

Appendix 4E Preliminary Final Report

Name of entity	ZIPMONEY LIMITED
ABN	50 139 546 428
Reporting period	Year ended 30 June 2016
Previous corresponding period	Year ended 30 June 2015

The information contained in this report should be read in conjunction with the most recent annual financial report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			30 June 2016	30 June 2015
Revenue from ordinary activities	Up	976%	4,298,601	399,585
(Loss) from ordinary activities after income tax attributable to members	Up	1,427%	(7,089,753)	(464,402)
Total comprehensive loss attributable to members	Up	1,427%	(7,089,753)	(464,402)
<i>The company does not have a dividend policy.</i>				

NTA Backing	30 June 2016	30 June 2015
Net tangible asset backing per ordinary share	4.88 cents	(54.05) cents

Principal activities

The principal activity of the Company is offering point-of-sale credit and payment solutions to consumers (Retail Finance) and providing a variety of integrated Retail Finance solutions to merchants across numerous industries, both online and in-store.

Details of Controlled Entities

Control gained over entities during the period – 100% of zipMoney Holdings Limited and its 100% controlled subsidiaries being zipMoney Payments Pty Ltd, zipMoney Securities Ltd and zipMoney Trust 2015-1. There was no loss of control of entities during the period.

Associates / Joint Venture Entities

Not applicable. zipMoney Limited has not engaged in the acquisition of associates nor has it engaged in any joint ventures in the year ended 30 June 2016.

Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

Foreign entities

Details of origin of accounting standards used in compiling the report: Not applicable.

Accounting Standards

AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Interpretations have been used in compiling the information in this Appendix 4E.

Audit Qualification / Review Conclusion

This report is based on the financial statements for the year ended 30 June 2016. The financial statements have been audited and an unqualified opinion has been issued.

Attachments

The Annual Report of zipMoney Limited for the year ended 30 June 2016 is attached.



Larry Diamond

Managing Director & Chief Executive Officer

30 August 2016

For personal use only



Annual Financial Report

For the year ended 30 June 2016

zipMoney Limited
(formerly Rubianna Resources Limited)
ABN 50 139 546 428



Corporate Directory

Directors

Philip Crutchfield (Chairman)
Megan Quinn (Non-Executive Director)
Larry Diamond (Managing Director, CEO)
Peter Gray (Executive Director, COO)

Company Secretary

Andrew Bursill

Registered Office

Level 9, 61 York Street
Sydney, NSW, 2000

Principal Place of Business

Level 9, 61 York Street
Sydney, NSW, 2000

Telephone: +61 2 8294 2345
Website: www.zipmoneylimited.com.au

Securities Exchange Listing

ASX Code: ZML

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008

Solicitors

Arnold Bloch Liebler
Level 24, 2 Chifley Square,
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000

Investor enquiries

Telephone: 1300 850 505 (within Australia)
+61 8 9323 2000

Facsimile: +61 8 9323 2033

For personal use only

Contents	Page
Directors' Report	6
Auditor's Independence Declaration	22
Consolidated Statement of Profit or Loss And Other Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Changes In Equity	26
Consolidated Statement of Cash Flows	27
Notes to the Financial Statements	28
Directors' Declaration	59
Independent Auditor's Review Report to the Members	60
Additional shareholder information	61

For personal use only

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of zipMoney 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 2016.

DIRECTORS

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

Philip Crutchfield	(Appointed 18 July 2014 – resigned 11 September 2015 – reappointed 14 December 2015)
Larry Diamond	(Appointed 11 September 2015)
Peter Gray	(Appointed 11 September 2015)
Megan Quinn	(Appointed 22 August 2016)
Ian Hobson	(Appointed 8 July 2014 – resigned 14 December 2015)
Lloyd Flint	(Appointed 18 November 2014 – resigned 11 September 2015)

PRINCIPAL ACTIVITIES

After the financial year ending 30 June 2015, there was a change to the nature and scale of the Consolidated Entity's principal activities. The principal activity of the Consolidated Entity is offering point-of-sale credit and payment solutions to consumers and providing a variety of integrated Retail Finance solutions to merchants across numerous industries, both online and in-store.

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the period is set out below:

	2016		2015	
	Revenues \$	Profit and Loss \$	Revenues \$	Profit and Loss \$
zipMoney Limited	4,298,601	(7,089,753)	399,585	(464,402)

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

Business Model

zipMoney is a leading player in the digital retail finance industry. Established in 2013 and listed on the ASX in 2015, the Company is headquartered in Sydney, Australia with offices in Melbourne, Brisbane and Perth.

The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries, estimated at ~\$100 billion in combined annual transaction volume.

zipMoney's platform is entirely digital and utilises hundreds of variables (Big Data) to deliver real-time consumer credit responses. Its 100% cloud-based offering has been proprietarily designed and developed in-house. This technology platform has driven a competitive and low 'cost to serve' model with the ability to efficiently process high volumes of lower dollar value transactions.

The Company operates two primary products in the consumer finance space, zipMoney and zipPay:

- zipMoney is classified as a continuing line of credit and generally applied to larger ticket purchases where a promotional interest-free period is applied, between 6-24 months. This includes retail, education, healthcare and travel. The minimum credit limit is \$500 and the maximum is \$20,000, whilst transactions do not have any minimum size restrictions.
- zipPay is 'no interest ever' digital shopping account and generally applied to smaller ticket purchases such as fashion, accessories, food and hospitality. It works on a 60-day billing cycle with consumers given extended payment flexibility. The maximum account limit is \$1000 whilst transactions do not have any minimum size restrictions.

Both products are supported online and physically in-store.

Supported by its proprietary credit and fraud risk technology, its automated collection practices, and experienced controls, the Company strives to achieve industry-leading performance.

zipMoney supports prime, near prime and emerging prime borrowers by providing those customers with a revolving unsecured line of credit to finance their transactions. zipMoney does not support sub-prime or 'payday' borrowers. It is focused on offering transparent, responsible and fairly priced consumer credit and payment products.

zipMoney is a licensed credit provider under the National Credit Code, which is regulated by the Australian Securities and Investments Commission. Following the acquisition of EBX Securities (renamed zipMoney Securities Ltd), and in support of its trust management function, zipMoney is also now a holder of an Australian Financial Services Licence (AFSL).

Key Statistics

zipMoney was founded in 2013 and our first customer was onboarded at Chappelli Cycles in December of that year through our integrated payments solution. zipMoney has now signed up over 50,000 customers on its platform. During the year the Company experienced significant growth as shown in the following table:

Metrics	30 June 2016	30 June 2015	Growth
Customers ⁽¹⁾	52,041	6,212	738%
Merchants ⁽²⁾	1,967	200	884%
Transaction volume (LTM) ³	\$51,445,634	\$4,844,725	962%
Transactions (LTM) ³	41,702	8,385	397%
Revenue	\$4,298,601	\$399,585	976%
Gross Receivables	\$40,712,179	\$2,916,660	1296%
Repayments	\$13,678,463	\$1,907,524	619%

Aggregate Account Limits	\$75,560,747	\$8,325,240	808%
Arrears	1.3%	1.5%	-14%
Bad debts	1.1%	0.5%	0.6%

(1) Total number of current customer accounts

(2) Total number of merchant locations, online and physical

(3) Last Twelve Months (LTM)

zipMoney currently operates in over 2,000 merchant locations both online and in-store. Through the inclusion of zipMoney as another payment tender at checkout, merchants have experienced significant and material increases in items per order, average order values, conversion and re-purchasing behaviour.

Revenue Model

Currently, zipMoney generates revenue from a mix of Merchant and Customer fees:

- Merchant fees: Merchant Service Fees are charged on settled Customer transactions (drawdowns) with zipMoney's accredited merchant base on a daily basis; and
- Customer fees: Establishment fees, monthly service fees, interest revenue, late fees and sundries are debited and charged to active Customer accounts and form part of the Customer Receivables. zipPay does not derive any establishment fees or interest revenue.

Financial and Operational Performance

The net loss for the year attributable to members of zipMoney Limited was \$7,089,753 including \$2,274,511 associated with the cost of listing as a function of the reverse acquisition accounting.

Revenue for the year ended 30 June 2016 was \$4,298,601 (2015: \$399,585), an increase of 976% compared with the previous corresponding period. This was driven by \$51,445,370 in transactions, up 962% on the previous corresponding period. The Company was able to generate transaction volume in excess of \$10 million for each month in the final quarter of the financial year.

As at 30 June 2016, the Loan Book or Receivables (Gross) was approximately \$40.7 million, having grown 1296% over the previous year to 30 June 2015. The repayment profile continues to remain healthy at approximately 9-10% (of period opening book) in monthly collections.

The credit performance of the Loan Book continues to perform in line with internal management projections. The reported arrears rate was 1.3% at 30 June 2016 and zipMoney wrote off \$260,145 in bad debts for the full-year, representing an annualised loss rate of 1.1%. This is a very pleasing result and well below comparable established peers, whilst also acknowledging zipMoney's operations are still relatively young and require further 'seasoning' to establish a more mature loss rate.

As at the date of the report, zipMoney had signed up over 50,000 Customers on its platform representing 610% increase over 30 June 2015.

zipMoney currently has over 2,000 merchant locations throughout Australia, both online and in-store. The Company now has a presence across retail including fashion & accessories, food & hospitality, consumer electronics, home, sports & outdoors, health (dental and cosmetic) and online education markets.

