Faktortel Holdings Pty Ltd

ACN 169 082 419

Financial Statements

For the Year Ended 30 June 2015

Faktortel Holdings Pty Ltd
ACN 169 082 419

Contents

For the Year Ended 30 June 2015

Faktortel Holdings Pty Ltd

ACN 169 082 419

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $	2013 $
Revenue	4	**3,634,894**	3,292,842	3,207,565
Other income		**17,403**	16,075	17,277
Cost of sales		**(1,351,736)**	(1,275,844)	(1,533,527)
Employee benefits expense		**(1,073,397)**	(1,098,623)	(882,379)
Depreciation and amortisation expense		**(33,415)**	(28,580)	(25,565)
Other expenses		**(451,050)**	(652,861)	(470,405)
Interest Expense		**(9,610)**	(10,551)	(8,715)
Profit before income tax		**733,089**	242,458	304,251
Income tax expense		**(214,270)**	(16,435)	(71,061)
Profit for the year		**518,819**	226,023	233,190
Items that will not be reclassified subsequently to profit or loss		**-**	-	-
Total comprehensive income for the year		**518,819**	226,023	233,190

Faktortel Holdings Pty Ltd

ACN 169 082 419

Consolidated Statement of Financial Position

As At 30 June 2015

	Note	2015 $	2014 $	2013 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	**224,314**	179,203	154,339
Trade and other receivables	6	**278,622**	382,013	249,688
Inventories	7	**8,190**	7,800	9,500
Other assets		**97,398**	102,273	81,468
TOTAL CURRENT ASSETS		**608,524**	671,289	494,995
NON-CURRENT ASSETS				
Property, plant and equipment	8	**34,794**	44,572	64,337
Intangible assets	9	**34,667**	-	-
TOTAL NON-CURRENT ASSETS		**69,461**	44,572	64,337
TOTAL ASSETS		**677,985**	715,861	559,332
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	10	**201,734**	143,359	155,185
Borrowings		**17,565**	42,880	67,843
Provision for Income tax liabilities	11	**156,048**	(13,499)	32,659
Short-term provisions	11	**11,519**	16,357	11,159
NAB loans	10(a)	**116,482**	136,255	-
TOTAL CURRENT LIABILITIES		**503,348**	325,352	266,846
NON-CURRENT LIABILITIES				
Deferred tax liabilities	12	**25,764**	-	-
TOTAL NON-CURRENT LIABILITIES		**25,764**	-	-
TOTAL LIABILITIES		**529,112**	325,352	266,846
NET ASSETS		**148,873**	390,509	292,486
EQUITY				
Issued capital	13	**120**	120	120
Retained earnings		**148,753**	390,389	292,366
TOTAL EQUITY		**148,873**	390,509	292,486

The accompanying notes form part of these financial statements.

Faktortel Holdings Pty Ltd
ACN 169 082 419

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2015

2015

	Note	Ordinary Shares $	Retained Earnings $	Total $
Balance at 1 July 2014		**120**	**390,389**	**390,509**
Profit attributable to members of the entity		**-**	**518,819**	**518,819**
Dividends paid or provided for		**-**	**(760,455)**	**(760,455)**
Balance at 30 June 2015		**120**	**148,753**	**148,873**

2014

	Note	Ordinary Shares $	Retained Earnings $	Total $
Balance at 1 July 2013		120	292,366	292,486
Profit attributable to members of the entity		-	226,023	226,023
Dividends paid or provided for		-	(128,000)	(128,000)
Balance at 30 June 2014		120	390,389	390,509

The accompanying notes form part of these financial statements.

Faktortel Holdings Pty Ltd
ACN 169 082 419

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

2013

	Note	Ordinary Shares $	Retained Earnings $	Total $
Balance at 1 July 2012		120	141,176	141,296
Profit attributable to members of the entity		-	233,190	233,190
Dividends paid or provided for		-	(82,000)	-
Balance at 30 June 2013		120	292,366	292,486

The accompanying notes form part of these financial statements.

