



amaysim Australia Pty Ltd

ABN 65 143 613 478

Special Purpose Financial Statements

For the year ended 30 June 2013

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# amaysim Australia Pty Ltd

## Directors' Report

The Directors of amaysim Australia Pty Ltd (amaysim) (ABN 65 143 613 478), present their report together with the financial report of the group and its controlled entities (the Group) for the year ended 30 June 2013.

### Directors

The Directors of the Group during the period and up to the date of this report are shown below. Directors were in office for this entire period except where stated otherwise:

	Appointment Date
PETER O'CONNELL	12 May 2010
ROLF HANSEN	12 May 2010
THORSTEN KRAEMER	6 August 2010
MALTE VON DER ROPP	6 August 2010
THOMAS FALK	16 August 2010
SAAD RAJA	15 March 2011
CHRISTIAN MAGEL	15 March 2011
ANDREAS PERREITER	23 March 2013
GEORGE SIDJIMKOV (Alternate Director)	15 March 2011
THOMAS ENGE (Alternative Director)	23 March 2013

### Principal Activity

The principal activity of the Group is the provision of mobile services.

### Operating Result

The group's operating loss after providing for income tax for the period ended 30 June 2013 was \$9,493,294

### Dividends

The directors have not recommended any payment of dividends for the current financial period.

### Significant Changes in the State of Affairs

There are no significant changes in the state of affairs for the period ended 30 June 2013.

### Significant Events After the Balance Date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of its operations or its state of affairs, which is not already reflected in this report other than the formation of a wholly owned subsidiary in a large international capital market.

The Group has successfully raised \$US3m (\$AU3.27m) in convertible notes from existing shareholders to support the set up costs of an expansion and the set up of a new subsidiary. As at the date of this report \$AU1.4m in costs had been committed related to the market feasibility study, formation and advisory costs for the establishment of the subsidiary. The Directors are not able to quantify the potential benefit of the new business venture, and no exposure to the Group apart from those costs already committed to.

### Going Concern Assumption

The consolidated entity was successful in achieving positive cash flow during 2012/2013 and the directors have therefore prepared the financial report on a going concern basis. The directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2013. Accordingly, 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 company and the consolidated entity not continue as going concern.

# amaysim Australia Pty Ltd

## Directors' Report

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### **Likely Developments and Expected Results**

In the opinion of the directors, disclosure of information regarding likely developments in the operations of the Group and the expected results of those operations in subsequent financial periods would be likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in the report.

### **Environmental Regulation and Performance**

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### **Indemnification and Insurance of Directors and Officers**

The group indemnifies, to the extent permitted by law, all officers of the group, (including the directors), for any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as an officer of the Group.

This indemnity is not extended to current or former employees of the Group against liability incurred in their capacity as an employee unless approved by the Board of amaysim Australia Pty Ltd. During or since the end of the financial year, no such indemnities have been provided.

During the financial year, the Group agreed to insure all the officers of the Group against certain liabilities as permitted by the Corporations Act. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

During the financial year amaysim paid premiums in respect of a contract insuring all the directors against costs incurred in defending proceedings for conduct involving:

- (i) a wilful breach of duty; or
- (ii) a contravention of Sections 182 or 183 of the Corporations Act 2001 as permitted by Section 199B of the Corporations Act 2001

Insurance contract premiums have been paid but not disclosed due to a confidentiality clause in the insurance contract.

### **Proceedings on behalf of the company**

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

No proceedings have been brought or intervened in on behalf of the group with leave of the Court under section 237 of the Corporations Act 2001.

### **Auditor independence**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

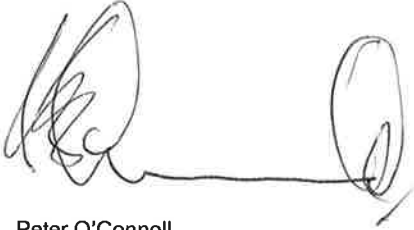
### **Auditor**

PwC continues in office in accordance with section 327 of the Corporations Act 2001.

### **Rounding**

The amounts contained in this report and in the financial report have been rounded under the option available to the Group under ASIC Class Order 98/100. The Group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Peter O'Connell', with a large, stylized flourish at the end.