Consumer Loan Book Funding

On 19 November 2015 zipMoney announced the successful closing of a c.\$108 million asset-backed securitisation warehouse program with U.S. asset manager Victory Park Capital (VPC).

As part of the arrangement, zipMoney established the zipMoney Trust 2015-1 (the **Trust**) with three classes of notes (unrated) issued by Perpetual Corporate Trustee Limited in its capacity as trustee. Pricing on all

classes of notes is undisclosed. The facility was established in November 2015 with loans originated on zipMoney's balance sheet and continuously sold into the Perpetual administered program.

The facility has a two year maturity term (with options to extend) and is interest only with outstanding balance repayable on maturity. The facility is secured against the underlying pool of receivables with limited credit recourse back to zipMoney.

zipMoney Payments Pty Ltd is the trust manager and servicer of the securitisation program.

Cash Flows

Cash outflows from operating activities for the period were \$473,427 largely driven by working capital (\$3,927,087) and interest costs (\$1,249,158). Cash inflows from operations (\$4,298,601), R&D incentive (\$330,627) and interest revenue (\$73,590).

Cash outflows from investing activities for the period were \$8,404,440, driven by increased software development (\$1,326,408), investments in plant, property and equipment (\$48,817), proceeds from acquisition of subsidiary (\$205,971), growth in receivables and customer loans (\$36,340,186) and drawdowns from debt facilities to fund the receivables (\$29,105,000).

Cash inflows from financing activities for the period were \$14,941,893. This was as a result of the proceeds from issuance of ordinary shares (\$15,876,469), share issue transaction costs (\$684,576) and the repayment of shareholder loans (\$250,000).

Business Strategy and Prospects

zipMoney is committed to building a leading brand and market position in the Australian Retail Finance and Payments industries. The Company offers a range of interest-free and 'buy now, pay later' options at the digital checkout, both online and in-store. It operates under the zipMoney and zipPay brands.

The Company is dedicated to servicing both enterprise clients as well as small and medium sized businesses (SMEs) in Australia. Led by Jonathan Kelly and Craig Dufficy, the merchant services team is a core driver of historical and ongoing business growth. This team will continue to expand over the coming 12 months to support business development, account and relationship management, and channel and marketing support across all target verticals.

We continue to invest in research and development to meet consumer and merchant demand for seamless and innovative onboarding and transactional payment experiences. The Group has been expanding its credit and payment products across its target markets and has developed a range of integrated and non-integrated offline solutions, which has and continues to be progressively rolled out across the growing retailer base.

The two core areas of ongoing technology investment by the Company are focused on: (1) the proprietary, real-time credit and risk scoring technology; and (2) integrations services, through which the zipMoney payment service can be distributed to retailers.

zipMoney architects, develops and maintains all its core intellectual property in-house. This includes its proprietary risk scoring technology, which is used to assess fraud and credit risk as well as transaction risk in real-time. zipMoney augments conventional and non-conventional credit data with proprietary indicators to enhance and optimise its credit and payment decisions – zipMoney believes this technology gives it a substantive advantage over its peers. The Company will continue to invest in this area both in terms of enhancing its big data capabilities as well as continuing to grow its data science team.

zipMoney has developed its own in-house sales engineering and integrations capability to manage the integrations services strategies employed by the business. This team is responsible for designing, architecting, developing and maintaining all related components as well as working with certain third party software vendors. This is for both online and in physical stores.

Offline represents an attractive opportunity for Australian retailers to leverage a consumer's digital footprint to improve in-store traffic and transaction consumption. In particular, the emergence of the digital wallets (such as Apple Pay, Android and Samsung Pay) and in-store shopping experience is being significantly refreshed and is only in its infancy globally. Accordingly, zipMoney plans to invest a significant amount of capital expenditure in its offline payments capabilities over the course of the next 12 months to develop a more tightly coupled and seamless checkout experience for its customers. Already in FY2016, zipMoney implemented its first ever point-of-sale direct integration and has a number of other integrations currently in the pipeline.

Corporate

The following transactions took place during the full year period:

1. Based on the increased levels of business generated with new drawdown capacity available to the Consolidated Entity, the first and second tranche of performance shares were converted into 33,224,879 and 33,214,878 ordinary fully paid shares, respectively on 10 October 2015 and 29 February 2016;
2. The Consolidated Entity was also successful in securing an \$108 million line of credit from an asset manager in the USA as a result of which 5.0 million ordinary shares were subscribed for at \$0.20 each which were issued along with 5.0 million unlisted options exercisable at \$0.20 on or before 31 December 2018;
3. A special purpose vehicle, zipMoney Trust 2015-1 was established during November 2015 to act as the securitisation warehouse for zipMoney's receivables program. Noteholders subscribe for notes in the trust and loans/receivables originated in zipMoney Payments Pty Ltd are sold into the trust on a periodic basis (seller reimbursements). The seller reimbursements effectively limit zipMoney Payments' risk exposure to the residual interest in the trust and its Class C note. zipMoney Payments Pty Ltd is the manager and servicer of the trust, it handles all customer repayments on behalf of the trust and receives the net income generated by the trust by way of a monthly distribution.
4. An Australian Financial Services License was acquired in late 2015. EBX Securities Ltd was acquired and renamed zipMoney Securities Limited;
5. 800,000 options exercisable at \$0.10 on or before 30 November 2018 were exercised on 15 December 2015 raising \$80,000 before costs; and
6. The Consolidated Entity successfully raised \$20.6 million at \$0.55 per share through a share placement to institutional and sophisticated shareholders on 6 June 2016. It also announced concurrently that it had entered into a non-binding indicative term sheet to acquire Pocketbook for an upfront consideration of \$6.0m.

Significant changes in the state of affairs

On 11 September 2015, the Company completed its acquisition of 100% issued capital of zipMoney Holdings Pty Ltd resulting a change in its principal activity from exploration to the provision of offering point-of-sale credit and payment solutions.

The company has also changed its name from Rubianna Resources Ltd to zipMoney Limited as a result of this acquisition.

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

On 26 July 2016, the Company issued 2,494,355 ordinary shares to its employees under the Company's Employee Share Plan for their performance in the 2016 financial year. This share based payment has been accrued for as a liability in the financial statements.

On 6 June 2016, the Company announced that it had raised \$20.6 million via placement to institutional and sophisticated investors ("the Placement"). The Placement which comprised of the issue of 37.5 million shares issued via two tranches of which 17.8 million shares (\$9,796,469) was completed before 30 June 2016. The remaining placement of 19.7 million shares (\$10,818,531 before costs) was completed on 26 July 2016.

On 26 August 2016, the Company announced a LTI plan for non-executive directors and the following directors have been issued options (subject to shareholders' approval):

	Exercisable at \$1.00 each, expiring 2 years from date of issue
Philip Crutchfield – Chairman	700,000
Megan Quinn – Non Executive Director	200,000

On 22 August 2016, Megan Quinn was appointed as a Non-Executive Director. Refer to "Information on director" below for her details.

No other matter or circumstance has arisen since 30 June 2016 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.

Information on directors

Name:	Philip Crutchfield (resigned 11 September 2015 – reappointed 14 December 2015)
Title:	Non-executive Chairman
Experience and expertise:	Philip Crutchfield was appointed as Chairman and Non-Executive Director on 14 December 2015. Mr Crutchfield is a board member of the Melbourne Law School Foundation, Bell Shakespeare Theatre Company, and The Victorian Bar Foundation Limited. He is also a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons). Philip Crutchfield is a senior barrister practising in commercial law. He was admitted to practice in 1988.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	4,200,000
Interest in options:	1,000,000*

* subject to shareholders' approval at the next AGM

Name: Larry Diamond (appointed 11 September 2015)
Title: Managing Director and Chief Executive Officer
Experience and expertise: Larry Diamond co-founded zipMoney in 2013 following 12 years' experience in retail, IT, corporate finance and investment banking at Pacific Brands, Macquarie Capital and Deutsche Bank. He is a former consultant to lenders Prospa, Money in Advance and payment operator Live TaxiEpay. Larry is a Qualified Chartered Accountant and holds a Bachelor of Information Technology and Master of Commerce (Finance).
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 61,117,264
Interest in performance shares: 6,925,535

Name: Peter Gray (appointed 11 September 2015)
Title: Executive Director and Chief Operating Officer
Experience and expertise: Peter Gray co-founded zipMoney in 2013 as a consumer finance specialist with over 20 years' experience in the Retail Finance industry. He is a licensed Responsible Manager for zipMoney Payments Pty Ltd under the ASIC regime and has held the role for numerous former businesses. His core strengths are in consumer and merchant credit risk, compliance and operations management. Peter has managed over 100,000 customers locally and offshore for over \$250m at FAI Finance, myBuy, Once Credit and AFD organisations.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 20,006,105
Interest in performance shares: 2,285,775

