



MGM Wireless Ltd.
ASX:MWR ABN 93 091 351 530
The Parks, Suite 13
154 Fullarton Road
ROSE PARK SA 5067
AUSTRALIA
Phone: (08) 8104 9555
Facsimile: (08) 8431 2400
www.mgmwireless.com

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW
2000

ASX Release
MGM Wireless Ltd
Monday, 31 August 2015

MGM Wireless announces 46% growth in net profit, increased dividend

- Record and sixth successive increase in profit
- Net profit after tax up to record \$1.04 million
- Revenue up 19% to \$3.87 million
- Organic growth with message traffic up 6%
- New products: MGM School Events and All My Tribe
- Increased dividend declared of 1.3 cents per share (2014: 1.1c)

Mobile technology specialist MGM Wireless (ASX: MWR) has reported record profit, increased cash balances and an increased dividend in its 2015 financial results announced today. The Company reported net profit after tax of \$1,041,780 up 46% on the 2014 result of \$717,541. The 2015 profit is the sixth successive increase in earnings by the Company. Earnings per share rose 44% to be 12.16 cents.

The Company has announced an increased final dividend of 1.3 cents per share, up from 1.1 cents (unfranked, as the Company has been advised that franking is not available to it while tax paid is exceeded by refundable R&D tax offsets). Shareholders will be eligible to participate in a dividend reinvestment scheme (refer details in Appendix 4E).

2015 Key results

twelve months ended 30 June

\$ million unless otherwise specified

	2015	2014	Change
Revenue	3.87	3.27	+ 19%
EBITDA	2.00	1.15	+ 74%
EBIT	1.31	0.98	+ 35%
Net Profit	1.04	0.72	+ 46%
Dividend per share (cents)	1.3	1.1	+ 19%
EBITDA margin	52%	36%	+ 16%
Net cash from operating activities	1.69	1.06	+ 60%
Cash balance	1.53	1.08	+ 42%
Net cash/(debt)	1.38	0.88	+ 57%
Earnings per share (basic) cents	12.16	8.49	+ 44%
Contracted Schools & Early Learning Centres	1,165	1,088	+ 7%

The increase in profit featured improvements in operating margin on top of ongoing base-line growth in MGM Wireless' contracted school customer base. Revenue grew by 19% to be \$3,867,822, while EBITDA rose 74% to be \$1,995,654.

"The results for 2015 are a very pleasing outcome from the work put in by our team to grow the business, develop new products and improve our efficiency" said MGM Wireless Managing Director Mark Fortunatow. "Their efforts have translated into what is probably our strongest financial performance yet with exceptionally strong growth in revenue, earnings, operating margin and cash".

Mr Fortunatow said that the revenue and scale generated by new products such as Outreach+ and RollMarker had enabled the Company to accelerate revenue growth beyond the base line growth in contracted schools.

Message traffic rose by 6% in 2015 compared with the previous year. MGM Wireless had 1,165 contracted schools at 30 June, 7% higher than the 1,088 contracted at the start of the year.

"The traction gained by our new products saw our traffic and yield per customer really take off in 2015" said Mr Fortunatow. "Our investment in Outreach+ and RollMarker has delivered products that give users increased convenience by using smartphones for tasks previously paper based or time intensive.

"For schools and users, this translates into savings in cost and time; for MGM Wireless it means more users using MGM products more often and for higher value applications. As a result, our revenue growth outstripped our customer growth, and our yield per customer rose" he said.

Improved operating efficiency was reflected in an 11% cut to cost of sales achieved through the streamlining of business processes and cost reduction.

The Company continued its commitment to research and development, with MGM School Events successfully completing a trial release, and the Company's child safety and welfare smartphone and Apple Watch app released on the App Store in the final quarter of the year. AllMyTribe replaces MGM Pinpoint, with a refreshed brand and new features.

