CHANGE FINANCIAL LIMITED

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR END 30 JUNE 2019

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors

Teresa Clarke
(Non-Executive Chairman)

Ian Leijer
(Executive Director)

Harley Dalton
(Executive Director)

Ben Harrison
(Non-Executive Director)

Company Secretary

Adam Gallagher

Registered Office

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Postal Address

Change Financial Limited
GPO Box 5011
Brisbane QLD 4001

Australian Company Number

150 762 351

Australian Business Number

34 150 762 351

Auditors

Pitcher Partners
Level 38
345 Queen Street
BRISBANE QLD 4000

Telephone: +61 7 3222 8444
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Share Registry

Link Market Services Limited
Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

Website

www.changefinancial.com
www.chimpchange.me

ASX Code

CCA

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity Details

Name of entity	Change Financial Limited
ABN	34 150 762 351

Details on Reporting Period

Current period	Year ended 30 June 2019
Previous corresponding period	Year ended 30 June 2018

Reporting Currency

Unless otherwise stated all amounts in this report are stated in United States Dollars.

Results

Year to 30 June	**2019 US$000**	**2018 US$000**	**Change US$000**	**Change %**
Revenue from ordinary activities	1,833	1,077	756	up 70%
Loss from ordinary activities	(4,726)	(9,048)	4,322	down 48%
Loss for the period attributable to members	(4,726)	(9,048)	4,322	down 48%
Basic EPS – US cents per share (loss)	(5.7)	(12.4)	+6.7	down 54%
Diluted EPS – US cents per share (loss)	(5.7)	(12.4)	+6.7	down 54%

Dividends

No dividends have been declared or paid in the current and previous financial period.

Commentary

Operations

During the financial year, the Company's operations have been focused on:

- advancing development of the Mastercard Payments Processor and Enterprise Solution;
- monetising the Mobile Banking Consumer Business; and
- divesting from non-core assets, specifically the Ivy Project.

In September 2018, the Company retained management consultants specialised in the payments and digital financial services industry to review the Payments Processing Business, the Ivy Project and Mobile Banking Consumer Business. Following their review, the Company determined:

- to focus its efforts on completing the build of its Mastercard Payments Processor and Enterprise Solution, which it believes offers substantial opportunity given the significant size of the addressable market, the projected high growth in the market size over the next six years, the high revenue potential, the limited number of competitors, and the high barriers to entry for new players; and
- while the Mobile Banking Consumer Business is leading edge, the underlying revenue metrics and profitability have struggled to scale. As such, a strategic decision was made to look for other ways to monetise this operation.

Development of Payments Processor and Enterprise Solution

Development of the Company's Mastercard Payments Processor and Enterprise Solution is progressing well. The Enterprise Solution aims to provide a payments and financial technology to corporates, financial institutions, fintech companies, banks and others initially in the US, particularly those lacking a mobile strategy. The Company aims to provide its potential institutional clients (and their customers) more innovative transaction processing than some of the incumbent providers. The Company is also aiming to leverage learning from its consumer business and will offer a turn-key mobile banking solution to those banks and institutions lacking technology capabilities and mobile strategies.

The Company is one of the first to be certified to process transactions using the Mastercard Network Gateway Services platform and the first newly certified Mastercard processor in the last 5 years. The Payments Processor completed Mastercard certification in October 2018 which was a critical milestone ahead of launch. It completed all test transaction cases in the final stage of certification and is eligible for registration as a Mastercard third-party processor using the Mastercard Network Gateway Services.

Once launched, the enterprise solution will initially target more than 7,000 FDIC (Federal Deposit Insurance Corporation) banks, 6,000 credit unions and a host of innovative players in the financial services arena across the US with innovative mobile banking services. The addressable market in the US is approximately a US$50 billion market in 2019, growing at approximately 20% per annum through to 2025.

Benefits of the Payments Processor and Enterprise Solution

The Company is aiming to provide capabilities above that of incumbent payment processors to deliver a unique selling point for its technology. The Company's Payments Processor will also be paired with its integrated mobile banking technology to offer an innovative turn-key mobile solution to clients. This mobile banking technology is separate from the Consumer Banking Platform (ChimpChange). The Company also aims to provide, directly or through partnerships, complementary services to clients required to maintain a mobile banking and/or card product such as digital marketing (helping to acquire low-cost customers and with a high proportion of millennials), compliance (regulatory required and internal), customer support (card and app) and card fulfillment (unique card packaging and regulatory requirements).