Name: Megan Quinn (appointed 22 August 2016)
Title: Non-Executive Director
Experience and expertise: Megan Quinn was a co-founder of internationally acclaimed NET-A-PORTER in 1999, where she also held an executive board role. Megan Quinn previously worked with Mojo advertising with blue chip clients such as Dell, Qantas, the Australian Tourist Commission, Asprey, Garrard and Patek Philippe and leading retailers such as Harrods, where she also held an executive Board role.
 Megan is a highly experienced retail executive with particular expertise in brand development, customer service and experience across all sales channels. She has built an international career specialising in the luxury end of retailing, advertising, publishing and design for the fashion, jewellery, hotel, airline and service industries.
Other current directorships: Specialty Fashion Group
Former directorships (last 3 years): None
Interests in shares: None
Interest in options: 200,000*

* subject to shareholders' approval in the next AGM

For personal use only

Name: Lloyd Flint (resigned 11 September 2015)
Title: Non-Executive Director
Experience and expertise: Lloyd Flint is a Chartered Accountant with over 20 years' experience in the corporate and financial services arena. Lloyd graduated from the University of Zimbabwe with a Bachelor of Accounts, he has an MBA (Manchester School of Business, UK) and is a Fellow of FINSIA. He has held senior management and company secretarial roles in ASX and AIM listed companies. He also provides corporate advisory services as a consultant to both listed and unlisted corporate clients within the mineral exploration industry.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 150,000 (date of resignation)

Name: Ian Hobson (resigned 14 December 2015)
Title: Non-Executive Director and Company Secretary
Experience and expertise: Ian Hobson is a Chartered Accountant and Chartered Company Secretary with 30 years corporate and commercial experience. Ian has been a director of a number of ASX listed companies over the past 9 years and currently acts as company secretary for 8 ASX listed companies. Prior to that, Ian spend most of this professional career at PricewaterhouseCoopers specialising in corporate restructuring and corporate finance.
Other current directorships: Castle Minerals Ltd
Former directorships (last 3 years): None
Interests in shares: 50,000 (date of resignation)

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Andrew Bursill – appointed 1 March 2016
 Ian Hobson – resigned 1 March 2016

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Philip Crutchfield	6	6

Larry Diamond	8	8
Peter Gray	8	8
Ian Hobson	2	2
Lloyd Flint	-	-

Held represents the number of meetings held during the time the director held office or was a member of the relevant committee.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The remuneration policy of zipMoney Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of zipMoney Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives (if any) receive a superannuation guarantee contribution required by the government, which was 9.5% for the 2016 financial year (9.5% for 2015 financial year), and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options granted are valued using the Black-Scholes methodology and the benefits are amortised over the vesting period.

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

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. None was sought during the 2016 financial year. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The board may provide for bonuses (either cash or equity) to key management personnel at their discretion based on the company and individual performance. There were no performance based remuneration granted in the 2016 financial year.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')

At the 2015 AGM, 99.99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of zipMoney Limited:

- Philip Crutchfield (Resigned 11 September 2015 – reappointed 14 December 2015)
- Larry Diamond (Appointed 11 September 2015)
- Peter Gray (Appointed 11 September 2015)
- Ian Hobson (Resigned 14 December 2015)
- Lloyd Flint (Resigned 11 September 2015)

The 2016 remuneration figures below represent the remuneration of zipMoney Limited key management personnel for the year ended 30 June 2016 together with the remuneration of key management personnel of zipMoney Holdings Pty Limited post-acquisition on 11 September 2015.

2016	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Annual leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$

Non-Executive Directors:

P. Crutchfield	11,012	-	-	1,046	-	46,549 ⁴	58,607
L. Flint ¹	11,550	-	-	-	-	-	11,550
I. Hobson ²	70,300	-	-	-	-	-	70,300

Executive Directors:

L. Diamond ³	136,986	-	-	13,014	16,075	-	166,075
P. Gray ³	136,986	-	-	13,014	16,075	-	166,075
	366,834	-	-	27,074	32,150	46,549	472,607

(1) Resigned 11 September 2015

(2) Resigned 14 December 2015

(3) Appointed 11 September 2015

(4) Note that the options issued are subject to shareholders' approval and has yet to be formally issued to the Directors.

2015	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Annual leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$

Non-Executive Directors:

P. Crutchfield	10,274	-	-	976	-	-	11,250
L. Flint	23,450	-	-	-	-	-	23,450
I. Hobson	85,850	-	-	-	-	-	85,850

Executive Directors:

S. Batty ¹	53,333	-	-	7,679	-	-	61,012
	172,907	-	-	8,655	-	-	181,562

(1) Resigned 8 July 2014 and includes payment in relation to service contract and notice period not served.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Larry Diamond
Title: Managing Director and CEO
Agreement commenced: 1 July 2016
Term of agreement: Annual salary of \$250,000 exclusive of statutory superannuation. This was based on a Board review of market comparable salaries. Company may terminate agreement on 6 months' notice or by providing cash payment equal to 6 months' pay.

Name: Peter Gray
Title: Executive Director and COO
Agreement commenced: 1 July 2016
Term of agreement: Annual salary of \$250,000 exclusive of statutory superannuation. This was based on a Board review of market comparable salaries. Company may terminate agreement on 6 months' notice or by providing cash payment equal to 6 months' pay.

Name: Philip Crutchfield
Title: Non-Executive Chairman

<p>Agreement commenced: Term of agreement:</p>	<p>14 December 2015 Annual fees of \$60,000 exclusive of statutory superannuation. This was based on a Board review of market comparable salaries. Tenure and retirement/resignation as a director is governed by the Corporations Act and the Company's constitution.</p>
--	--

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Expiry date	Exercise price	Fair value per option at grant date
14 December 2015 *	3 years from date of issue	\$0.50	\$0.290
14 December 2015 *	3 years from date of issue	\$0.70	\$0.260

* These options are subject to shareholders' approval in the AGM due in November 2016.

The option above vest immediately once approved by the shareholders.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Number of options granted during the year	2016
Philip Crutchfield	300,000*

* These options are subject to shareholders' approval in the AGM due in November 2016.

Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2016.

Additional disclosures relating to key management personnel.

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Balance at	At	Conversion	Balance at
------------	----	------------	------------

	the start of the year	appointment date	from performance shares	Disposals/ other	the end of the year
<i>Ordinary shares</i>					
Philip Crutchfield ⁽¹⁾	3,177,778	-	-	(3,177,778)	-
Larry Diamond ⁽³⁾	-	29,076,922	32,040,342	-	61,117,264
Peter Gray ⁽³⁾	-	9,431,180	10,574,925	-	20,006,105
Lloyd Flint ⁽¹⁾	1,500,000	-	-	(1,500,000)	-
Ian Hobson ⁽¹⁾	50,000	-	-	(50,000)	-
Philip Crutchfield ⁽²⁾	-	4,200,000	-	-	4,200,000

(1) Shareholdings as at the date of resignation.

(2) This includes "Net Vendor Shares" on completion of acquisition of zipMoney Holdings Pty Ltd.

(3) Philip Crutchfield resigned during the period and was reappointed on 14 December 2015.

Option holding

The number of option over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Conversion to ordinary shares	Disposals/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Philip Crutchfield ⁽¹⁾	-	300,000 ⁽²⁾	-	-	300,000

(1) Based on reappointment date on 14 December 2015

(2) Subject to shareholders' approval

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	At appointment	Conversion to ordinary shares during the year	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Larry Diamond	-	38,965,877 ⁽¹⁾	(32,040,342)	-	6,925,535
Peter Gray	-	12,860,700 ⁽¹⁾	(10,574,925)	-	2,285,775

(1) Performance shares held on appointment represents the "Vendor Performance Shares" received on completion of the acquisition of zipMoney Holdings Pty Ltd. Other changes are the conversion of the first and second tranche of Performance Shares to Ordinary Shares on meeting the respective hurdles.

Loans repaid back to KMP

	Consolidated	
	2016 \$	2015 \$
Repayment of loan to Larry Diamond	250,000	-

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

Unissued ordinary shares of zipMoney Limited under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
30 November 2018	\$0.75	525,000
30 November 2018	\$0.10	1,200,000
31 December 2018	\$0.20	5,000,000
		6,725,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of zipMoney Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
28 July 2015	17 September 2018 ⁽¹⁾	13,330,000
28 July 2015	Hurdles unlikely to be met ⁽²⁾	20,000,000
		33,330,000

(1) The performance shares will convert to ordinary shares upon the Company achieving pre-tax break-even for the first time in a consecutive three-month period by the expiry date.

(2) The company issued 20 million performance shares to Columbus Capital in 2015 in connection with the facilitation of an institutional financing facility ("Warehouse Facility"). It is unlikely however that the hurdles attached to these performance shares will be met by this particular strategic partner due to the inability to facilitate adequate lines of credit. The company will seek to cancel the 20 million performance shares in due course.

The performance shares issued would convert to ordinary shares on a one for one basis if the following Milestones are to be achieved:

- Milestone 1- 10,000,000 Facilitator Performance Shares ("Tranche 1 Facilitator Performance Shares") will convert upon financial close of a \$20,000,000 Warehouse Facility (and/or any replacement facility which is managed by the manager of the Warehouse Facility) having been made available for 12 months from the date of financial close;
- Milestone 2- 5,000,000 Facilitator Performance Shares ("Tranche 2 Facilitator Performance Shares") will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$50,000,000; and
- Milestone 3- 5,000,000 Facilitator Performance Shares ("Tranche 3 Facilitator Performance Shares") will convert upon principal available under the Warehouse Facility attributable to zipMoney being extended or modified to \$100,000,000.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of zipMoney Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of options granted:

Exercise	Number of
----------	-----------

Date options granted	price	shares issued
15 December 2015	\$0.10	800,000

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of zipMoney Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Number of shares issued
13 October 2015	33,224,879
29 February 2016	33,214,878
	66,439,757

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements. Total amount paid for non-audit services for the year amounted to \$12,000 (2015: nil).

