

For personal use only

**ChimpChange Ltd and  
controlled entity**

**ABN 34 150 762 351**

Consolidated Financial report  
For the year ended 30 June 2014

## TABLE OF CONTENTS

### Financial report

Consolidated statement of comprehensive income .....	1
Consolidated statement of financial position .....	2
Consolidated statement of changes in equity .....	3
Notes to financial statements .....	4 - 12

CHIMPCHANGE LTD AND CONTROLLED ENTITY

ABN 34 150 762 351

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 USD\$	2013 USD\$
<b>Revenue</b>	2	1,607	2,068
<b>Less: expenses</b>			
Depreciation and amortisation expense	3	(862)	-
Employee benefits expense		(13,921)	-
Occupancy expense		(12,058)	-
Advertising expense		(20,185)	(876)
Finance costs		(431)	(260)
Consulting		(275,058)	(117,072)
Travel expense		(50,728)	(16,069)
Other expenses		<u>(229,252)</u>	<u>(11,685)</u>
		<u>(602,495)</u>	<u>(145,962)</u>
<b>Profit / (loss) before income tax expense</b>		(600,888)	(143,894)
Income tax expense	4	<u>-</u>	<u>-</u>
<b>Net profit / (loss) from continuing operations</b>		<u>(600,888)</u>	<u>(143,894)</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of parent operations		<u>11,245</u>	<u>-</u>
		<u>11,245</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>11,245</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>(589,643)</u>	<u>(143,894)</u>

The accompanying notes form part of these financial statements.

For personal use only

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**  
**ABN 34 150 762 351**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	2014 USD\$	2013 USD\$
<b>Current assets</b>			
Cash and cash equivalents	5	78,307	101,810
Receivables	6	1,229	258
Other assets	7	<u>2,361</u>	<u>637</u>
<b>Total current assets</b>		<u>81,897</u>	<u>102,705</u>
<b>Non-current assets</b>			
Intangible assets	9	229,595	46,918
Property, plant and equipment	8	<u>3,779</u>	<u>-</u>
<b>Total non-current assets</b>		<u>233,374</u>	<u>46,918</u>
<b>Total assets</b>		<u>315,271</u>	<u>149,623</u>
<b>Current liabilities</b>			
Payables	10	<u>10,948</u>	<u>-</u>
<b>Total current liabilities</b>		<u>10,948</u>	<u>-</u>
<b>Total liabilities</b>		<u>10,948</u>	<u>-</u>
<b>Net assets</b>		<u>304,323</u>	<u>149,623</u>
<b>Equity</b>			
Share capital	11	1,102,286	372,299
Reserves	12	24,963	-
Retained earnings / (Accumulated losses)		<u>(822,926)</u>	<u>(222,676)</u>
<b>Total equity</b>		<u>304,323</u>	<u>149,623</u>

The accompanying notes form part of these financial statements.

For personal use only

CHIMPCHANGE LTD AND CONTROLLED ENTITY

ABN 34 150 762 351

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014

	Contributed equity USD\$	Reserves USD\$	Retained earnings USD\$	Total equity USD\$
<b>Consolidated</b>				
<b>Balance as at 1 July 2012</b>	93,949	-	(78,782)	15,167
Profit/(loss) for the year	-	-	(143,894)	(143,894)
<b>Total comprehensive income for the year</b>	-	-	(143,894)	(143,894)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions	278,350	-	-	278,350
<b>Total transactions with owners in their capacity as owners</b>	278,350	-	-	278,350
<b>Balance as at 30 June 2013</b>	372,299	-	(222,676)	149,623
<b>Balance as at 1 July 2013</b>	372,299	-	(222,038)	150,261
Profit/(loss) for the year	-	-	(600,888)	(600,888)
Exchange differences on translation of parent operations	-	11,245	-	11,245
<b>Total comprehensive income for the year</b>	-	11,245	(600,888)	(589,643)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions	729,987	-	-	729,987
Share based payments expensed	-	13,718	-	13,718
<b>Total transactions with owners in their capacity as owners</b>	729,987	13,718	-	743,705
<b>Balance as at 30 June 2014</b>	1,102,286	24,963	(822,926)	304,323

The accompanying notes form part of these financial statements.

For personal use only

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**

**ABN 34 150 762 351**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a special purpose financial report prepared for use by the directors and members of the company.

The financial report is for the entity ChimpChange Ltd as an individual entity and ChimpChange Ltd and its consolidated entity. ChimpChange Ltd is a company limited by shares, incorporated and domiciled in Australia. ChimpChange Ltd is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

**(b) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

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

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

CHIMPCHANGE LTD AND CONTROLLED ENTITY  
ABN 34 150 762 351

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Foreign currency translations and balances**

*Functional and presentation currency*

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the consolidated entity's functional and presentation currency.

*Transactions and Balances*

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

**(d) Revenue**

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

CHIMPCHANGE LTD AND CONTROLLED ENTITY  
ABN 34 150 762 351

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**(f) Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

*Financial liabilities*

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Property, plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on a cost basis.