Peter O'Connell  
Chairman and Director  
Dated 19 September 2013, Sydney

A handwritten signature in black ink, appearing to read 'Rolf Hansen', with a large, stylized flourish at the end.

Rolf Hansen  
Chief Executive Officer and Director  
Dated 19 September 2013, Sydney



## Auditor's Independence Declaration

As lead auditor for the audit of amaysim Australia Pty Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the *audit*; and
- b) no contraventions of any applicable code of professional conduct in relation to the *audit*.

This declaration is in respect of amaysim Australia Pty Ltd and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S Prakash', with a horizontal line extending to the right.

Sumanth Prakash  
Partner  
PricewaterhouseCoopers

Sydney  
19 September 2013

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# amaysim Australia Pty Ltd

## Preliminary Note

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This financial statement covers the consolidated entity consisting of amaysim Australia Pty Ltd and its controlled entities.

amaysim Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principle place of business is:

Level 6  
17-19 Bridge Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and principal activities is included in the directors' report on pages 3 - 5.

The financial statements were authorised for issue by the directors on 19 September 2013.

The company has the power to amend and reissue the financial statements.

The financial statements are presented in the Australian currency.

amaysim Australia Pty Ltd

Consolidated Statement of Comprehensive Income  
For the year ended 30 June 2013

	Notes	2013 \$'000	Consolidated 2012 \$'000
<b>REVENUE</b>			
Service revenue	2	70,373	30,546
Other revenue	2	3,091	2,151
<b>Total revenue</b>		<b>73,464</b>	<b>32,697</b>
Other income		110	10
<b>EXPENSES</b>			
Network related expenses	3	(57,619)	(25,532)
Employee benefits expense		(12,506)	(10,966)
Marketing expenses		(5,715)	(9,220)
Depreciation and amortisation expense	3,7,8	(1,507)	(1,292)
Other expenses		(5,638)	(4,629)
Finance costs	3	(42)	(38)
<b>Total expenses</b>		<b>(83,027)</b>	<b>(51,677)</b>
<b>(Loss) before income tax</b>		<b>(9,453)</b>	<b>(18,970)</b>
(Income tax expense) / Income tax credit		(40)	657
<b>Loss attributable to members of amaysim Australia Pty Ltd</b>		<b>(9,493)</b>	<b>(18,313)</b>
Other comprehensive income for the year net of tax		-	-
<b>Total comprehensive income for the year attributable to members of amaysim Australia Pty Ltd</b>		<b>(9,493)</b>	<b>(18,313)</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



amaysim Australia Pty Ltd

Consolidated Balance Sheet  
As at 30 June 2013

	Notes	2013 \$'000	Consolidated 2012 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,326	1,358
Trade and other receivables	5	3,383	2,969
Other current assets	6	179	248
<b>Total current assets</b>		<b>4,888</b>	<b>4,575</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,201	1,728
Intangible assets	8	1,073	950
Other non-current assets	9	1,119	1,398
<b>Total non-current assets</b>		<b>3,393</b>	<b>4,076</b>
<b>TOTAL ASSETS</b>		<b>8,281</b>	<b>8,651</b>
<b>CURRENT LIABILITIES</b>			
Trade and other creditors	10	26,336	17,615
Lease liabilities	12	174	186
Provisions	11	300	237
<b>Total current liabilities</b>		<b>26,810</b>	<b>18,038</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	12	364	589
Other payables	13	2,966	2,460
Provisions	11	188	118
<b>Total non-current liabilities</b>		<b>3,518</b>	<b>3,167</b>
<b>TOTAL LIABILITIES</b>		<b>30,328</b>	<b>21,205</b>
<b>NET ASSETS</b>		<b>(22,047)</b>	<b>(12,554)</b>
<b>EQUITY</b>			
Accumulated losses		(54,064)	(44,571)
Contributed equity	14	32,017	32,017
<b>TOTAL EQUITY / (DEFICIENCY OF EQUITY)</b>		<b>(22,047)</b>	<b>(12,554)</b>