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT (WA) PTY LTD

There are no officers of the company who are former partners of BDO Audit (WA) Pty Ltd.

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 immediately after this directors' report.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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,



Larry Diamond
Managing Director & Chief Executive Officer

30 August, 2016

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ZIPMONEY LIMITED

As lead auditor of zipMoney Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of zipMoney Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 August 2016

For personal use only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

All figures in \$	Note	30 June 2016	30 June 2015
REVENUE			
Sales	5	4,298,601	399,585
Other income	6	249,881	9,096
		4,548,482	408,681
EXPENDITURE			
Administration expenses		(1,489,770)	(285,462)
Data costs		(372,798)	(65,754)
Depreciation and amortisation expense		(574,473)	(79,524)
Doubtful debts expense		(1,394,708)	(92,476)
Finance cost	7	(525,000)	(8,661)
Interest expense		(1,466,354)	(170,385)
Listing Expenses	3	(2,274,511)	-
Occupancy Expenses		(168,329)	(27,880)
Salaries and employee benefits expense		(1,779,243)	(142,941)
Share-based payments	31	(1,593,049)	-
		(7,089,753)	(464,402)
LOSS BEFORE INCOME TAX		(7,089,753)	(464,402)
Income tax benefit	8	-	-
		(7,089,753)	(464,402)
LOSS AFTER INCOME TAX BENEFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF ZIPMONEY LIMITED	19	(7,089,753)	(464,402)
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ZIPMONEY LIMITED		(7,089,753)	(464,402)
Basic and diluted (loss)/profit per share (cents)	30	(4.88)	(0.84)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

All figures in \$	Note	30 June 2016	30 June 2015
CURRENT ASSETS			
Cash and cash equivalents	9	7,089,478	1,025,452
Trade and other receivables	10	128,822	95,374
TOTAL CURRENT ASSETS		7,218,300	1,120,826
NON-CURRENT ASSETS			
Plant and equipment		71,977	26,092
Receivables and customer loans	11	39,490,814	2,829,858
Intangible assets	12	1,530,254	775,387
TOTAL NON-CURRENT ASSETS		41,093,045	3,631,337
TOTAL ASSETS		48,311,345	4,752,163
CURRENT LIABILITIES			
Trade and other payables	14	3,948,358	334,483
Deferred R&D tax incentives	15	102,891	-
Provisions		247,940	58,717
TOTAL CURRENT LIABILITIES		4,299,189	393,200
NON-CURRENT LIABILITIES			
Convertible Notes	2	-	350,000
Short term loans		-	250,000
Borrowings	16	32,260,000	3,955,000
Deferred R&D tax incentives	17	51,445	-
TOTAL NON-CURRENT LIABILITIES		32,311,445	4,555,000
TOTAL LIABILITIES		36,610,634	4,948,200
NET ASSETS / (NET ASSETS DEFICIENCY)		11,700,711	(196,037)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (CONTINUED)**

All figures in \$	Note	30 June 2016	30 June 2015
EQUITY			
Issued capital	18	19,409,691	423,190
Accumulated losses	19	(7,708,980)	(619,227)
TOTAL EQUITY / (DEFICIENCY IN EQUITY)		11,700,711	(196,037)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

For personal use only

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

All figures in \$	Note	Issued Capital	Accumulated Losses	Total
BALANCE AT 1 JULY 2014		320,100	(154,825)	165,275
Loss for the year		-	(464,402)	(464,402)
Other comprehensive income for the year, net of tax		-	-	-
TOTAL COMPREHENSIVE LOSS		-	(464,402)	(464,402)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period, net of costs		103,090	-	103,090
BALANCE AT 30 JUNE 2015		423,190	(619,227)	(196,037)
BALANCE AT 1 JULY 2015		423,190	(619,227)	(196,037)
Loss for the year		-	(7,089,753)	(7,089,753)
Other comprehensive income for the year, net of tax		-	-	-
TOTAL COMPREHENSIVE LOSS		-	(7,089,753)	(7,089,753)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Issue of share capital, net of costs		18,986,501	-	18,986,501
BALANCE AT 30 JUNE 2016		19,409,691	(7,708,980)	11,700,711

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

All figures in \$	Note	30 June 2016	30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		4,298,601	408,681
Payments to suppliers and employees		(3,927,087)	(385,379)
Interest received		73,590	-
Interest paid		(1,249,158)	(179,046)
R&D tax incentive received		330,627	146,450
Net cash outflow from operating activities	29	(473,427)	(9,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(48,817)	(25,296)
Payments for software development	12	(1,326,408)	(678,127)
Proceed from acquisition of subsidiary	3	205,971	-
Net movement in:			
Receivables and customer loans		(36,340,186)	(2,853,727)
Borrowings		29,105,000	3,855,000
Net cash inflow/(outflow) from investing activities		(8,404,440)	297,850
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of securities	18	15,876,469	-
Share issue transaction costs		(684,576)	-
Repayment/Proceeds from shareholder loans		(250,000)	636,737
Net cash inflow from financing activities		14,941,893	636,737
Net decrease in cash and cash equivalents		6,064,026	925,293
Cash and cash equivalents at the beginning of the year		1,025,452	100,159
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	7,089,478	1,025,452

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF THE FULL-YEAR FINANCIAL REPORT

a) Basis of Accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(q).

Adoption of new and revised Accounting Standards

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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 2016 is presented below. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

AASB 9 Financial Instruments

These amendments must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the Company will be 30 June 2019. The Company does not currently have any hedging arrangements in place.

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. There will be no impact on the Company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such financial assets or financial liabilities. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Impairment

The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model.

A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses.

A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months.

For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.

The entity has both long term and short term trade receivables. When this standard is adopted, the entity's loss allowance on trade receivable will increase.

The change is applied retrospectively, however comparatives need not be retrospectively restated. Instead, the cumulative effect of applying the change for the first time is recognised as an adjustment to the opening balance of retained earnings on 1 July 2018.

AASB 15 Revenue from Contracts with Customers

These amendments must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Company will be 30 June 2019.

An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard.

AASB 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. Due to the recent release of this standard, the group has not yet made a detailed assessment of the impact of this standard.

(b) 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 26.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of zipMoney Limited ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. zipMoney 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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) 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 the 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 are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(f) Recoverable Amount of Non-Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(g) Operating Revenue

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. The Company derived the following revenue for the provisions of its consumer finance services:

Merchant fees

Merchant fees is recognised as revenue at the point of sale, which is where the customer has taken delivery of the goods or services from the supplier, the risks and rewards are transferred to the customer and there is a valid sales contract.

Establishment fees

Establishment fees is recognised once a customer has been established and joins the zipMoney platform. The establishment fees is paid by the customer to cover administrative work including but not limited to credit and identity checks.

Monthly Fee revenue

Under the contract with the customer, zipMoney is entitled to a fixed monthly fee if a customer has an outstanding balance with the company.

Interest

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

(h) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(i) 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.

(j) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(k) Segment Reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(l) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Share-based payment which has been approved but yet to be issued to the employees at the end of the reporting period are recognised as an accrual in the statement of financial position until such time these are issued to the employees and reclassified to equity.

(m) 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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(n) Intangible assets

Software development asset

Software development costs are capitalised only when:

- the technical feasibility and commercial viability of the project is demonstrated;
- the consolidated entity has an intention and ability to complete the project and use it or sell it; and
- the costs can be measured reliably.

Such costs include payments to external contractors to develop the software, any purchase of materials and equipment and personnel costs of employees directly involved in the project.

The software development asset is amortised at the rate of 40% per annum.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(o) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(p) 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.

(q) Critical accounting estimates and judgements

In preparing this Financial Report, the Consolidated Entity has been required to make 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.

Significant accounting estimates and assumptions

Provision for doubtful debt

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key sources of estimation uncertainty relate to the doubtful debts of loans receivable. The impairment of personal loans requires the Consolidated Entity to assess impairment regularly. The credit provision raised represents management's best estimate of losses incurred in the loan portfolio at reporting date based on their experienced judgement. The collective provision is estimated on the basis of historical loss experience for assets with similar credit characteristics by the Consolidated Entity and other companies with similar portfolios. Refer to note 21 for further details.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(r) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Consolidated Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it has a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. Loan receivables have been classified as non-current due to the fact that, although contractual repayment obligations are in place for all customers, there is no obligation to repay their balance within 12 months.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of zipMoney Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Consolidated Entity and the presentation currency for the consolidated financial statements. 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. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

(t) 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

(u) Acquisition of zipMoney

The merger will be recorded under the reverse acquisition principals which results in the Legal Parent (in this case, zipMoney Limited (formerly Rubianna Resources Ltd)) being accounted for as the subsidiary, while the Legal Acquiree (in this case, zipMoney Payments group), being accounted for as the parent. Under the reverse acquisition principals, the consideration to be provided by zipMoney was determined to be \$2,572,525 (based on the 8.2 cents post consolidated market price, which is the fair value of the 31,372,009, shares owned by the former Rubianna shareholders as at the date of acquisition (in the absence of being able to ascribe a fair value to the shares in zipMoney).