"AllMyTribe has had an encouraging start, receiving a very good reception and achieving solid initial traction," said Mr Fortunatow. "Based on feedback from parents who have downloaded and are using the app, the Company is rapidly developing and releasing improvements and enhancements to accelerate traction rates. Pleasingly, the Company is seeing daily growth in the number of parents who use the app to ensure their children have arrived safely at school or have returned home. The Android version of AllMyTribe is expected to be released this week. MGM School Events has had a very enthusiastic response from existing users, and will proceed to full release this year, adding to our revenue product range

The strong earnings result was reflected in cash generation, with cashflow from operating activities of \$1,691,926 up 60% on the 2014 comparative of \$1,055,371. Cash balances rose from \$1,077,840 to \$1,526,754.

Generation of free cash flow continued to be a feature of the business. MGM Wireless was able to record a 42% increase in cash balances after funding an 88% increase in research and development expenditure (up \$501,850 to \$1,069,569) and paying down borrowings of \$50,000.

Mr Fortunatow said MGM Wireless would continue to invest in research and development.

"The results announced today showcase the value of successful product innovation in adding scale and lifting margins," said Mr Fortunatow.

"Our team is clearly capable of identifying opportunities and then developing the products that win customer acceptance and add to shareholder returns.

"This is an ongoing discipline, and it is critical our investment in research and development keeps pace with the opportunities that technology presents for new business and the challenges it throws to

existing business. For this reason we are planning to increase our research and development significantly in 2016” said Mr Fortunatow.

The total of 1,165 schools and early learning centres contracted at 30 June was 4.7% higher than at the beginning of the year and slightly higher than the corresponding figure of 1,154 at the 2015 half year.

“The last six months in particular has seen increased market activity by new providers utilising app based mobile messaging services that do not offer attendance management or personalised messaging capability. We are well advanced in our own app based mobile messaging products, notwithstanding our firm belief that SMS messaging will remain the bedrock platform for school mobile communications for the foreseeable future. SMS messaging remains the sole channel that can always be relied upon to access every mobile device regardless of phone type or the social media and messaging preferences of individual users” said Mr Fortunatow.

Mr Fortunatow said that after several years of strong growth, the current expectations were for 2016 to be a year of consolidation and a transition to the next phase of the Company’s development through the release of new products in existing and new markets. “Contracted revenue for the New Year is comparable with the position 12 months ago and we expect to be in a position to make an informed judgement on the full year outlook with the half year results”.

About MGM Wireless Ltd and Messageyou, LLC

MGM Wireless is recognized in Australia and internationally as a pioneer of socially responsible technology-enabled school communications with a proven track record to design, develop and successfully commercialise innovative world class technology products.

The Company’s patented SMS School communication solutions empower schools to effectively communicate to parents and caregivers using SMS text messaging to improve student attendance, welfare, safety and parent engagement. Measurable benefits for schools include reduced operating costs, increased productivity and improved parent and community engagement which ultimately improve student learning and social outcomes.

Schools in Australia and New Zealand use messageyou software in their day to day operations.

For further information contact:
MGM Wireless Ltd. - (ASX:MWR)
Mark Fortunatow, CEO
Web: www.mgmwireless.com

Mobile: +61 421 328 984
Phone: +61 8 8431 2300
Email:
mfortunatow@mgmwireless.com



Appendix 4E
Preliminary Final Report
Under Listing Rule 4.3A

MGM Wireless Limited
(ABN 93 091 351 530)
Year Ending 30 June 2015
(Previous corresponding period – Year ending 30 June 2014)

Appendix 4E Preliminary Final Report

MGM Wireless Limited

(ABN 93 091 351 530)

Year Ending 30 June 2015

(Previous corresponding period – Year ending 30 June 2014)

Results for announcement to the market

			\$
Revenue from ordinary activities	Up 19%	to	3,867,822
Profit/(loss) from ordinary activities after tax attributable to members	Up 46%	to	1,041,780
Net Profit/(loss) for period attributable to members	Up 46%	to	1,041,780
Dividends (distributions)	Amount per security	Franked amount per security	
Final dividend	1.3¢	Nil¢	
Previous corresponding period	1.1¢	Nil¢	
Record date for determining entitlements to dividends	23 September 2015		
Payment date	4 November 2015		
Net tangible asset backing	30 June 2015	30 June 2014	
Net tangible asset backing per ordinary security	\$0.24	\$0.17	

Control gained or lost over entities during the period

Name of entity	Not applicable
Date of gaining or losing control	Not applicable

Dividend or distribution reinvestment plan details

The Company's Board has resolved to establish a dividend reinvestment plan (DRP). The DRP is in operation in respect of the final dividend. The last date for lodgement of election notices under the DRP is 24 September 2015. Shares issued under the DRP will be priced at a discount of 5% to the average of the volume of the volume weighted average price of MWR shares between 24 September and 8 October 2015.