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

amaysim Australia Pty Ltd

Consolidated Statement of Cash Flows  
For the year ended 30 June 2013

	Notes	2013 \$'000	Consolidated 2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		73,050	31,562
Payments to suppliers and to employees (inclusive of GST)		(71,726)	(38,693)
Borrowing costs		(42)	(38)
Interest received		110	253
Income tax receipts		(40)	657
<b>Net cash inflow/(outflow) from operating activities</b>	16	<u>1,352</u>	<u>(6,259)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(145)	(298)
Payment for intangible assets	8	(1,002)	(364)
<b>Net cash outflow from investing activities</b>		<u>(1,147)</u>	<u>(662)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity raising	14	-	6,000
Proceeds/(repayment) of leases		(237)	(180)
<b>Net cash (outflow)/inflow from investing activities</b>		<u>(237)</u>	<u>5,820</u>
<b>Net decrease in cash and cash equivalents held</b>	4	(32)	(1,101)
Cash and cash equivalents at beginning of the year		<u>1,358</u>	<u>2,459</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4	<u>1,326</u>	<u>1,358</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

amaysim Australia Pty Ltd

Consolidated Statement of Changes in Equity  
For the year ended 30 June 2013

	Contributed Equity \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance at 1 July 2011</b>	26,017	(26,258)	(241)
Loss for the year	-	(18,313)	(18,313)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	(18,313)	(18,313)
<b>Transactions with owners in their capacity as owners:</b>			
Contributions of equity	6,000	-	6,000
<b>Balance at 30 June 2012</b>	<b>32,017</b>	<b>(44,571)</b>	<b>(12,554)</b>
Loss for the year	-	(9,493)	(9,493)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>(9,493)</b>	<b>(9,493)</b>
<b>Transactions with owners in their capacity as owners:</b>			
Contributions of equity	-	-	-
<b>Balance at 30 June 2013</b>	<b>32,017</b>	<b>(54,064)</b>	<b>(22,047)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## 1. Summary of accounting policies

The principal accounting policies applied in the preparation of the financial report are set out below.

### (a) Basis of Preparation

In the directors' opinion, the group is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

#### (i) Historical cost convention

The financial report is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

#### (ii) Financial statement presentation

The financial report has been prepared in accordance with AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031 Materiality and AASB 1048 Interpretation and Application of Standards, which apply to all entities required to prepare financial reports under the Corporations Act 2001, and other applicable Accounting Standards and Interpretations with the exception of the disclosure requirements in the following:

AASB 2 - Share-based Payment  
AASB 3 - Business Combinations  
AASB 5 - Non-current Assets Held for Sale and Discontinued Operations  
AASB 7 - Financial Instruments: Disclosures  
AASB 114 - Segment Reporting  
AASB 124 - Related Party Disclosures 10,11  
AASB 139 - Financial Instruments: Recognition and Measurement

#### *New and amended standards adopted by the group*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

#### *Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

The group is not expecting the adoption of the new standard to have a significant impact in either the current or the next reporting period.

The Group will apply the new standard when it becomes operative, being from 1 July 2013.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### *Early adoption of standards*

The directors' of amaysim have not elected early adoption of standards as they have no material impact on the financial report.

**1. Summary of accounting policies (continued)**

**(a) Basis of Preparation (continued)**

*Critical accounting estimates*

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. However, the areas involving a degree of judgement, or areas where assumptions and estimates have not been deemed significant to the financial statements.

**(b) Continuation as a going concern**

The directors believe that the consolidated entity, consisting of amaysim Australia Pty Ltd and its wholly owned subsidiary amaysim Services Pty Ltd, will be successful in generating positive cash flow during 2013/2014 and have therefore prepared the financial report on a going concern basis. Detailed cash flow forecasts for the period to 31 December 2014 have been prepared by the directors. The cash flow forecasts show the continuing viability of the consolidated entity to meet its debts and commitments as they fall due.

As at June 30 2013, the consolidated entity has incurred a loss of \$9.5m, improving from prior year's loss of \$18.9m, and a deficiency in working capital of \$21.9m.

amaysim Australia has achieved a critical mass of customers to ensure cash flows from operations will exceed cash outgoings on a sustainable basis, and has generated an operating cash inflow of \$1.4m in the 12 months to 30 June 2013.