The Payments Processor will have superior fraud detection and prevention systems helping clients catch bad actors before money is lost to fraud. This will be achieved by allowing card and app limits to be customised at every level, that is, the program level (all card and users of the app), sub-program level (groups of cards or users) and individual level (a single card or user). A practical example of this would be a parent being able to turn off their child's card for use at liquor stores or a client not allowing all of their customers to use their cards with gambling providers.

Clients will also be able to set thresholds for velocity limits such as the number of transactions their customers can make per time period (e.g. days, weeks, months) as well as transaction volume limits (e.g. no transaction can be for a purchase larger than $5,000).

The Company will also provide clients the ability to block transactions from specific merchant groups (e.g. all gambling providers) down to specific merchant terminals that might be known to commit fraud (e.g. a stolen payments terminal from a café). Clients may also give their customers the opportunity to not allow their card to work on purchases at certain times of the day (e.g. a parent not letting their child's card work between 9pm and 6am).

The Payments Processor will allow clients to offer instant issue cards (e.g. the ability to give cards to their customers on site at a store location) or request virtual cards on demand via an app. Virtual cards are an alternate and sometimes temporary 16-digit card number that allows customers the ability to make online purchases without the need for a physical card. In addition, the Payments Processor will integrate with ApplePay, SamsungPay and AndroidPay to allow clients to pass this functionality onto their customers.

Ivy Project Divestment

On 11 January 2019, the Company announced it had monetised its investment in the Ivy Project for cash proceeds of US$1.5 million. The terms of the sale agreement entered into by Change Financial results in the Company selling its 33% equity stake. In addition, but separate to the sale, the Company will receive a distribution of capital from Ivy Koin LLC. The Company's divestment of the Ivy Project together with the capital distribution, represent a significant return on investment.

Mobile Banking Consumer Business

On 21 January 2019, Change Financial reached an agreement with its US banking partner, Central Bank of Kansas City ('CBKC'), to restructure the operating cost of the ChimpChange business. Under the agreement, there is a reduction of fees payable by the Company to CBKC.

In addition, Change Financial has granted CBKC the right to license ChimpChange to other clients in CBKC's portfolio. The Company retains all technical IP relating to ChimpChange. As part of the agreement, CBKC have agreed to give Change Financial the first right to perform transaction processing on completion of the Company's payments processor as well as ancillary services for the ChimpChange platform. This was a significant initial step in securing the first enterprise client for the Company's payments processor.

Successful Capital Raising

In addition to the new funding secured from Altor Capital in December the Company undertook an entitlement offer to existing shareholders which raised A$597,000. With the placement of shortfall totaling $195,000, the Company raised a total of $792,000.

Financial performance

As set out in the Company's ASX announcements the Company has undergone a restructure to focus on the development of its processor business. This has led to a significant reduction in the ongoing operating loss as reflected in the earnings statement. Following the restructure, in the second half of the 2019 financial year large expense types including sales and marketing and program expenses are no longer significant. The results include some cost associated with the restructure including an impairment charge of $891,944.

Net Tangible Assets per Share

As at 30 June	2019	2018
Net Tangible Assets per Share (US cents)	0.3	3.1

Associates and Joint Venture

As of 30 June 2019, Change Financial Limited has a 33.3% investment in Ivy Blockchain Pty Ltd and Ivy Koin LLC.

Control of Entities

There were no changes in the control of entities during the current or previous corresponding period.

Audit Report

This preliminary final report is based on accounts that are in the process of being audited.

Dated 31 August 2019

Teresa Clarke
Chair

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 30 June	Note	2019 US$	2018 US$
Revenue	2	1,833,301	1,076,868
Employee benefits expense		(1,958,503)	(3,631,036)
Advertising & marketing expense		(163,283)	(1,899,480)
Program Expenses		(655,102)	(1,977,616)
Professional services & insurance		(810,903)	(662,997)
Consulting		(538,694)	(538,285)
Technology & Hosting		(294,242)	(361,758)
Depreciation & amortisation expense	3	(214,217)	(521,451)
Impairment		(891,944)	-
Finance Expense		(60,011)	-
Investment in associate – option cost		(250,000)	-
Other expense		(761,290)	(532,214)
Profit (loss) before tax		(4,764,888)	(9,047,969)
Income tax (expense) benefit		-	-
Profit (loss) from continuing operations		(4,764,888)	(9,047,969)