There is no conduit foreign income for this dividend.

Joint venture and associate details	Not applicable
--	----------------

Foreign entities' accounting standards used	Not applicable
--	----------------

Status of Audit

The statutory financial statements of the consolidated entity are in the process of being audited.

MGM Wireless Limited
Commentary on Results
For the Year Ended 30 June 2015

The directors of MGM Wireless Ltd are pleased to report the Company's financial results for the 12 months to 30 June 2015.

Review of operations

Description of operations

MGM Wireless generates revenue and income through the provision of technology solutions that assist schools to improve communication within their communities and for cost effective management and improvement of student attendance and engagement. Through research and development, the Company has developed a range of products to meet school needs which are supplied and supported under long term contracts. The Company's strategy to increase earnings and returns to shareholders involves:

- expansion of the number of schools using MGM Wireless products
- innovation, development and sale of new products that provide additional revenue streams and increase yield per user
- optimisation of business operations to improve efficiency and operating margins.

At 30 June 2015 MGM Wireless had 1,165 contracted schools and early learning centres compared to 1,088 at the beginning of the year

Profit

MGM Wireless recorded a net profit after tax of \$1,041,780 for the 2015 financial year, 46% higher than the previous year's profit after tax of \$717,541. Earnings per share were 12.16 cents, up 44% on the previous corresponding figure of 8.49 cents.

EBITDA of \$1,995,654 was 74% higher than the 2014 figure of \$1,154,144. EBIT of \$1,313,997 was 35% above the 2014 comparative of \$965,846. Operating margin (EBITDA/Revenue) improved significantly, rising from 36% to 52%

Key elements in the profit result were:

- revenue rising by 19% from \$3,267,253 million to \$3,867,822. Growth in licence fees and SMS revenue accounted for the large majority of the increase, reflecting growth in contracted schools and the increase in message traffic and value brought by new products. R & D grants received rose 25%.
- Expenses rose 10% after:
 - an 11% reduction to cost of sales due to operating efficiencies and savings
 - an increase in amortisation from \$144,503 to \$638,356 attributable to additional charges associated with development expenditure capitalised in 2015.
 - a \$150,000 increase in doubtful debts provision
 - reduced interest expense following debt reduction in the second half-year.

The 2015 financial statements incorporate a change in the crediting of expenditure associated with capitalised development expenditure which has no impact on the total expenses and therefore no impact on profit but affects allocation between expense categories.

Under the change, credit for capitalised expenditure is made against specific relevant expense categories. In 2014 and prior, a general credit for capitalised expenditure was made against corporate and administration costs. As a result, the final charge for corporate and administration costs was significantly lower than the 2015 comparative. On a like-for-like basis corporate and administration costs declined in 2015.

Cash flows

Strong cash generation continues to be a feature of MGM Wireless. Cash generated by operating activities for 2015 of \$1,691,926 represents EBITDA cash conversion of 85% and a 60% increase on the previous year's \$1,055,371.

This cash flow was more than sufficient to fund research and development, debt reduction and increase year-end cash balances. Dividend payments of \$94,241 were made during the year.

Statement of financial position

The Company maintains a strong statement of financial position with net cash of \$1,376,754 after borrowings of \$150,000. Total cash balance at 30 June of \$1,526,754 was 42% higher than the opening figure of \$1,077,840.

Property plant and equipment reduced from \$201,485 to \$183,214 principally due to the reclassification of capitalised costs associated with website development to intangible assets. Intangible assets increased from \$1,570,456 to \$2,016,176; with capitalisation of development expenditure being the principal factor in the movement.