The directors have prepared detailed cash flow forecasts for the period to 31 December 2014. The detailed cash flow forecasts are based on the assumption of:

- Customer base growth of 49% year on year, in line with historical trends, and supported by opportunities in the Australian market.
- Improving marketing efficiency by reducing overall marketing investment from 11% of Service Revenue in FY2013 to 7% in FY2014.
- A repayment on due course of the current liabilities, which will be replaced by new generated debts of the same nature, based on business growth.

These cash flow forecasts show that the consolidated entity will generate positive cash flows from operations of \$14.2m for the period to 31 December 2014 which will enable its obligations to be met.

The continuing viability of consolidated entity and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the consolidated entity being successful in achieving the cash flow forecasts, by maintaining a regular growth in customer base, which, combined with amaysim's subscription business model, will generate increasing positive cash flows.

The group is in the process of launching a new international subsidiary in a large international capital market.

The viability of plans to launch this new international subsidiary in early 2014 and its ability to then continue as a going concern and meet its debts and commitments as they fall due are dependent upon the entity being successful in raising \$US50m in additional funding for the launch. The directors believe this funding will be sufficient to provide the new subsidiary with cash required to launch the venture; provide marketing support; and, ongoing support until the customer base reaches critical mass. Once critical mass is achieved the new entity will be able to meet its debts and commitments as they fall due from operating cash flow.

As at August 29 2013, the consolidated entity successfully raised \$US3m in convertible notes from existing shareholders. These notes will be utilised to cover costs incurred during the initial start-up phase of the subsidiary. The material terms of the convertible notes are:

- Interest rate of 12% per annum
- Term of 9 months and convert to equity in amaysim Australia Pty Ltd if fundraising mentioned above is successful in raising \$US50m to complete the US subsidiary full launch
- If \$US50m is unsuccessful, the \$3m notes are converted to debt and repayable to shareholders over a 2 year period. This repayment schedule will not put pressure on liquidity of the company and its ability to repay its debts, based on the 2014 cash flow forecasts.

**1. Summary of accounting policies (continued)**

**(b) Continuation as a going concern (continued)**

The directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2013. Accordingly, 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 company and the consolidated entity not continue as going concern.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors believe that the Company will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

**(c) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of amaysim Australia Pty Ltd ("parent entity") as at 30 June 2013 and the results of all subsidiaries for the year ended on that date. The parent and its subsidiaries are referred to in the financial report as the consolidated entity of the Group.

Subsidiaries are all those entities (including special purpose entities) over which the parent entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the parent entity. Subsidiaries are fully consolidated from the date on which control is transferred.

All transactions and balances between the parent entity and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

**(d) Significant Accounting Judgements, Estimates and Assumptions**

The Group may make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Assumptions made at each balance date are based on best estimates at that date. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events.

*(i) Significant accounting judgements*

In the process of applying the Group's accounting policies, management has determined that judgements, apart from those involving estimations, do not have significant effects on the amounts recognised in the financial statements.

*(ii) Significant accounting estimates and assumptions*

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Management has determined there are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next annual reporting year.

**(e) Revenue and Receivables**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

*(i) Service revenue*

Service revenues are recognised based on customer usage. When a customer uses the amaysim sim card to make voice, sms and/or other services this will trigger revenue being recognised for customers on the As You Go product. Revenue from the Unlimited plan and data bolt-on are recognised on a straight line basis over the period after the plan is bought. Revenue from the Flexi plan is recognised based on customer usage and expiry of Flexi credits.

**1. Summary of accounting policies (continued)**

**(e) Revenue and Receivables (continued)**

*(ii) Interest revenue*

Interest revenues are recognised when interest becomes receivable. All interest revenue within the financial statements are from cash held at bank and term deposits.

**(f) Expenses**

All expenses including rates and taxes, and other outgoings are recognised in the Consolidated Statement of comprehensive income on an accruals basis.