The excess of fair value of the shares owned by the former Rubianna shareholders and the fair value of the identifiable net assets of Rubianna immediately prior to the completion of the merger is to be accounted for under "AASB 2: Share-based Payment" (AASB 2) as an expense described as Listing Expenses (the cost of going public) and is expensed to the statement of profit or loss and other comprehensive income. The net assets of Rubianna will be recorded at fair value at the completion of the merger. No adjustments are expected to be required to the historical book values.

The implications of the acquisition by zipMoney Payments Group on the financial statements are as follows:

- i) Statement of profit or loss and other comprehensive income:
 - The 2016 statement of profit or loss and other comprehensive income comprises transactions for the financial year for the 12 months from zipMoney Payments group for the year ended 30 June 2016 and the period from 11 September 2015 until 30 June 2016 for zipMoney Limited.
 - The Statement of profit or loss and other comprehensive income comparatives for the year ended 30 June 2015 comprises zipMoney Payments Group only.
- ii) Statement of financial position :
 - The 2016 Statement of financial position as at 30 June 2016 represents the combination of zipMoney Payments Group and ZipMoney Ltd (Rubianna).
 - The Statement of financial position comparative represents zipMoney Payments Group only as at 30 June 2015.
- iii) Statement of changes in equity :
 - The 2016 Statement of changes in equity comprises:
 - The equity balance of zipMoney Payments Group as at the beginning of the financial year (1 July 2015).
 - The total comprehensive income for the financial year and transactions with equity holders, being the full financial year from zipMoney Payments Group for the year ended 30 June 2016 and the period from 11 September 2015 to 30 June 2016 for ZipMoney Ltd (Rubianna).
 - The equity balance of the combined zipMoney Payments Group and ZipMoney Ltd (Rubianna) at the end of the financial year (30 June 2016).
 - The Statement of changes in equity comparatives comprises the full year to 30 June 2015 for zipMoney Payments Group only.
- iv) Statement of cash flows
 - The 2016 Statement of cash flows comprises:
 - The cash balance of zipMoney Payments Group at the beginning of the financial year (1 July 2015).

- The transactions for the financial year for the 12 months from zipMoney Payments Group for the year ended 30 June 2016 and the period from 11 September 2015 until 30 June 2016 for ZipMoney Ltd (Rubianna).
 - The cash balance of the combined zipMoney Payments Group and ZipMoney Ltd (Rubianna) at the end of the year (30 June 2016).
 - The Statement of cash flows comparatives comprises the full financial year of zipMoney Payments Group for the year ended 30 June 2015.
- v) Earning per share calculation
- The weighted average number of shares outstanding for the year ended 30 June 2016 is based on the weighted average number of shares of ZipMoney Payments Pty Ltd that are outstanding from the beginning of the period to the date of the acquisition that the number of shares is multiplied by the exchange ratio established in the acquisition and added to the actual number of shares of ZipMoney Limited outstanding in the period following the acquisition.
 - The 2015 comparative weighted average number of shares is based on the legal subsidiary's historical weighted average number of shares multiplied by the exchange ratio.

(v) Convertible Notes (refer note 2 below)

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contains an embedded derivative liability.

These convertible notes are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit and loss as finance costs.

Fair values of convertible note derivatives

On initial recognition, at reporting date and/or at conversion date, the fair value of the convertible note derivative has been determined by reference to Rubianna Resources Limited's underlying share price at the relevant dates and the probability of the acquisition of zipMoney being completed.

(w) Government grants / Research and development tax incentives

Grants from the government (such as research and development tax incentives) are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants are initially recognised as deferred income and is recognised in the profit or loss on a systematic basis over the useful life of the underlying asset it relates to.

NOTE 2: FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	30 June 2016	30 June 2015
	\$	\$
<i>Derivative liabilities</i>		
- Convertible note with embedded derivative- level 3	-	350,000

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

Description	Valuation approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Convertible note with automatic conversion feature to zipMoney Limited's shares	The fair value is determined based on the latest public offering share price and the probability of the automatic conversion feature occurring.	Fluctuations in share price and probability of acquiring zipMoney.	Share price of zipMoney Limited on issue of the convertible note was 0.02cents compared to 0.25cents on conversion of the convertible note.	The higher the share price the higher the liability to record and the greater the impact on profit and loss.

Reconciliation of level 3 movements

The following table sets out the movements in level 3 fair values for contingent consideration payable.

	\$
<i>Opening balance 1 July 2015</i>	350,000
Fair value at conversion- Convertible note was settled with the issue of 3,500,000 zipMoney Limited shares	(875,000)
Recognised losses recognised in profit or loss	525,000
<i>Closing balance 30 June 2016</i>	-

Valuation processes for level 3 fair values

The financial department performs Level 3 valuations. The financial department reports to the Board of Directors. Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements. Valuations are reviewed and approved by the Board of Directors.

NOTE 3: SHARE BASED PAYMENT ACQUISITION

On 11 September 2015 zipMoney Limited (formerly Rubianna Resources Limited) completed the acquisition of zipMoney Holdings Pty Ltd and its subsidiary zipMoney Payments Pty Ltd (“zipMoney Payments Group”). Under the Australian Accounting Standards zipMoney Payments Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which zipMoney Payments Group acquires the net assets and listing status of zipMoney Limited (formerly Rubianna Resources Limited).

Note 3(a): Deemed Consideration for reverse acquisition

The deemed consideration was the issue of 55,000,000 shares and 75,000,000 class A performance shares in zipMoney Ltd (legal parent) to the shareholders of zipMoney Payments Group and is deemed to have a value of \$2,572,525. In addition, 3,300,000 shares were issued to advisors of the transaction relating to services for facilitating the transaction. These shares had a value of \$660,000 which was based on the fair value of services provided and have been included as a transaction cost, as part of the listing expense below.

Note 3(b): Deemed zipMoney share capital and reserves

	\$
Historical issued capital balance 30 June 2015	11,611,777
Historical reserves balance 30 June 2015	532,811
Elimination of zipMoney Limited issued capital and reserves	(12,144,588)
Deemed consideration on acquisition (note 6a)	2,572,525
Total zipMoney share capital on completion	<u>2,572,525</u>

Note 3(c): zipMoney Limited Retained Losses Pre-completion

	\$
Historical balance 30 June 2015	(11,108,849)
Losses from 1 July 2015 to 11 September 2015	(77,725)
Elimination of zipMoney Limited losses	11,186,574
Deemed consideration on acquisition (note 6a)	2,572,525
Less net assets zipMoney Limited pre-acquisition	(958,014)
Total zipMoney Limited losses on completion	<u>1,614,511</u>
Facilitation shares	660,000
Total listing expense	<u>2,274,511</u>

Note 3(d): Assets and liabilities acquired (at fair value at the date of acquisition)

	\$
Cash and cash equivalents	205,971
Current assets	426,409
Secured Loans	800,000
Current Liabilities	(474,366)
Net identifiable assets acquired	<u>958,014</u>

75,000,000 Class A Performance Shares issued to vendors on the completion of the acquisition.

Each Performance share is convertible to one (1) fully paid ordinary share in the Capital of zipMoney upon the following milestones being achieved:

- (i) **Milestone 1** – 30,840,000 performance shares will convert upon achieving an aggregate transaction volume in excess of \$10,000,000 by 12 months from zipMoney being readmitted to the ASX;
- (ii) **Milestone 2**- 30,830,000 performance shares will convert upon achieving an aggregate transaction volume in excess of \$20,000,000 by 24 months from zipMoney being readmitted to the ASX; and
- (iii) **Milestone 3** – 13,330,000 performance shares will convert upon achieving pre-tax break-even for the first time each calendar year in a consecutive three calendar month period by or before 36 months after zipMoney being readmitted to the ASX.

4,769,757 Class B Performance Shares were issued to Avitus Capital Pty Ltd under the advisor offer on the completion of the acquisition.

Each Performance share is convertible to one (1) fully paid ordinary share in the Capital of zipMoney upon the following milestones being achieved:

- i) **Milestone 1** – 2,384,879 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$10,000,000 by 12 months from zipMoney being readmitted to the ASX; and
- ii) **Milestone 2** – 2,384,878 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$20,000,000 by 24 months from zipMoney being readmitted to the ASX.

NOTE 4: SEGMENT INFORMATION

Management has determined that the Consolidated Entity has one reporting segment being the offer of point-of-sale credit and payment solutions to consumers (Retail Finance) and providing a variety of integrated Retail Finance solutions to small, medium and enterprise merchants across numerous industries, both online and in-store

The internal reporting framework is based on the principal activity as discussed above and is the most relevant to assist the Board with making decisions regarding the Consolidated Entity and its ongoing growth in point of sale credit activities.

The assets as presented relate to the reporting segment, as identified above.

All revenue and expenses relate to point of sale credit activities and would not be used to assess segment performance.