Faktortel Holdings Pty Ltd
ACN 169 082 419

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 $	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers		**4,020,788**	3,592,126	3,512,034
Payments to suppliers and employees		**(3,124,492)**	(3,412,791)	(3,236,340)
Interest received		**1,129**	91	85
Interest paid		**(9,610)**	(10,551)	(8,715)
Income taxes paid		**(18,682)**	(62,593)	(64,097)
Net cash provided by/(used in) operating activities	16	**869,133**	106,282	202,967
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds/(loss) from sale of plant and equipment		**-**	-	(3,841)
Purchase of property, plant and equipment		**(17,568)**	(8,815)	-
Payment of subsidiary, net of cash acquired		**(40,000)**	-	-
Loans to related parties - payments made		**-**	(106,429)	(22,000)
Loans to related parties - proceeds from repayments		**39,090**	46,000	87,297
Net cash used by investing activities		**(18,478)**	(69,244)	61,456
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends paid by parent entity		**(760,455)**	(128,000)	(82,000)
Loan proceeds from financial institutions		**-**	139,551	-
Payment of borrowings		**(45,089)**	(23,725)	(120,327)
Net cash used by financing activities		**(805,544)**	(12,174)	(202,327)
Net increase/(decrease) in cash and cash equivalents held		**45,111**	24,864	62,096
Cash and cash equivalents at beginning of year		**179,203**	154,339	92,243
Cash and cash equivalents at end of financial year	5	**224,314**	179,203	154,339

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2015

The financial report covers Faktortel Holdings Pty Ltd and its controlled entities ('the Group'). Faktortel Holdings Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 **Basis of Preparation**

The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for FAKTORTEL HOLDINGS PTY LTD, a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 12 October 2015 by the directors of the company.

Special Purpose Financial Report

In the Directors opinion, the Company is not a reporting because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared for (a) the purpose of complying with the requirements the Share Sale Agreement between Impirical Pty Ltd ("Impirical") and Faktortel Holdings Pty Ltd dated 28 July 2015 ("SSA") to prepare Completion Accounts and (b) in connection with the issue of a prospectus and proposed capital raising by Impirical Pty Ltd and must not be used for any other purpose. Faktortel Holdings Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001, the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

Historical cost conventions

These financial statements have been prepared under the historical cost convention, as modified, where applicable, by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2 Summary of Significant Accounting Policies (continued)

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, Plant and Equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using therevaluation model.

Plant and equipment

Plant and equipment are measured using therevaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on astraight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date thatthe Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- available-for-sale financial assets.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Group's available-

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

for-sale financial assets include listed securities and its investment in [enter investment name].

The investment in [enter investment name] is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Group‘s financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the 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 financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Intangible Assets

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. The asset ATP net amounting $40,000 is amortised over their useful life of five years

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the company’s option, and any dividends are discretionary.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary.

2 Summary of Significant Accounting Policies (continued)

(l) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has not impacted the recognition, measurement or disclosure of transactions by the company.

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /AASB 2012-6 /AASB 2014-7 /AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of the assets measured at fair value.	The entity has not yet determined the magnitude of any changes which mat be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2018	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions

Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2015	2014	2013
	$	$	$
Sales revenue			
- provision of services	**3,634,894**	3,292,842	3,207,565
Total Revenue	**3,634,894**	3,292,842	3,207,565

(a) Other Income breakup

	2015	2014	2013
Other Income			
FBT Contributions	**16,274**	15,984	17,192
Interest Received	**1,129**	91	85
Total Other income	**17,403**	16,075	17,277

5 Cash and cash equivalents

	2015	2014	2013
Cash at bank and in hand	**224,314**	179,203	154,221
Other cash and cash equivalents	**-**	-	118
Total cash and cash equivalents	**224,314**	179,203	154,339

Notes to the Financial Statements
For the Year Ended 30 June 2015

6 Trade and other receivables

	2015 $	2014 $	2013 $
CURRENT			
Trade receivables	**124,595**	147,000	117,000
Loans to directors, managers and employees	**-**	-	86,688
GST receivable	**-**	41,896	-
Related party receivables	**-**	-	46,000
Other Assets - Related Party	**154,027**	193,117	-
Total current trade and other receivables	**278,622**	382,013	249,688

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Inventories

	2015	2014	2013
CURRENT			
At cost:			
Stock on Hand - at Cost	**8,190**	7,800	9,500
Total Inventories	**8,190**	7,800	9,500

Write downs of inventories to net realisable value during the year were $ NIL, (2014: $ NIL), (2013: $ NIL)

