>
Net change in cash and cash equivalents held		(648,048)	1,139,117
Cash and cash equivalents at beginning of financial year		1,158,706	19,589
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year		510,658	1,158,706
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Appendix 4E – Preliminary Final Report For the Year Ended 30 June 2014

1 Accounting Policies, Estimation Methods & Measurement Bases

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual financial statements and the last half-year financial statements.

2 Loan Receivable

Current	Company 2014	Company 2013
	\$	\$
Loan repayable by iWeb Gate Technologies Ltd	1,600,000	-

3 Earnings Per Share

	2014	2013
Earnings used in the calculation of earnings per share		
(Loss) for the year	(745,130)	(560,860)
(Loss) from discontinued operations	-	(651,771)
(Loss) attributable to member of parent entity	(745,130)	(1,212,631)
 Weighted average number of shares		
Number used for basic earnings per share		
Ordinary shares	357,195,391	76,857,232
Number used for dilutive earnings per share		
Ordinary shares	-	-
Total number of dilutive earnings per share	-	-

4 Reserves

	Company 2014	Company 2013
	\$	\$
Convertible note reserve	-	39,380

In September 2012 the Company raised \$400,000 by issuing Convertible Notes (Notes). As at 21 June 2013, the Company met the conditions of the conversion of the notes. The convertible notes were converted to 80,000,000 shares at a price of \$0.005.

During the prior year, the convertible notes in the financial report, the Company has accounted for them in accordance to Australian Accounting Standards. Under these standards, the convertible notes consisted of an equity component (conversion rights into Company shares). As at 30 June 2014, the convertible notes have been completed and satisfied. In accordance with this, the equity component is recycled to retained earnings.

Appendix 4E – Preliminary Final Report For the Year Ended 30 June 2014

5 Issued Equity	Ordinary Shares	\$
Balance 1 July 2012	214,414,444	11,824,833
Consolidation of capital (1)	(192,973,020)	-
Reduction of capital (2)	-	(11,824,833)
Issues of shares under Convertible Notes (3)	80,000,000	2,000,000
Issues of shares under Public Offer (4)	200,000,000	400,000
Cost of shares issued	-	(193,073)
Balance 30 June 2013	301,441,424	2,206,927
Balance 1 July 2013	301,441,424	2,206,927
Issues of shares under a Placement (5)	75,000,000	750,000
Issues of shares under a Placement (6)	50,000,000	250,000
Issues of shares under a Placement (7)	25,000,000	1,000,000
Cost of shares issued	-	(120,437)
Balance 30 June 2014	451,441,424	4,086,489

- (1) In September 2012, pursuant to the resolution approved at the shareholders meeting on 5 September 2012, the Company's securities were consolidated on a 1:10 basis, resulting in a reduction in the number of shares on issue, from 214,414,444 to 21,441,424 ordinary fully paid shares.
- (2) In September 2012, pursuant to the resolution approved at the shareholders meeting on 5 September 2012, the Company's share capital was reduced by \$11,824,833 being the accumulated losses against the share capital which is considered permanently loss.
- (3) In June 2013, pursuant to the resolution approved at the shareholders meeting on 5 September 2012, the Company issued 80,000,000 to Noteholders.
- (4) In June 2013, pursuant to the resolution approved at the shareholders meeting on 5 September 2012, the Company issued 200,000,000 shares at an issue price of \$0.01 each.
- (5) In December 2013, pursuant to the resolution approved at the shareholders meeting on 5 March 2014, the Company issued 75,000,000 shares at an issue price of \$0.01 each.
- (6) In March 2014, pursuant to the resolution approved at the shareholders meeting on 5 March 2014, the Company issued 50,000,000 shares at an issue price of \$0.005 each.
- (7) In March 2014, the Company issued 25,000,000 shares at an issue price of \$0.04 each.

6 Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary statements forming the annual report for the year ended 30 June 2014.