NOTE 5: REVENUE

All figures in \$	2016	2015
Revenue from consumer finance operations	4,298,601	399,585

zipMoney derives its revenue from several sources. The core revenue items include: merchant fees, establishment fees, monthly service fees, interest revenue, late fees and sundries. zipPay does not derive any establishment fees or interest revenue.

For the financial year FY2016, zipMoney earned \$14,994 in late fee revenue, accounting for 0.3% of total revenue.

NOTE 6: OTHER INCOME

All figures in \$	2016	2015
Interest income	47,947	-
Gain on disposal of property, plant and equipment	25,643	-
Amortisation of R&D tax incentives	176,291	-
Other	-	9,096
Other Income	249,881	9,096

NOTE 7: EXPENSES

All figures in \$	2016	2015
Loss before income tax includes the following specific expenses:		
<i>Superannuation expense:</i>		
Defined contribution superannuation expense	230,665	-
<i>Share-based payments expense:</i>		
Share based payment expense	1,593,049	-
<i>Finance costs:</i>		
Fair value adjustment on convertible notes	525,000	8,661

NOTE 8: INCOME TAX BENEFIT

	Consolidated	
	2016	2015
	\$	\$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(7,089,753)	(464,402)
Tax at the statutory tax rate of 30%	(2,126,926)	(139,321)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	463,950	-
Non-deductible expenses	169,715	66,631
R&D tax incentives	(52,887)	-
Listing expenses	682,353	-
Finance costs	157,500	-
	(706,295)	(72,690)
Current year tax losses not recognised	307,311	30,411
Current year temporary differences not recognised	398,984	42,279

Income tax benefit

-	-
---	---

Refer to Note 13 for further details on unrecognised tax losses and deferred tax not brought into account.

NOTE 9: CASH AND CASH EQUIVALENTS

All figures in \$	2016	2015
Cash at bank	7,089,478	1,025,452

Included in the cash at bank is restricted cash of \$488,420 (2015: Nil). Refer to Note 21 for the related financial risk management objective.

NOTE 10: TRADE AND OTHER RECEIVABLES

All figures in \$	2016	2015
Other receivables	128,822	95,374

NOTE 11: RECEIVABLES AND CUSTOMER LOANS

All figures in \$	2016	2015
Receivables and customer loans	40,712,179	2,916,660
Less: Provision for doubtful debt	(1,221,365)	(86,802)
	39,490,814	2,829,858

The receivables and customer loans are unsecured and always contain a short term interest-free period after which interest accrue on any outstanding balance owing after the interest free period. This is determined based on an individual loan agreement with the customer and any promotional interest-free term offered by the relevant vendor.

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2016	2015
	\$	\$
Opening balance	86,802	1,794
Provisions recognised during the year to profit or loss	1,394,708	92,476
Receivables written off during the year as bad debt	(260,145)	(7,468)
Closing balance	1,221,365	86,802

Refer to Note 21 for the related financial risk management objective.

NOTE 12: INTANGIBLE ASSETS

	Consolidated	
	2016	2015
	\$	\$
Patents and trademarks - at cost	782	-
Software development costs - at cost	2,181,741	867,288
Less: Accumulated amortisation	(652,269)	(91,901)
Software development costs	<u>1,529,472</u>	<u>775,387</u>
Total intangible assets	<u><u>1,530,254</u></u>	<u><u>775,387</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software development costs	Trademark	Total
Consolidated	\$	\$	\$
Balance at 1 July 2014	176,543	-	176,543
Additions	678,127	-	678,127
Amortisation expense	(79,283)	-	(79,283)
Balance at 30 June 2015	775,387	-	775,387
Additions	1,325,626	782	1,326,408
Amortisation expense	(571,541)	-	(571,541)
Balance at 30 June 2016	<u><u>1,529,472</u></u>	<u><u>782</u></u>	<u><u>1,530,254</u></u>

R&D tax incentives arising from software development costs

R&D tax incentives arising from the software development costs are recognised as deferred income. The deferred income is recognised in the profit or loss on a systematic basis over the useful life of the software development costs (2.5 years). See note 14 and 16 for further details.

NOTE 13: DEFERRED TAX NOT RECOGNISED

The consolidated entity has the following deferred tax asset which has not been brought into account.

	Consolidated	
	2016	2015
	\$	\$

Deferred tax assets comprises temporary differences attributable to:

Tax losses	346,267	38,956
------------	---------	--------

Allowance for doubtful debts	366,410	26,041
Provisions	8,446	6,599
Accrued expenses	74,382	17,615
	<u>795,505</u>	<u>89,211</u>

Deferred tax not recognised in the financials

The above deferred tax assets will be recognised in the accounts once the consolidated entity can demonstrate that it is probable that the tax benefit will be utilised within the foreseeable future.

NOTE 14: TRADE AND OTHER PAYABLES

	Consolidated	
	2016	2015
	\$	\$
Trade payables	1,912,764	164,161
Interest payable	217,196	102,814
Accrued share-based payments	1,546,500	-
Other payables and accruals	271,898	67,508
	<u>3,948,358</u>	<u>334,483</u>

Refer to note 21 for further information on financial instruments.

NOTE 15: DEFERRED R&D TAX INCENTIVES

	Consolidated	
	2016	2015
	\$	\$
Deferred R&D tax incentive - current	<u>102,891</u>	<u>-</u>

The Company recognises its R&D tax incentives as deferred income in accordance with the guidance under AASB 120 Government Grant and is systematically amortised to the profit or loss as other income over the expected useful life of the underlying development assets. The current portion represents the expected benefits over the coming 12 months, while non-current portion represents benefit beyond the 12 months.

NOTE 16: BORROWINGS

Borrowings and securitisation warehouse

The Company sells receivables and customer loans to a special purpose vehicle securitisation warehouse (zipMoney Trust 2015-1) through its asset-backed securitisation program. The special purpose vehicle is consolidated as the Group is exposed or has rights to variable equity returns and has the ability to affect its returns through its power over the securitisation vehicle. The Group may serve as a sponsor, server, liquidity provider, purchaser of notes and/or purchaser of residual interest units.

	Consolidated	
	2016	2015
	\$	\$
Class A Notes	25,000,000	-
Class B Notes	7,260,000	-
Loan - Book Fund	-	3,955,000
	<u>32,260,000</u>	<u>3,955,000</u>

The key terms related to the securitisation warehouse and in particular the Class A, senior noteholder includes:

- Maturity term of two years (with options to extend)
- Minimum required Class A subordination of 20% up to \$50 million and 10% up to \$100 million
- Interest only facility with outstanding balance repayable on maturity (19 November 2017)
- Pricing of notes 12.0% per annum (weighted average), with interest payable monthly to noteholders

Refer to note 21 for further information on financial instruments.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2016	2015
	\$	\$
Class A Notes	25,000,000	-
Class B Notes	7,260,000	-
Convertible Notes	-	350,000
	<u>32,260,000</u>	<u>350,000</u>

Assets pledged as security

The table below presents the assets and underlying borrowings as a result of the securitisation warehouse:

	Consolidated	
	2016	2015
	\$	\$
Receivables and customer loans ⁽¹⁾	39,448,095	-
Cash held by securitisation warehouse	588,420	-
	<u>40,036,515</u>	
Borrowings related to receivables	<u>33,260,000</u>	-

⁽¹⁾ The amount recognised above represents the carrying value of the receivables and customer loans zipMoney Trust and is net of provisions for doubtful debt.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2016	2015
	\$	\$
Total facility size		
Total facility size (securitisation warehouse)	107,429,000	-
Used at the reporting date		
Used facility (securitisation warehouse)	32,260,000	-
Unused at the reporting date		
Unused facility (securitisation warehouse)	75,169,000	-

Background and terms of the facility

On 19 November 2015 zipMoney announced the successful closing of a c.\$108 million asset-backed securitisation warehouse program with U.S. asset manager Victory Park Capital (VPC). The facility was established during November 2015 and is now fully operational with loans originated on zipMoney's balance sheet and continuously sold into the Perpetual administered program.

As part of the arrangement, zipMoney established the zipMoney Trust 2015-1 (the **Trust**) with three classes of notes (unrated) issued by Perpetual Corporate Trustee Limited in its capacity as trustee.

At balance sheet date the Company had \$107.67 million in committed wholesale debt financing. The facility has a two year maturity term (with options to extend) and is interest only with outstanding balance repayable on maturity. The facility is secured against the underlying pool of receivables with limited credit recourse back to zipMoney.

zipMoney Payments Pty Ltd is the trust manager and servicer to the securitisation program.

NOTE 17: DEFERRED R&D TAX INCENTIVES

	Consolidated	
	2016	2015
	\$	\$
Deferred R&D tax incentive - non-current	51,445	-

See note 15 for details.