Basic loss per share (US cents per share)	17	(5.7)	(12.4)
Diluted loss per share (US cents per share)	17	(5.7)	(12.4)

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2019 US$	2018 US$
Loss of the year		(4,764,888)	(9,047,969)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of parent operations		(109,296)	(82,157)
Profit (loss) from continuing operations		**(4,874,184)**	**(9,130,126)**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June	Notes	2019 US$	2018 US$
Current assets			
Cash	4	1,464,976	1,665,967
Other receivables	5	172,554	109,660
Other current assets	7	-	69,847
Total current assets		**1,637,530**	**1,845,474**
Assets held for resale			
Investment in associates	6	99,999	-
Total assets held for resale		**99,999**	**-**
Non-current assets			
Property, plant & equipment	7	12,981	86,341
Investment in associate	10	-	99,999
Intangible assets	9	1	956,869
Total non-current assets		**12,982**	**1,143,209**
TOTAL ASSETS		**1,750,511**	**2,988,683**
Current liabilities			
Trade and other payables	11	236,496	237,164
Provisions	12	153,647	192,363
Borrowings	13	1,050,447	-
Other current liabilities	14	7,592	262,466
Total current liabilities		**1,448,182**	**691,993**
NET ASSETS		**302,329**	**2,296,690**
Equity			
Contributed equity	15	29,582,499	26,607,205
Reserves	16	3,942,740	4,147,507
Retained earnings		(33,222,910)	(28,458,022)
TOTAL EQUITY		**302,329**	**2,296,690**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity US$	**Reserves US$**	**Retained Earnings US$**	**Total Equity US$**
Balance at 30 June 2017	25,921,031	3,865,897	(19,410,053)	10,376,875
Profit (loss) for the year	-		(9,047,969)	(9,047,969)
Exchange differences on translation of the parent operation	-	(82,157)		(82,157)
Total comprehensive income for the year	-	(82,157)	(9,047,969)	(9,130,126)
Transactions with owners in their capacity as owners				
Options issued		363,767		363,767
Contributions	686,174			686,174
Total	**686,174**	**363,767**	**-**	**1,049,941**
Balance at 30 June 2018	**26,607,205**	**4,147,507**	**(28,458,022)**	**2,296,690**
Balance at 1 July 2018	26,607,205	4,147,507	(28,458,022)	2,296,690
Profit (loss) for the year			(4,764,888)	(4,764,888)
Exchange differences on translation of the Parent operation		(109,296)		(109,296)
Total comprehensive income for the year	**-**	**(109,296)**	**(4,764,888)**	**(4,874,184)**
Transactions with owners in their capacity as owner				
Options issued		(95,471)		(95,471)
Contributions net of capital raising expenses	2,975,294			2,975,294
Total	**2,975,294**	**(95,471)**	**-**	**2,879,823**
Balance at 30 June 2019	**29,582,499**	**3,942,740**	**(33,222,910)**	**302,329**

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2019 US$	2018 US$
Cash flow from operating activities			
Receipts from customers		379,182	948,927
Payments to suppliers and employees		(5773,710)	(9,314,410)
Interest received		3,072	24,490
R&D tax offset		-	79,240
Net cash used in operating activities		**(5,391,456)**	**(8,261,753)**
Cash flow from investing activities			
Distribution received		1,300,000	-
Payment for property, plant & equipment		-	(15,838)
Payment for software development		(82,013)	(273,893)
Payment for investment in Ivy Koin		-	(100,000)
Net cash used in investing activities		**1,217,987**	**(389,731)**
Proceeds from financing activities			
Proceeds from share issue		3,167,148	686,176
Cost of share issues		(191,854)	-
Proceeds from borrowings		1,264,744	-
Costs of establishing borrowing facilities		(112,638)	
Net cash provided by financing activities		**4,127,400**	**686,176**
Net increase (decrease) in cash held		**(46,069)**	**(7,965,308)**
Reconciliation of cash			
Cash at the beginning of the financial year		1,665,967	9,467,512
Net increase (decrease) in cash held		(46,069)	(7,965,308)
Foreign exchange difference on cash holding		(154,922)	163,763
Cash and cash equivalents at end of the year		**1,464,976**	**1,665,967**

The consolidated statements above should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

These preliminary consolidated financial statements relate to Change Financial Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019 and had been prepared in accordance with rule 4.3A of the ASX Listing Rules (Appendix 4E).