*Depreciation*

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Office equipment at cost	25%	Straight line
Computer equipment at cost	25%	Straight line

**(h) Research and development expenditure**

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resource; and intent to complete the development and its costs can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of its estimated useful life commencing when the intangible asset is available for use. The asset carrying value is reviewed for impairment annually and amounts are written off to the extent that realisable future benefits are considered to be no longer probable.

Other development expenditure is recognised as an expense when incurred.

**(i) Impairment of non-financial assets**

Intangible assets not yet ready for use are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

For an asset measured at cost, an impairment loss is recognised in profit or loss where the carrying amount of the asset exceeds its recoverable amount.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Employee benefits**

*(i) Short-term employee benefit obligations*

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. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Long-term employee benefit obligations*

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date 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.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(k) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(l) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**  
**ABN 34 150 762 351**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>USD\$</b>	<b>USD\$</b>
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Other revenue		
Interest income	607	2,068
Other revenue	<u>1,000</u>	<u>-</u>
	<u>1,607</u>	<u>2,068</u>
	<u>1,607</u>	<u>2,068</u>

**NOTE 3: OPERATING PROFIT**

Profit / (losses) before income tax has been determined after:

Depreciation		
- plant and equipment	862	-
Research and development costs	10,838	-
Employee benefits:		
- Other employee benefits	13,921	-

**NOTE 4: INCOME TAX**

**(a) Prima facie tax payable**

The net loss before income tax is reconciled to the income tax expense as follows:

Net loss subject to income tax - Australia	192,224	143,894
Net loss subject to income tax - USA	<u>408,664</u>	<u>-</u>
	600,888	143,894
Less:		
Tax losses not recognised - Australia	192,224	143,894
Tax losses not recognised - USA	<u>408,664</u>	<u>-</u>
	<u>600,888</u>	<u>143,894</u>
Balance of net losses on which income tax benefit recognised	<u>-</u>	<u>-</u>

The gross value of total tax losses not recognised at 30 June 2014 is \$822,926 (2013: \$222,038).

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank	<u>78,307</u>	<u>101,810</u>
--------------	---------------	----------------

For personal use only

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**  
**ABN 34 150 762 351**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>USD\$</b>	<b>USD\$</b>
<b>NOTE 6: RECEIVABLES</b>		
CURRENT		
Trade debtors	262	258
Other receivables	<u>967</u>	<u>-</u>
	<u><b>1,229</b></u>	<u><b>258</b></u>
 <b>NOTE 7: OTHER ASSETS</b>		
CURRENT		
Other current assets	<u>2,361</u>	<u>637</u>
 <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Office equipment at cost	807	-
Accumulated depreciation	<u>(80)</u>	<u>-</u>
	<u>727</u>	<u>-</u>
Computer equipment at cost	3,834	-
Accumulated depreciation	<u>(782)</u>	<u>-</u>
	<u>3,052</u>	<u>-</u>
Total property, plant and equipment	<u><b>3,779</b></u>	<u><b>-</b></u>

For personal use only

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**  
**ABN 34 150 762 351**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>USD\$</b>	<b>USD\$</b>
<b>NOTE 9: INTANGIBLE ASSETS</b>		
Patents, trademarks and licences at cost	1,148	1,131
Accumulated amortisation and impairment	-	-
	<u>1,148</u>	<u>1,131</u>
Software Development at cost	228,447	45,787
Accumulated amortisation and impairment	-	-
	<u>228,447</u>	<u>45,787</u>
Total intangible assets	<u>229,595</u>	<u>46,918</u>

Amortisation of intangible assets has not yet commenced as the assets are not yet in use. Useful lives consistent with the directors expectations of their ability to generate revenue will be determined in the 2016 financial year.

**NOTE 10: PAYABLES**

**CURRENT**

*Unsecured liabilities*

Trade creditors	<u>10,948</u>	<u>-</u>
-----------------	---------------	----------

**NOTE 11: SHARE CAPITAL**

Issued and paid-up capital		
3,517 (2013: 2,200) Ordinary Shares	<u>1,102,286</u>	<u>372,299</u>

**Rights of each type of share**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

For personal use only

**CHIMPCHANGE LTD AND CONTROLLED ENTITY**  
**ABN 34 150 762 351**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

		2014 USD\$	2013 USD\$
<b>NOTE 12: RESERVES</b>			
Foreign currency translation reserve	12(a)	11,245	-
Share based payments reserve	12(b)	<u>13,718</u>	<u>-</u>
		<u>24,963</u>	<u>-</u>
<b>(a) Foreign currency translation reserve</b>			
The foreign currency translation reserve is used to record the exchange differences arising on translation of a foreign entity.			
<i>Movements in reserve</i>			
Exchange differences on translation of parent operations		<u>11,245</u>	<u>-</u>
Closing balance		<u>11,245</u>	<u>-</u>
<b>(b) Share based payments reserve</b>			
The share based payments reserve is used to record the fair value of shares or options issued.			
<i>Movements in reserve</i>			
Share based payments expensed		<u>13,718</u>	<u>-</u>
Closing balance		<u>13,718</u>	<u>-</u>

For personal use only