NOTE 18: ISSUED CAPITAL

	Consolidated			
	2016	2015	2016	2015
	Shares	Shares	\$	\$
Ordinary shares - fully paid	208,223,529	1,797,131	19,409,691	423,190
Performance shares	33,330,000	-	-	-
	<u>241,553,529</u>	<u>1,797,131</u>	<u>19,409,691</u>	<u>423,190</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2014	1,797,131	423,190
Balance	30 June 2015	1,797,131	423,190
Shares for acquisition of zipMoney, deemed consideration on acquisition ⁽ⁱ⁾		55,000,000	2,572,525
Advisor shares		3,300,000	660,000
Conversion of Convertible Notes		3,500,000	875,000
Prospectus applications		25,000,000	5,000,000
Achievement of Milestone 1 (Note 3)		33,224,879	-
Shares subscribed by Class A noteholder ⁽ⁱⁱ⁾		5,000,000	1,000,000
10c Options exercised		800,000	80,000
Shares in zipMoney on completion of acquisition		31,372,009	-
zipMoney Group shares eliminated on completion of acquisition		(1,797,131)	-
Achievement of Milestone 2 (Note 3)		33,214,878	-
Placement		17,811,763	9,796,469
Costs of issue during period		-	(997,493)
Balance	30 June 2016	<u>208,223,529</u>	<u>19,409,691</u>

(i) Under the reverse acquisition principals, the consideration to be provided by zipMoney was determined to be \$2,572,525 based on the 8.2 cents post consolidated market price, which is the fair value of the 31,372,009 owned by existing Rubianna Resources (zipMoney Limited) shareholders at the date of acquisition.

(ii) Shares subscribed includes free attaching options.

Movements in Performance Shares

Details	Date	Shares
Balance	1 July 2014	-
Balance	30 June 2015	-
Vendor shares - 11 September 2015 (see Note 3)		75,000,000
Advisor shares - 11 September 2015 (see Note 3)		4,769,757
Strategic partner offer ⁽¹⁾		20,000,000
Achievement of Milestone 1 (Note 3)		(33,224,879)
Achievement of Milestone 2 (Note 3)		(33,214,878)
Balance	30 June 2016	<u>33,330,000</u>

(1) The company issued 20 million performance shares to Columbus Capital in 2015 in connection with the facilitation of an institutional financing facility ("Warehouse Facility"). It is unlikely however that the hurdles attached to these performance shares will be met by this particular strategic partner due to the inability to facilitate adequate lines of credit. The company will seek to cancel the 20 million performance shares in due course.

Movements in options

Details	Date	Shares
Balance	1 July 2014	-
Balance	30 June 2015	-
Options in zipMoney on completion 1 for 10 consolidations		25,250,000 (22,725,000)
Options issued relating to committed funding 10c Option exercised		5,000,000 (800,000)
Balance	30 June 2016	<u>6,725,000</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.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

NOTE 19: ACCUMULATED LOSSES

	Consolidated	
	2016	2015
	\$	\$
Accumulated losses at the beginning of the financial year	(619,227)	(154,825)
Loss after income tax benefit for the year	<u>(7,089,753)</u>	<u>(464,402)</u>

Accumulated losses at the end of the financial year	<u>(7,708,980)</u>	<u>(619,227)</u>
---	--------------------	------------------

NOTE 20: DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 21: FINANCIAL INSTRUMENTS

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (such as interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The senior management identifies and evaluates financial risks within the consolidated entity's operating units and report to the Board on a monthly basis.

Market risk

Foreign currency risk

The foreign currency risk is limited as the consolidated entity mainly operates in Australia.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from its borrowings. In order to minimise this risk, the company fixed its borrowings at a fixed wholesale rate for the first year before moving to a floating rate for the second year of the facility. The consolidated entity also earns interest from its receivable and customer loans which are based on a fixed rate.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits prior to the customers joining the zipMoney platform.

The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The consolidated entity regularly reviews customer collection, and reviewing collection in arrears. If there are uncollectable customer loans, the consolidated entity will write off on these loans but will continue to work on recovering these loans.

The consolidated entity also regularly reviews the level of provision for doubtful debt to ensure that the level of doubtful debt is sufficient to mitigate the credit risk exposure in terms of financial reporting. The credit provision raised represents management's best estimate of losses incurred in the loan portfolio at reporting date based on their experienced judgement.

The collective provision is estimated on the basis of historical loss experience for assets with similar credit characteristics by the Consolidated Entity and other companies with similar portfolios. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Customer loan receivables

The Group's customer loan receivable balances are high volume low value advanced to individual customers.

The table below provides information about customer loans and receivables from customers by payment due status but not deemed to be impaired.

	Consolidated	
	2016	2015
	\$	\$
61 to 180 days in arrears	536,189	45,031
Over 180 days in arrears	2,772	-

While the Consolidated Entity believes that the level of provision for doubtful debts provided in the financial statements is sufficient to address any potential write-off arising from the arrears above and therefore having minimal impact to the financial statements, the Consolidated Entity will continue to maximise its effort to minimise the risk of actual bad debts through its robust debtor management practises.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2016	2015
	\$	\$
Unused borrowing by securitisation warehouse (refer to Note 16)	75,169,000	-

For personal use only

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2016	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Payables	-	2,129,960	-	-	-	2,129,960
<i>Interest-bearing - fixed rate</i>						
Borrowings	12.00%	-	32,260,000	-	-	32,260,000
Total non-derivatives		2,129,960	32,260,000	-	-	34,389,960

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2015	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Payables	-	164,161	-	-	-	164,161
<i>Interest-bearing - fixed rate</i>						
Borrowings	12.4%	-	4,555,000	-	-	4,555,000
Total non-derivatives		164,161	4,555,000	-	-	4,719,161

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Other than the receivable customer loan and borrowings as disclosed below, the carrying amounts of all other financial instruments reflect their fair value.

	Carrying value	Fair value
	\$	\$
Receivables and customer loan	40,712,179	40,712,179
Borrowings	32,260,000	32,260,000

The fair values of non-current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable input, including own credit risk.

NOTE 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

	Consolidated	
	2016	2015
	\$	\$
Short-term employee benefits	358,711	193,662
Post-employment benefits	27,074	18,398
Long term benefit	32,150	57,735
	417,935	269,795

NOTE 23. 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:

	Consolidated	
	2016	2015
	\$	\$
<i>Audit services - BDO Audit (WA) Pty Ltd</i>		
Audit and review of the financial statements	46,000	18,360
Agreed-upon procedures	11,200	-
<i>Non audit services – BDO Corporate (WA) Pty Ltd</i>		
Tax consultancy	12,000	-
Total	69,200	18,360

NOTE 24: COMMITMENTS

The following table summarises the operating lease commitments of the Consolidated Entity:

	2016	2015
	(\$)	(\$)
<i>Operating lease commitments</i>		
Not later than 1 year	109,661	-
Later than 1 year and not more than 5 years	219,322	-
More than 5 years	-	-
Total minimum lease payments	328,983	-

NOTE 25. RELATED PARTY TRANSACTIONS

Parent entity

zipMoney Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2016	2015
	\$	\$
Repayment of loan to Larry Diamond	250,000	-

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2016	2015
	\$	\$
Non-current borrowings:		
Loan from Larry Diamond	-	250,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 26. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	Parent	
	2016	2015
	\$	\$
Loss after income tax	(962,552)	(1,746,258)
Total comprehensive income	(962,552)	(1,746,258)

Statement of financial position

	Parent	
	2016	2015
	\$	\$
Total current assets	5,290,810	1,357,571
Total assets	18,780,383	1,357,571
Total current liabilities	245,696	79,151
Total liabilities	245,696	79,151
Equity		
Issued capital	30,073,278	11,854,458
Options reserve	532,811	532,811
Accumulated losses	(12,071,402)	(11,108,849)
Total equity	<u>18,534,687</u>	<u>1,278,420</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2016 and 30 June 2015.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2016 and 30 June 2015.

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 the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

For personal use only

NOTE 27. INTERESTS IN SUBSIDIARIES

(a) Ultimate parent

zipMoney Limited is the ultimate parent entity and the parent entity of the consolidated entity from a legal perspective. For accounting purposes, zipMoney Holdings Pty Ltd is the deemed ultimate parent of the consolidated entity in line with reverse acquisition accounting.

(b) Corporate structure

The legal corporate structure of the consolidated entity is set out below;

Name	Principal place of business / Country of incorporation	Ownership interest	
		2016 %	2015 %
Legal parent			
zipMoney Limited	Australia		
Legal subsidiaries			
zipMoney Payments Pty Ltd	Australia	100.00%	-
zipMoney Trust 2015-1 ⁽¹⁾	Australia	100.00%	-
zipMoney Holdings Pty Ltd	Australia	100.00%	-
zipMoney Securities Limited	Australia	100.00%	-
zipMoney Payments (NZ) Limited	New Zealand	100.00%	-

(1) Ownership is through zipMoney Payments Pty Ltd, which is both the Participation Unitholder and Residual Unitholder of zipMoney Trust 2015-1.

On 11 September 2015 zipMoney Limited (formerly Rubianna Resources Limited) completed the acquisition of zipMoney Holdings Pty Ltd and its subsidiary zipMoney Payments Pty Ltd ("zipMoney Payments Group").

Under the Australian Accounting Standards zipMoney Payments Group was deemed to be the accounting acquirer in this transaction as a result of the previous shareholders of zipMoney Payments Group becoming the major shareholders of the Group. The acquisition has been accounted for as a share based payment by which zipMoney Payments Group acquires the net assets and listing status of zipMoney Limited (formerly Rubianna Resources Limited).

Therefore while zipMoney Limited remains the legal parent of the Consolidated Entity, zipMoney Holdings Pty Ltd is the parent for the purpose of consolidating the financial statements.