The principal accounting policies adopted in preparing the preliminary final report of the Company and its consolidated entities (Consolidated Entity or Group) for the year ended 30 June 2019 are stated to assist in a general understanding of the financial report. For the purposes of preparing the preliminary financial report the Company is a for profit entity.

Change Financial Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:CCA).

(a) Statement of compliance

The Consolidated Preliminary Final Report of Change Financial Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

(c) 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.

(d) Foreign currency translations and balances

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

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.

- Current assets and liabilities are translated at the closing rate on reporting date;
- Non-current assets are translated at historical cost;
- 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.

(e) Revenue

Rendering of services

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

Interest income

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

(f) 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.

(g) 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.

(h) Property, plant & 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.

Class of fixed asset	**Depreciation rates**	**Depreciation basis**
Motor vehicles under lease	12.5%	Straight line
Office equipment	25%	Straight line
Computer equipment	25%	Straight line

(i) Software development

Software 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 software development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over three years. 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.

(j) Impairment of non-financial assets

Intangible assets are 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.

(k) Employee benefits

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.

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.

(l) 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.

(m) Ongoing operations

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2019 the Group had net current assets of $328,195 including $1,464,976 of cash and cash equivalents. For the year to 30 June 2019 the Group incurred an operating cash outflow of $5,391,456 and a net loss for the period of $4,764,888.

As set out in the Group's ASX announcements, the Company has undergone a restructure, including the sale of its interest in Ivy and undertaken a successful capital raising. As a result of these actions the Company continues to have sufficient funds to meet its short-term objectives of launching it processor business in the 2019 calendar year.

However, the Company will require further capital in the next 12 months in order to develop that business before it is cash flow positive. This may include further funding from Altor Capital. Nevertheless, the Directors have concluded that raising additional capital is subject to material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board will continue to monitor and pursue the development of fund raising opportunities and assess its commitment to ongoing expenditure requirements to achieve a sustainable business model.

The Directors believe that the company will be successful in carrying out its plans described above, therefore, these financial statements have been prepared on a going concern basis.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as going concerns.

2. Revenue

	2019 US$	2018 US$
Revenue from services	340,989	828,138
Distribution received	1,300,000	-
Interest revenue	3,072	24,490
Revenue from admin services	110,000	145,000
Research & development tax refund	79,240	79,240
Total Revenue	**1,833,301**	**1,076,868**

3. Expenses

	2019 US$	2018 US$
Profit / loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	29,563	33,639
Amortisation of software development costs	145,806	487,812
Share based payments		
Options issued to employees, directors & company secretary	(254,766)	363,767

4. Cash

	2019 US$	2018 US$
Cash at Bank	1,464,976	1,665,967

5. Current assets – receivables

	2019 US$	2018 US$
Current receivables	172,554	109,660

6. Assets held for resale

	2019 US$	2018 US$
Investment in associate	99,999	-

The investment in associate has been sold with the sale completing after year end.
Refer Note 18 for further details.

7. Current assets – other assets

	2019 US$	2018 US$
Prepayments	-	69,847

8. Property, plant & equipment

	2019 US$	2018 US$
Motor vehicles under lease	-	6,302
Accumulated depreciation	-	(1,870)
Closing carrying value	-	4,432
Office fit-out at costs	-	51,605
Accumulated depreciation	-	(7,735)
Closing carrying value	-	43,870
Office equipment at cost	63,909	98,419
Accumulated depreciation	(50,928)	(60,380)
Closing carrying value	12,981	38,039
Total property, plant & equipment	**12,981**	**86,341**

9. Intangible assets

	2019 US$	2018 US$
Patents, trademarks & licenses at costs	-	1,131
ivyKoin tokens at cost	1	1
Software development at cost	2,192,927	2,110,914
Accumulated amortisation	(1,300,983)	(1,155,177)
Impairment	(891,944)	-
Total intangible assets	**1**	**956,869**