Borrowings were reduced by \$50,000 during the year. Total equity increased 34%, rising from \$3,057,006 to \$4,093,277.

Consolidated statement of profit or loss and other comprehensive income

	Note	Group Year Ended	
		30/06/2015	30/06/2014
		\$	\$
Continuing Operations			
Revenue	2	3,867,822	3,267,253
Cost of sales		(261,728)	(293,969)
Doubtful debts		(150,000)	(713)
Borrowing costs		(15,174)	(16,719)
Amortisation & depreciation		(666,483)	(172,119)
Option issue costs		(93,571)	-
Consulting fees		(47,655)	(99,537)
Corporate and administration		(365,963)	(349,668)
Employee costs		(953,251)	(1,368,682)
Profit before tax		1,313,997	965,846
Income tax expense	3	(272,217)	(248,305)
Profit for the year		1,041,780	717,541
Other comprehensive income			
Exchange differences on translating foreign operations		(4,839)	-
Other comprehensive income net of tax		(4,839)	-
Total comprehensive income for the year		1,036,941	717,541
Profit attributable to:			
Owners of the Company		1,041,780	717,541
Total comprehensive income attributable to:			
Owners of the Company		1,036,941	717,541
Earnings per share			
From continuing and discontinued operations:			
Basic (cents per share)	4	12.16	8.49
Diluted (cents per share)	4	11.96	8.33

Consolidated statement of financial position

	Note	Group As At	
		30/06/2015	30/06/2014
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,526,754	1,077,840
Trade and other receivables	6	787,592	685,763
Other current assets	7	636,264	574,186
Total Current Assets		2,950,610	2,337,789
Non-Current Assets			
Property, plant and equipment	9	183,214	201,485
Intangible assets	10	2,016,176	1,570,456
Total Non-Current Assets		2,199,390	1,771,941
Total Assets		5,150,000	4,109,730
LIABILITIES			
Current Liabilities			
Trade and other payables	11	508,773	451,812
Provisions	13	221,611	190,301
Current Tax Liabilities		176,339	210,611
Total Current Liabilities		906,723	852,724
Non-Current Liabilities			
Borrowings	12	150,000	200,000
Total Liabilities		1,056,723	1,052,724
Net Assets		4,093,277	3,057,006
EQUITY			
Parent entity interest:			
Issued capital	14	7,376,993	7,376,993
Reserves	15	396,467	307,735
Accumulated losses		(3,680,183)	(4,627,722)
Total Equity		4,093,277	3,057,006

Consolidated statement of changes in equity

	Issued Capital	Accumulate d Losses	Option Issue Reserve	Foreign Currency Translatio n Reserve	Total Equity
Consolidated	\$	\$	\$	\$	\$
At 30 June 2013	7,195,825	(5,263,000)	219,402	5,973	2,158,200
Profit attributable to members	-	717,541	-	-	717,541
Payment of dividends	-	(83,691)	-	-	(83,691)
Shares issued to directors	159,968	-	-	-	159,968
Share issue costs	(10,500)	-	-	-	(10,500)
Options issued to directors	-	-	107,340	-	107,340
Shares issued in acquisition of intangible assets	31,700	-	-	-	31,700
Options exercised by directors	-	-	(30,737)	-	(30,737)
Currency translation differences	-	1,428	5,757	-	7,185
At 30 June 2014	7,376,993	(4,627,722)	301,762	5,973	3,057,006
Profit attributable to members	-	1,041,780	-	-	1,041,780
Payment of dividends	-	(94,241)	-	-	(94,241)
Options issued to directors	-	-	93,571	-	93,571
Currency translation differences	-	-	-	(4,839)	(4,839)
At 30 June 2015	7,376,993	(3,680,183)	395,333	1,134	4,093,277