**(g) Property Plant and Equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter of lease terms or as follows:

- Leasehold Improvements	5 years
- Office Equipment	4 years
- EDP Equipment	3 years
- Telecommunication Equipment	3-4 years
- Furniture, fittings and equipment	2 years
- Leased plant and equipment	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**(h) Intangible assets - Acquired Software**

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to financial benefits in future years through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over years generally ranging from 2.5 to 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

**(i) Leases - operating and finance leases**

Amaysim has two types of leases as follows:

*(i) Operating Leases*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of comprehensive income on a straight-line basis over the period of the lease.

**1. Summary of accounting policies (continued)**

**(i) Leases - operating and finance leases (continued)**

*(i) Operating Leases (continued)*

The operating leases consist of the building leases for the 3 levels amaysim currently holds with Bridgelane Holdings. The lease is recognised as an expense in year the rent relates to. Currently the Lease for 2 of the levels are for 5 years ending 30 September 2015 with the remaining level extended on the 1<sup>st</sup> April 2013 to coincide with the 30 September 2015 expiry.

In accordance with their lease agreements with the lessor, the group must make good the leased premises before 30 September 2015.

Because of the long-term nature of the liability, the significant uncertainty in estimating the provision is the costs that will ultimately be incurred. The provision has been estimated based on cost per square metre and number of square metres occupied.

*(ii) Finance Leases*

The finance leases consist of the motor vehicles acquired for the 5 founders of amaysim. The lease is capitalised as an asset under "Leased Assets - MV". The value of the asset is depreciated over the 4 year useful life of the lease.

During the course of period ended 30 June 2013 1 of the motor vehicles was disposed. The disposal value was \$54,545 and a carrying value of \$44,149.

**(j) Employee benefits**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the Current Provisions. All other short-term employee benefit obligations are presented as payables.

*(ii) Retirement benefit obligations*

All employees of amaysim are entitled to benefits of the 9% statutory superannuation guarantee. This increases to 9.25% from 1 July 2013. All entitlements are settled monthly with the employees nominated superannuation fund. Contributions to the superannuation funds are recognised as an expense as they become payable.

**(k) Leasing Incentives**

Leasing incentives, are capitalised upon receipt and recognised in the Statement of comprehensive income over the life of the lease.

**(l) Cash and Cash Equivalents**

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include highly liquid investments which are readily convertible to cash on hand at the Directors' option and which the Group uses in its day to day management of the Group's cash requirements.

**(m) Payables**

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Payables are measured at their fair value. Amounts are generally paid within 30 days of being recorded as payables.

*(i) Optus activation fee liability*

Activation fees are recognised on terms in accordance with the Optus agreements and are due one month and 21 days after each month. The receipt of activation fees is recognised as a liability in the month the fee becomes receivable. This liability then reduces as access fees become payable to Optus over the lesser of 24 months from customer start date or on customer disconnection.



**1. Summary of accounting policies (continued)**

**(n) Contributed Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in consolidated statement of comprehensive income as part of other expenses.

**(o) Taxation**

Under current legislation, the Group is not liable to pay income tax since, the group has a reportable loss for the current financial year. No deferred tax asset will be recognised until it is probable reportable gains will arise in future years.

**(p) Dividends**

The directors have not recommended any payment of dividends for the current financial year.

**(q) Goods and Services Tax**

All revenues, expenses and assets are recognised net of any GST paid, except where they relate to products and services which are input taxed for GST purposes or the GST incurred is not recoverable from the relevant tax authorities. In such circumstances, the GST paid is recognised as part of the cost of acquisition of the assets or as part of the particular expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the Consolidated Balance Sheet.

Cash flows are reported on a gross basis reflecting any GST paid or collected. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, local tax authorities are classified as operating cash flows.

**(r) New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting years. The group's assessment of the impact of these new standards is that they either do not apply to the Group or if they do apply will not materially impact the financial reports.

**(s) Parent Entity Financial Information**

The financial information for the parent entity, amaysim Australia Pty Ltd, disclosed in note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

*(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of amaysim Australia Pty Ltd.

*(ii) Tax consolidation legislation*

amaysim Australia Pty Ltd and its wholly-owned Australian controlled entities are in the process of implementing the tax consolidation legislation. During period ended 30 June 2013 the entities were not part of a tax consolidated group.