10. Investment in associate

	2019 US$	2018 US$
Investment in associate[1]	-	99,999

[1] *Investment in associate reclassified as an asset held for resale in 2019*

11. Trade and other payables

	2019 US$	2018 US$
Unsecured liabilities		
Accounts payable	236,496	237,164

12. Provisions

	2019 US$	2018 US$
Unsecured liabilities		
Employee leave provisions	153,647	192,363

13. Current borrowings

	2019 US$	2018 US$
Altor funding	1,283,532	-
Costs of Altor funding	(233,085)	-
Total current borrowings	**1,011,599**	**-**

The cost of Altor funding including the value of options issued to Altor of US$159,295 (non cash) and cash costs of US$112,638. The borrowing costs are being amortised over the expected term of the facility (including conversion to convertible notes) being 3.5 years. Amortisation for the period was US$38,848.

14. Other current liabilities

	2019 US$	2018 US$
Other liabilities	7,592	262,466

15. Issued capital

(i) Share capital

As at 30 Jun	2019 US$	2018 US$
92,693,841 fully paid ordinary shares[1] (30 June 2018: 73,564,879)	29,582,499	26,607,205

[1] This amount excludes 6,036,457 shares (30 June 2018– 6,036,457) issued under the Loan Funded Share Plan (LFSP). These shares will be recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid.

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each is share is entitled to one vote.

(ii) Fully paid ordinary shares

	Number	US$
Balance at 30 June 2017	**71,884,410**	**25,921,888**
Exercise of options	1,720,469	686,174
Balance at 30 June 2018	**73,564,879**	**26,607,205**
July 2018 Placement	6,034,483	2,429,194
February 2019 Entitlement issue	13,207,812	566,298
February 2019 Entitlement offer – issue costs	-	(20,198)
Balance at 30 June 2019	**92,807,174**	**29,582,499**

(iii) Share options

	Vesting Conditions	2019 Number	2018 Number
Strike price A$0.49, expiry Oct 2019	No	100,000	100,000
Strike price A$0.49, expiry Oct 2020	No	100,000	100,000
Strike price A$0.40, expiry Dec 2019	No	1,500,000	1,500,000
Strike price A$1.00, expiry Dec 2019	No	-	2,100,000
Strike price A$1.50, expiry Apr 2021	Yes	-	1,000,000
Strike price A$2.35, expiry Apr 2021	Yes	-	1,500,000
Strike price A$1.00, expiry Apr 2019	Yes	-	1,270,000
Strike price A$1.00, expiry Apr 2019	No	-	1,500,000
Strike price A$0.657, expiry Dec 2020	Yes	740,000	1,450,000
Strike price A$1.00, expiry Jun 2020	No	-	250,000
Strike price A$0.92, expiry Jan 2021	Yes	500,000	790,000
Strike price A$0.01, expiry Dec 2020	No	4,000,000	-
Total options issued		**6,940,000**	**11,560,000**

16. Reserves

	2019 US$	2018 US$
Share based payment reserve	3,925,361	4,020,832
Foreign currency translation reserve	17,3679	126,675
Total reserves	**3,942,740**	**4,147,507**

(a) Share based payment reserve		
Balance at the start of the period	4,020,832	3,657,065
Options issued / vested	(95,471)	363,767
Closing balance	**3,925,361**	**4,020,832**

(b) Foreign currency translation reserve		
Opening balance	126,675	208,832
Exchange differences on translation of parent operation	(109,296)	(82,157)
Closing balance	**17,379**	**126,675**

17. Earnings per share

	2019 US$	2018 US$
Loss attributable to ordinary equity holders of Change Financial Limited	(4,764,888)	(9,047,969)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	84,171,251	72,872,544
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	84,171,251	72,872,544

18. Events occurring after the reporting period

Convertible Notes

On 31 August 2019 the loan balance with Altor was repaid with the proceeds from the issue of converting preference shares in accordance with the shareholder resolution passed at the extraordinary general meeting held on 12 February 2019.

The total value of the loan as at 31 August 2019 including capitalised and accrued interest was

As a result of this issue the amount shown as current borrowing in the balance sheet as at 30 June 2019 will become a non-current liability of the Company.

Investment in Associate

Subsequent to year end the Company received US$200,000 proceeds from the realisation of its investment in Ivy Koin LLC and Ivy Blockchain Pty Ltd.