Notes to the Financial Statements

For the Year Ended 30 June 2015

8 Property, plant and equipment

	2015	2014	2013
	$	$	$
Plant and Equipment			
At cost	**75,208**	75,208	66,393
Accumulated depreciation	**(66,608)**	(51,988)	(37,898)
Total plant and equipment	**8,600**	23,220	28,495
Motor Vehicles			
At cost	**87,660**	70,095	70,095
Accumulated depreciation	**(61,466)**	(48,743)	(34,253)
Total motor vehicles	**26,194**	21,352	35,842
Leasehold Improvements			
At cost	**-**	-	11,120
Accumulated amortisation	**-**	-	(11,120)
Total plant property and equipment	**34,794**	44,572	64,337

9 Intangible Assets

	2015	2014	2013
Patents, trademarks and other rights			
Cost	**40,000**	-	-
Accumulated amortisation and impairment	**(5,333)**	-	-
Net carrying value	**34,667**	-	-
Total Intangibles	**34,667**	-	-

(a) Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights	Total
	$	$
Year ended 30 June 2015		
Additions	**40,000**	**40,000**
Amortisation	**(5,333)**	**(5,333)**
Closing value at 30 June 2015	**34,667**	**34,667**

Notes to the Financial Statements
For the Year Ended 30 June 2015

10 Trade and other payables

	2015 $	2014 $	2013 $
CURRENT			
Secured Liabilities			
Trade payables	**132,409**	126,104	118,214
GST payable	**57,433**	-	36,971
Other payables	**11,892**	17,255	-
Trade and other payables	**201,734**	143,359	155,185

(a) Financial liabilities loans

	2015 $	2014 $	2013 $
Financial Liabilities (Loans):			
NAB loan	**116,482**	136,255	-
	116,482	136,255	-
Less:			
Financial liabilities (Loans)	**116,482**	136,255	-

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

11 Provisions

	2015	2014	2013
CURRENT			
Provisions for Employee Entitlements	**11,519**	16,357	11,159
Provision for Income Tax	**156,048**	(13,499)	32,659
Total Provisions	**167,567**	2,858	43,818

Notes to the Financial Statements
For the Year Ended 30 June 2015

12 Other liabilities

CURRENT

	2015 $	2014 $	2013 $
NON-CURRENT			
Deferred tax liabilities	**25,764**	-	-

13 Issued Capital

120 (2004: 120) Ordinary shares	**120**	120	120

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

14 Capital and Leasing Commitments

(a) Operating Leases

Lease rentals on operating lease	**46,926**	68,410	77,986

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2015, (30 June 2014: None), (30 June 2013: None).

Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2015	2014	2013
	$	$	$
Operating Profit (loss) after income tax	**518,819**	226,023	233,190
Cash flows excluded from profit attributable to operating activities	**-**	-	-
- amortisation	**5,333**	-	185
- depreciation	**28,082**	28,580	25,380
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
- (increase)/decrease in trade and other receivables	**27,668**	(30,000)	(16,288)
- (increase)/decrease in other receivables (incl GST)	**85,861**	(169,130)	17,564
- (increase)/decrease in inventories	**(390)**	1,700	(3,470)
- increase/(decrease) in other creditors and accruals (incl GST)	**6,982**	82,179	(60,440)
- increase/(decrease) in trade and other payables	**6,305**	7,890	(11,277)
- increase/(decrease) in income taxes payable	**169,547**	(46,158)	6,964
- increase/(decrease) in provisions	**25,764**	-	-
- increase/(decrease) in employee benefits	**(4,838)**	5,198	11,159
Total Cash flow from operating activities	**869,133**	106,282	202,967

17 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

18 Company Details

The registered office of the company is:
Faktortel Holdings Pty Ltd

The principal places of business are:
E2 Level 4,
140 Bundall Road,
Bundall QLD 4217.

Faktortel Holdings Pty Ltd
ACN 169 082 419

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 2 to 20:

   (a) comply with Accounting Standards as stated in Note 2; and

   (b) give a true and fair view of the Company's financial position as at 30 June 2013, 30 June 2014, 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

Dated: 29 October 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FAKTORTEL HOLDINGS PTY LTD

Report on the Audited Financial Report

We have the following components of the accompanying Financial Statements, being a special purpose financial report, of Faktortel Holdings Pty Ltd ("the company") and its controlled entities ("the consolidated entity"): the consolidated statements of financial position as at 30 June 2014 and 30 June 2015, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information in respect thereof, and the directors' declaration of the company and 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 (together "the Audited Financial Report"). The Audited Financial Report has been prepared by the Company based on the financial reporting provisions of the Share Sale Agreement dated 28 July 2015 between Impirical Pty Ltd and A R Cowling and C J Cowling ("the Contract").