*(iii) Financial guarantees*

The parent entity has not provided any financial guarantees in relation to loans and payables of its subsidiaries

**(t) Rounding**

Where indicated, the amounts in the financial report have been rounded to the nearest thousand dollars, under the option available to the Group under ASIC Class Order 98/100.

amaysim Australia Pty Ltd

Notes to the Financial Statements  
For the year ended 30 June 2013

	amaysim Group	
	Year ended 30 June	
	2013	2012
	\$'000	\$'000
<b>2. Revenue</b>		
From continuing operations		
<i>Service revenue</i>		
Service revenue	70,373	30,546
	<u>70,373</u>	<u>30,546</u>
<i>Other revenue</i>		
Other service revenue	2,981	1,898
Interest income	110	253
	<u>3,091</u>	<u>2,151</u>
<b>Total Revenue</b>	<b>73,464</b>	<b>32,697</b>
<b>3. Loss from ordinary activities</b>		
Loss before income tax includes the following specific expenses:		
<i>Network related expenses</i>	57,619	25,532
<i>Depreciation (by category)</i>		
Leasehold Improvement	281	281
Office Equipment	6	5
EDP Equipment	191	158
Telecommunication Equipment	25	19
Furniture & Fittings	2	-
Leased Assets - MV	123	137
	<u>628</u>	<u>600</u>
<i>Amortisation (by category)</i>		
Acquired Software	879	692
	<u>879</u>	<u>692</u>
<i>Finance costs</i>		
Interest Charges	42	38
<i>Operating lease expense</i>		
Lease - Office Complex	891	890
Lease - Office Equipment	19	20
	<u>910</u>	<u>910</u>
<i>Defined contribution superannuation expense</i>	673	605
<i>Bad Debts written off</i>	151	125
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents		
Cash and cash equivalents	1,326	1,358
<b>Total Cash and cash equivalents</b>	<u><b>1,326</b></u>	<u><b>1,358</b></u>

amaysim Australia Pty Ltd

Notes to the Financial Statements  
For the year ended 30 June 2013

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	amaysim Group	
	Year ended 30 June	
	2013	2012
	\$'000	\$'000
<b>5. Trade and other receivables</b>		
Trade and other receivables		
Trade debtor	1,146	1,010
Other receivables	2,346	2,037
Provision for Doubtful Debts	(109)	(78)
<b>Total Trade and other receivables</b>	<b>3,383</b>	<b>2,969</b>
<b>6. Other current assets</b>		
Other current assets		
Prepayments	179	248
<b>Total Other current assets</b>	<b>179</b>	<b>248</b>

amaysim Australia Pty Ltd

Notes to the Financial Statements  
For the year ended 30 June 2013

7. Property, plant and equipment

Property, plant and equipment	Leasehold Improvement \$'000	Office Equipment \$'000	EDP Equipment \$'000	Telecommunication Equipment \$'000	Furniture & Fittings \$'000	Leased Assets - MV \$'000	Total \$'000
<b>Year ended 30 June 2012</b>							
Opening net book amount	1,219	3	327	16	3	462	2,030
Additions	45	19	152	80	2	-	298
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-
Depreciation charge	(281)	(5)	(158)	(19)	-	(137)	(600)
Closing net book amount	983	17	321	77	5	325	1,728
<b>Year ended 30 June 2013</b>							
Opening net book amount	983	17	321	77	5	325	1,728
Additions	-	10	88	21	26	-	145
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	(44)	(44)
Depreciation charge	(281)	(6)	(191)	(25)	(2)	(123)	(628)
Closing net book amount	702	21	218	73	29	158	1,201

8. Intangible assets

Property, plant and equipment	Acquired Software \$'000	Total \$'000
<b>Year ended 30 June 2012</b>		
Opening net book amount	1,278	1,278
Additions	364	364
Assets included in a disposal group classified as held for sale and other disposals	-	-
Amortisation charge	(692)	(692)
Closing net book amount	950	950
<b>Year ended 30 June 2013</b>		
Opening net book amount	950	950
Additions	1,002	1,002
Assets included in a disposal group classified as held for sale and other disposals	-	-
Amortisation charge	(879)	(879)
Closing net book amount	1,073	1,073