Consolidated statement of cash flows

Note	Group Year Ended	
	30/06/2015	30/06/2014
	\$	\$
Cash flows from operating activities		
Profit (loss) for the year	1,041,780	717,541
Amortisation and depreciation	666,483	172,119
Share based payments	93,571	-
Doubtful debts provision	150,000	713
Income tax expense recognised	(34,272)	167,618
	1,917,562	1,057,991
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(251,829)	(203,144)
(Increase) / decrease in other assets	(62,078)	77,081
Increase / (decrease) in trade and other payables	56,961	21,506
Increase / (decrease) in provisions	31,310	101,937
Net cash generated from / (used in) operations	1,691,926	1,055,371
Cash flows from investing activities		
Payments for plant and equipment	(24,571)	(34,572)
Payments for intangible assets	-	(44,000)
Payment for research and development	(1,069,361)	(567,719)
Net cash provided / (used) by investing activities	(1,093,932)	(646,291)
Cash flows from financing activities		
Proceeds from issue of shares	-	159,967
Costs associated with the issue of shares	-	(10,500)
Payment of dividends	(94,241)	(83,691)
Repayment of borrowing	(50,000)	-
Non cash movement of Retained Earnings	-	64,347
Proceeds from options exercised	-	30,737
Net cash provided / (used) by financing activities	(144,421)	160,860
Net increase / decrease in cash held	453,753	569,940
Cash at the beginning of the year	1,077,840	526,854
Effect of exchange rate changes	(4,839)	(18,954)
Cash at the end of the year	1,526,754	1,077,840

6

MGM Wireless Limited
Notes to the Financial Statements for the Year Ended 30 June 2015

1. Significant Accounting Policies

Statement of Compliance

The Appendix 4E preliminary final report has been prepared in accordance with ASX listing rules and the recognition and measurement criteria of Accounting Standards and interpretations. Accounting Standards include Australian equivalents to International Financial Reporting Standards.

Basis of Preparation

The Appendix 4E has been prepared on the basis of historical cost. The accounting policies and methods of computation adopted in the preparation of the Appendix 4E are consistent with those adopted and disclosed in the Company's 2014 annual financial report.

Group	
Year Ended	
30/06/2015	30/06/2014
\$	\$

2. Revenue

The following is an analysis of the Group's revenue for the year.

Revenue

Sales revenue	3,157,199	2,698,473
R&D tax incentive revenue	710,623	568,780
Total revenue	3,867,822	3,267,253

3. Income Tax

3.1 Income tax expense

The income tax expense for the year differs from the prima facie tax as follows:

Profit / loss for the year	1,313,997	965,846
Prima facie tax benefit at 30% (2014: 30%)	394,199	289,754
Non-assessable items	(214,107)	(247,366)
Non-deductible items	344,691	395,726
Utilisation of tax losses	(275,816)	(227,322)
Adjustments recognised in the current year in relation to the current tax of prior years	23,250	37,513
Total income tax expense	272,217	248,305

3.2 Deferred tax asset

Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility occur:

4. Earnings per share

Basic earnings per share

From continuing operations (cents per share)
From discontinued operations (cents per share)

Total basic earnings per share (cents per share)

Diluted earnings per share

From continuing operations (cents per share)
From discontinued operations (cents per share)

Total diluted earnings per share (cents per share)

4.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

Net profit / (loss) for the year attributable to owners of the Company

Earnings used in the calculation of total basic earnings per share

Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations

Earnings used in the calculation of basic earnings per share from continuing operations

Weighted average number of ordinary shares for the purposes of basic earnings per share (all measures)

Group Year Ended	
30/06/2015 \$	30/06/2014 \$
-	275,816
12.16	8.49
-	-
12.16	8.49
11.96	8.33
-	-
11.96	8.33
1,041,780	717,541
1,041,780	717,541
-	-
1,041,780	717,541
8,567,414	8,451,465

4.2 Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows.