The accompanying Financial Statements also include the consolidated balance sheet as at 30 June 2013, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 June 2013 and 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information in respect thereof which are subject to a separate review report.

Directors' Responsibility for the Audited Financial Report

The directors of the company are responsible for the preparation of the Audited Financial Report (a) that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 to the Audited Financial Report and (b) in accordance with the financial reporting provisions of the Contract. The directors have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Contract and the needs of the users. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of an Audited Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Audited 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 whether the Audited Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Audited Financial Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Audited Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Audited Financial Report 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 entity'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 Audited Financial Report.

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

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

Opinion

In our opinion, the Audited Financial Report of Faktortel Holdings Pty Ltd, in all material respects:

(a) presents fairly the financial position of the consolidated entity as at 30 June 2014 and 30 June 2015 and its financial performance and cash flows for the year ended 30 June 2015 in accordance with the accounting policies described in Note 1 to the financial statements; and

(b) is prepared in accordance with the financial reporting provisions of the Contract.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Audited Financial Report, which describes the basis of accounting. The Audited Financial Report is prepared to assist Faktortel Holdings Pty Ltd to comply with the financial reporting provisions of the Contract referred to above and for use in the issue of a prospectus and proposed capital raising by Over the Wire Holdings Limited (formerly Impirical Pty Ltd). As a result, the Audited Financial Report may not be suitable for another purpose. Our report is intended solely for Faktortel Holdings Pty Ltd, A R Cowling and C J Cowling and Over the Wire Holdings Limited and should not be distributed to or used by parties other than Faktortel Holdings Pty Ltd, A R Cowling and C J Cowling or Over the Wire Holdings Limited.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 29 October 2015

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT TO THE MEMBERS OF FAKTORTEL HOLDINGS PTY LTD

Report on the Reviewed Financial Report

We have reviewed the following components of the accompanying Financial Statements, being a special purpose financial report, of Faktortel Holdings Pty Ltd ("the company") and its controlled entities ("the consolidated entity"): the consolidated balance sheet as at 30 June 2013, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 June 2013 and 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information in respect thereof, and the directors' declaration of the company and 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 (together "the Reviewed Financial Report"). The Reviewed Financial Report has been prepared by the Company based on the financial reporting provisions of the Share Sale Agreement dated 28 July 2015 between Impirical Pty Ltd and A R Cowling and C J Cowling ("the contract").

The accompanying Financial Statements also include the consolidated balance sheets as at 30 June 2014 and 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information in respect thereof which are subject to a separate independent audit report.

Directors' Responsibility for the Reviewed Financial Report

The directors of the company are responsible for the preparation of the Reviewed Financial Report (a) that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 to the Reviewed Financial Report and (b) in accordance with the financial reporting provisions of the contract. The directors have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the contract and the needs of the users. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a Reviewed Financial Report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the Reviewed Financial Report. We conducted our review in accordance with Standard on Review Engagements ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the Reviewed Financial Report, taken as a whole, are not presented, in all material respects, in accordance with the accounting policies disclosed in Note1 to the financial statements. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Reviewed Financial Report of Faktortel Holdings Pty Ltd does not present fairly, in all material respects, the financial position of the company as at 30 June 2013, and of its financial performance for the years ended 30 June 2013 and 30 June 2014, in accordance with the accounting policies disclosed in Note1 to the financial statements.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Reviewed Financial Report, which describes the basis of accounting. The Reviewed Financial Report is prepared for use in the issue of a prospectus and proposed capital raising by Over the Wire Holdings Limited (formerly Impirical Pty Ltd). As a result, the Reviewed Financial Report may not be suitable for another purpose. Our report is intended solely for Faktortel Holdings Pty Ltd, A R Cowling and C J Cowling and Over the Wire Holdings Limited and should not be distributed to or used by parties other than Faktortel Holdings Pty Ltd, A R Cowling and C J Cowling or Over the Wire Holdings Limited.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 29 October 2015