# amaysim Australia Pty Ltd

## Notes to the Financial Statements For the year ended 30 June 2013

	amaysim Group	
	Year ended 30 June	
	2013	2012
	\$'000	\$'000
<b>9. Other non-current assets</b>		
Other non-current assets		
Secured deposits	1,119	1,398
<b>Total Other non-current assets</b>	<u>1,119</u>	<u>1,398</u>

### 10. Trade and other payables

<b>Trade and other payables</b>		
Trade creditors	7,686	8,048
Optus activation fee liability	7,548	5,834
Prepaid Recharges	3,222	1,599
Other creditors	7,880	2,134
<b>Total Trade and other creditors</b>	<u>26,336</u>	<u>17,615</u>

Trade and other payable are mostly structured terms, and are not due as at 30 June 2013.

#### Terms and Conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade payables and other creditors are non-interest bearing.

### 11. Provisions

<b>Current Provisions</b>		
Provision for employee entitlements	300	237
<b>Total Current Provisions</b>	<u>300</u>	<u>237</u>
<b>Non current Provisions</b>		
Provision for make good	188	118
<b>Total Non current Provisions</b>	<u>188</u>	<u>118</u>

### 12. Lease Liabilities

<b>Current Lease liabilities</b>		
Lease Liabilities - MV	89	112
Lease Liabilities - MV Interest	(21)	(32)
Lease Liabilities - Incentives	106	106
<b>Total Current Lease liabilities</b>	<u>174</u>	<u>186</u>
<b>Non current Lease liabilities</b>		
Lease Liabilities - MV	230	374
Lease Liabilities - MV Interest	(7)	(32)
Lease Liabilities - Incentives	141	247
<b>Total Non current Lease liabilities</b>	<u>364</u>	<u>589</u>

# amaysim Australia Pty Ltd

## Notes to the Financial Statements For the year ended 30 June 2013

	amaysim Group	
	2013	2012
	\$'000	\$'000
<b>13. Non-current other payables</b>		
<b>Non-current other payables</b>		
Optus Activation Fee Liability	2,966	2,460
<b>Total</b>	<u>2,966</u>	<u>2,460</u>

### Terms and Conditions

Terms and conditions relating to the above liability:

- (i) other payables are non-interest bearing and are repayable in greater than 12 months.

## 14. Contributions of equity

<b>Contributions of equity</b>		
Opening contributions of equity	32,017	26,017
Contributions of equity	-	6,000
<b>Total Contributions of equity</b>	<u>32,017</u>	<u>32,017</u>

### (a) Ordinary Shares

All contributions of equity in amaysim Australia Pty Ltd is in the form of ordinary shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and all shares in amaysim Australia are fully paid.

Upon a poll each ordinary share is entitled to one vote. At 30 June 2013 there were 1,116,015 ordinary shares issued.

## 15. Contingent liabilities

The directors are of the opinion that provisions are not required in respect of any contingent matters, as for any of these matters it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

## 16. Statement of cash flow

### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and cash on deposit.

Cash and cash equivalents	1,326	1,358
	<u>1,326</u>	<u>1,358</u>

# amaysim Australia Pty Ltd

## Notes to the Financial Statements For the year ended 30 June 2013

	amaysim Group	
	2013	2012
	\$'000	\$'000
<b>16. Statement of cash flow (continued)</b>		
<b>(b) Reconciliation of operating loss after tax to the net cash flows from operations</b>		
Net loss	(9,493)	(18,313)
Adjustments for:		
Depreciation and amortisation	1,507	1,292
Net loss/(profit) on sale non-current assets	44	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	(414)	(892)
(Increase)/decrease in prepayments	59	(152)
(Increase)/decrease in other assets	289	581
Increase/(decrease) in trade creditors	8,721	11,259
Increase/(decrease) in other payables	506	(166)
Increase/(decrease) in other provisions	133	132
<b>Net cash from operating activities</b>	<b>1,352</b>	<b>(6,259)</b>