NOTE 28. EVENTS AFTER THE REPORTING PERIOD

On 26 July 2016, the Company has issued 2,494,355 ordinary shares to its employees under the Company's Employee Share Plan for their performance in the 2016 financial year. This share based payment has been accrued for as a liability in the financial statements.

On 6 June 2016, the Company has announced that it has raised \$20.6 million via placement to institutional and sophisticated investors ("the Placement"). The Placement which comprise of the issue of 37.5 million shares is to be issued via two tranches of which 17.8 million shares (\$9.8 million) was completed before 30 June 2016. The remaining placement of 19.7 million shares (\$10,818,531 (before costs)) was completed on 26 July 2016.

On 26 August 2016, the Company has announced a LTI plan for the non-executive directors and the following directors have been issued options (subject to shareholders' approval):

	Exercisable at \$1.00 each, expiring 2 years from date of issue
Philip Crutchfield – Chairman	700,000
Megan Quinn – Non Executive Director	200,000

On 22 August 2016, Megan Quinn was appointed as a Non-Executive Director.

No other matter or circumstance has arisen since 30 June 2016 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 29. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FROM/ (USED IN) OPERATING ACTIVITIES

	Consolidated	
	2016	2015
	\$	\$
Loss after income tax benefit for the year	(7,089,753)	(464,402)
Adjustments for:		
Depreciation and amortisation	574,473	79,524
Doubtful debt expense	1,394,708	92,476
Finance costs	525,000	-
Listing expense	2,274,511	-
Share based payment	1,593,049	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	80,044	(89,816)
Increase in trade and other payables	(14,681)	334,518
Increase in provisions	189,222	38,406
Net cash from/(used in) operating activities	<u>(473,427)</u>	<u>(9,294)</u>

NOTE 30. EARNINGS PER SHARE

	Consolidated	
	2016	2015
	\$	\$
Loss after income tax attributable to the owners of zipMoney Limited	<u>(7,089,753)</u>	<u>(464,402)</u>

	Number	Number
--	--------	--------

Weighted average number of ordinary shares used in calculating basic earnings per share	145,139,798	55,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>145,139,798</u>	<u>55,000,000</u>

	Cents	Cents
Basic earnings per share	(4.88)	(0.84)
Diluted earnings per share	(4.88)	(0.84)

NOTE 31. SHARE-BASED PAYMENTS

In December 2015, Philip Crutchfield, the Company's Chairman, was issued 150,000 options exercisable at 50 cents and 150,000 options exercisable at 70 cents and expires 3 years from the date of issue. These options are subject to shareholders' approval at the AGM in November 2016. The fair value of these options were valued using Black-Scholes model using the following assumption:

	Option exercisable at \$0.50	Option exercisable at \$0.70
Grant date:	14 December 2015	14 December 2015
Share price at grant date:	\$0.47	\$0.47
Risk free rate:	2.66%	2.66%
Expiry period:	3 years	3 years
Dividend yield:	0%	0%
Fair value per option:	\$0.29	\$0.26

Based on the above, the options expense recognised in the current year was determined to be \$46,539.

In June 2016, the Board decided to reward its employees for their contribution to the performance of the group by granting them 2,494,355 ordinary shares. These shares were valued at \$1,546,500 and were issued on 26 July 2016. These shares vest immediately at grant date being shareholder approval at the AGM.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- 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 section 295A of the Corporations Act 2001.

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,



Larry Diamond
Managing Director & Chief Executive Officer

30 August, 2016

INDEPENDENT AUDITOR'S REPORT

To the members of zipMoney Limited

Report on the Financial Report

We have audited the accompanying financial report of zipMoney Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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 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 1a, 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.

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

For personal use only

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 zipMoney Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of zipMoney 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 2016 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 financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 18 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 30 August 2016

For personal use only

The shareholder information set out below was applicable as at 26 August 2016.

ASX Listing Rule 4.10.19

zipMoney Limited has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of ordinary unquoted shares escrowed to 11 September 2016	Number of holders of ordinary unquoted shares escrowed to 21 September 2017	Number of holders of \$0.10 unquoted Options Price \$0.10 Expiry 30/11/18
1 to 1,000	51			
1,001 to 5,000	192			
5,001 to 10,000	159			
10,001 to 100,000	444	9	1	6
100,001 and over	154	14	8	4
	<u>1,000</u>	<u>23</u>	<u>9</u>	<u>10</u>
Holding less than a marketable parcel	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Number of holders of \$0.75 unquoted options Price \$0.75; Expiry 30/11/18	Number of holders of \$0.20 unquoted options Price \$0.20; Expiry 30/12/18	Number of holders of unquoted performance shares escrow to 11 September 2016	Number of holders of unquoted performance shares escrow to 21 September 2017
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	2	1	11	3
	<u>2</u>	<u>1</u>	<u>11</u>	<u>3</u>
Holding less than a marketable parcel	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
DIAMOND VENTURE HOLDINGS PTY LTD <DIAMOND UNIT A/C>	60,615,319	26.31
MR PETER JOHN GRAY	20,006,105	8.68
CITICORP NOMINEES PTY LIMITED	8,743,768	3.80
MR ADAM MARC FINGER	8,427,474	3.66
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	6,637,512	2.88
LIQUIDITY GROUP PTY LTD <THE LIQUIDITY A/C>	6,470,457	2.81
VPC SPECIALTY LENDING INVESTMENTS INTERMEDIATE LP	5,000,000	2.17
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,496,445	1.95
AUST EXECUTOR TRUSTEES LTD <HENROTH PTY LIMITED>	4,108,610	1.78
UBS NOMINEES PTY LTD	3,808,068	1.65
ROMBERG VENTURES PTY LTD <MICHAEL ROM FAMILY VEN A/C>	3,732,971	1.62
GDL INVESTMENTS PTY LTD	3,246,006	1.41
MR MICHAEL GREER <THE GREER A/C>	3,135,252	1.36
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,622,607	1.14
P D CRUTCHFIELD PTY LTD <CRUTCHFIELD SUPER FUND A/C>	2,500,000	1.09
NALEY PTY LTD	2,400,000	1.04
MR GAREN AZOYAN <GAAM SMSF A/C>	2,164,003	0.94
BRIAR PLACE PTY LIMITED	2,164,003	0.94
MR RICKY FRIEDLANDER	2,164,003	0.94
MR PHILIP DAVID CRUTCHFIELD	2,070,000	0.90
	154,512,603	67.07

Unquoted equity securities

	Number on issue	Number of holders
UNLISTED ORDINARY SHARES ESCROW TO 11 SEPTEMBER 2016	37,798,576	23
UNLISTED ORDINARY SHARES ESCROW TO 21 SEPTEMBER 2017	88,691,181	9
\$0.10 UNLISTED OPTIONS EXPIRING 30 NOVEMBER 2018	1,200,000	10
\$0.75 UNLISTED OPTIONS EXPIRING 30 NOVEMBER 2018	525,000	2
\$0.20 UNLISTED OPTIONS EXPIRING 31 DECEMBER 2018	5,000,000	1
UNLISTED PERFORMANCE SHARES ESCROW TO 11 SEPTEMBER 2016	4,118,690	11
UNLISTED PERFORMANCE SHARES ESCROW TO 21 SEPTEMBER 2017	29,211,310	3

The following persons holds 20% or more of unquoted equity securities:

Name	Class	Number held
MATTHEW SVENSSON	0.75 UNLISTED OPTIONS EXPIRING 30 NOVEMBER 2018	300,000
KIERAN SHEEHAN	0.75 UNLISTED OPTIONS EXPIRING 30 NOVEMBER 2018	225,000
ZELTNER PTY LTD	\$0.10 UNLISTED OPTIONS EXPIRING 30 NOVEMBER 2018	300,000
MR ADAM MARC FINGER	UNLISTED PERFORMANCE SHARES ESCROW TO 11 SEPTEMBER 2016	962,871
OZTRAL EQUITIES PTY LTD <AUSTRAL EQUITIES UNIT A/C>	UNLISTED PERFORMANCE SHARES ESCROW TO 21 SEPTEMBER 2017	20,000,000
VPC SPECIALTY LENDING INVESTMENTS INTERMEDIATE LP	\$0.20 UNLISTED OPTIONS EXPIRING 31 DECEMBER 2018	5,000,000
MR ADAM MARC FINGER	UNLISTED ORDINARY SHARES ESCROW TO 11 SEPTEMBER 2016	8,427,474
DIAMOND VENTURE HOLDINGS PTY LTD <DIAMOND UNIT A/C>	UNLISTED ORDINARY SHARES ESCROW TO 21 SEPTEMBER 2017	60,615,319
MR PETER JOHN GRAY	UNLISTED ORDINARY SHARES ESCROW TO 21 SEPTEMBER 2017	20,006,105

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
DIAMOND VENTURE HOLDINGS PTY LTD <DIAMOND UNIT>	61,117,264
MR LARRY DIAMOND & MRS ASHLYN DIAMOND <DIAMOND SMSF>	
PETER JOHN GRAY	20,006,105

Voting rights

Voting rights are as set out below:

Ordinary shares

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.

Options

All quoted and unquoted options do not carry any voting rights.

ASX Listing Rule 3.13.1 and 14.3

The Annual General Meeting is scheduled to be held on 11 November 2016.

For personal use only

For personal use only

zip Money
a better way to pay