## 17. Commitments

### (a) Lease commitments: group as lessee

#### (i) Non-cancellable operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	1,040	919
Later than one year but not later than five years	1,472	1,808
Later than five years	-	-
<b>Minimum lease payments</b>	<b>2,512</b>	<b>2,727</b>

#### (ii) Non-cancellable operating leases

The group leases 4 motor vehicles with a carrying amount of \$157,524 under finance leases expiring within 4 years. At the conclusion of the lease terms the group has the option to acquire the leased assets for \$230,000. A fifth vehicle was sold in December 2012 and the lease liability released.

Commitments in relation to finance leases are payable as follows:

Within one year	89	112
Later than one year but not later than five years	230	374
<b>Minimum lease payments</b>	<b>319</b>	<b>486</b>
Future finance charges	(28)	(64)
<b>Recognised as a liability</b>	<b>291</b>	<b>422</b>

# amaysim Australia Pty Ltd

## Notes to the Financial Statements For the year ended 30 June 2013

	amaysim Group	
	Year ended 30 June	
	2013	2012
	\$'000	\$'000
<b>18. Parent entity financial information</b>		
<b>(a) Summary financial information</b>		
The individual financial statements for the parent entity show the following aggregate amounts:		
<b>Balance sheet</b>		
Current assets	3,814	3,779
Total assets	7,595	8,199
Current liabilities	26,124	17,591
Total liabilities	29,642	20,753
<i>Shareholders' equity</i>		
Issued capital	32,017	32,017
Accumulated losses	<u>(54,064)</u>	<u>(44,571)</u>
	<u>(22,047)</u>	<u>(12,554)</u>
Loss for the year	<u>(9,493)</u>	<u>(18,313)</u>
Total comprehensive income	<u>(9,493)</u>	<u>(18,313)</u>
	2013	2012
	\$	\$

### 19. Remuneration of auditors

Remuneration for audit of the financial report of the group:

<b>Audit services</b>		
Auditors of the group		
PricewaterhouseCoopers		
- audit of financial reports	75,000	60,000

### 20. Subsequent event note

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of its operations or its state of affairs, which is not already reflected in this report other than the formation of a wholly owned subsidiary in a large international capital market.

The Group has successfully raised \$US3m (\$AU3.27m) in convertible notes from existing shareholders to support the set up costs of an expansion and the set up of a new subsidiary. As at the date of this report \$AU1.4m in costs had been committed related to the market feasibility study, formation and advisory costs for the establishment of the subsidiary. The Directors are not able to quantify the potential benefit of the new business venture and any exposure to the Group are only those costs already committed to.



# amaysim Australia Pty Ltd

## Directors Declaration

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As stated in Note 1(a) to the consolidated financial statements, in the directors' opinion, the group is not a reporting entity because there are no users dependent on general purpose financial reports.


This is a special purpose financial report that has been prepared to meet Corporations Act 2001 requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

In the directors' opinion:

1. The consolidated financial statements and notes, set out on pages 7 to 24 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial period ended on that date; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

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



Peter O'Connell  
Chairman and Director  
Dated 19 September 2013, Sydney



Rolf Hansen  
Chief Executive Officer and Director  
Dated 19 September 2013, Sydney



## **Independent auditor's report to the members of amaysim Australia Pty Limited**

### ***Report on the financial report***

We have audited the accompanying financial report, being a special purpose financial report, of amaysim Australia Pty Limited (the company), which comprises the consolidated balance sheet as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for amaysim Australia Pty Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 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 financial report is free from material misstatement.

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

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



### *Auditor's opinion*

In our opinion, the financial report of amaysim Australia Pty Limited is in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
2. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

### ***Material Uncertainty Regarding Continuation as a Going Concern***

Without qualifying our opinion, we draw attention to Note 1 in the financial report. The conditions as set forth in Note 1 in relation to the international expansion, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

### ***Basis of accounting and restriction on distribution and use***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of amaysim Australia Pty Limited.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Sumanth Prakash', written in a cursive style.

Sumanth Prakash  
Partner

Sydney  
19 September 2013