Net profit / (loss) for the year attributable to owners of the Company

Earnings used in the calculation of total diluted earnings per share

Profit for the year from discontinued operations used in the calculation of diluted earnings per share from discontinued operations

Earnings used in the calculation of diluted earnings per share from continuing operations

Weighted average number of ordinary shares for the purposes of diluted earnings per share (all measures)

Group Year Ended	
30/06/2015	30/06/2014
\$	\$
1,041,780	717,541
1,041,780	717,541
-	-
1,041,780	717,541
8,794,623	8,615,353

5. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances

Group	
30/06/2015	30/06/2014
\$	\$
1,526,754	1,077,840

6. Trade and Other Receivables

Current

Trade receivables

Provision for doubtful debts

Group	
30/06/2015	30/06/2014
\$	\$
957,179	705,350
(169,587)	(19,587)
787,592	685,763

7. Other Current Assets

R&D tax incentive

Prepayments

Sundry debtors

Group	
30/06/2015	30/06/2014
\$	\$
623,301	568,221
12,963	5,715
-	250
636,264	574,186

8. Other Financial Assets

Unlisted Controlled Entity	Date of Acquisition	Country of Incorporation	Class of Shares	Cost of Parent Entity's Investment 30/06/2015 \$	Cost of Parent Entity's Investment 30/06/2014 \$
MGM Wireless Holdings Pty Ltd	8/10/2003	Australia	Ordinary	767,000	767,000
Message You LLC	11/09/2006	USA	Ordinary	124,440	124,440
MGM Wireless (NZ) Pty Ltd	18/05/2010	Australia	Ordinary	80	80
				<u>891,520</u>	<u>891,520</u>

The equity holding in all companies is 100%

9. Plant, Equipment and Leasehold Improvements

	Plant and Equipment \$	Leasehold Improvements \$	Total \$
Balance at 30 June 2013	420,856	164,186	585,042
Additions	16,150	18,421	34,571
Disposals	-	-	-
Balance at 30 June 2014	<u>437,006</u>	<u>182,607</u>	<u>619,613</u>
Additions	24,571	-	24,571
Transfer to Intangible Assets	(151,543)	-	(151,543)
Disposals	-	-	-
Balance at 30 June 2015	<u>310,034</u>	<u>182,607</u>	<u>492,641</u>
Accumulated depreciation and impairment			
Balance at 30 June 2013	(331,116)	(59,396)	(390,512)
Amortisation/Depreciation expense	(15,788)	(11,828)	(27,616)
Eliminated on disposal of assets	-	-	-
Balance at 30 June 2014	<u>(346,904)</u>	<u>(71,224)</u>	<u>(418,128)</u>
Transfer to Intangible Assets	136,828	-	136,828
Amortisation/Depreciation expense	(16,988)	(11,138)	(28,127)
Eliminated on disposal of assets	-	-	-
Balance at 30 June 2015	<u>(227,064)</u>	<u>(82,362)</u>	<u>(309,427)</u>
		Written Down Value	<u>183,214</u>

10. Intangible Assets

	Group	
	30/06/2015	30/06/2014
	\$	\$
At cost	4,425,997	3,205,093
Accumulated amortisation and impairment	(2,409,821)	(1,634,637)
Carrying Value	2,016,176	1,570,456

	Distribution Rights	Intellectual Property Software	Total
	\$	\$	\$
Cost			
Balance at 30 June 2013	441,017	2,112,357	2,553,374
Additions from internal developments	-	651,719	651,719
Disposals	-	-	-
Balance at 30 June 2014	441,017	2,764,076	3,205,093
Additions from internal developments	-	1,069,361	1,069,361
Transfer In from Plant & Equipment	-	151,543	151,543
Balance at 30 June 2015	441,017	3,984,980	4,425,997
Accumulated amortisation and impairment			
Balance at 30 June 2013	-	(1,490,134)	(1,490,134)
Amortisation	(44,102)	(100,401)	(144,503)
Balance at 30 June 2014	(44,102)	(1,590,535)	(1,634,637)
Amortisation	(44,102)	(594,254)	(638,356)
Transfer In from Plant & Equipment	-	(136,828)	(136,828)
Balance at 30 June 2015	(88,204)	(2,321,617)	(2,409,821)
Carrying Value	352,813	1,663,363	2,016,176

11. Trade and Other Payables

	Group	
	30/06/2015	30/06/2014
	\$	\$
Trade payables	233,884	235,336
Indirect tax liability	182,710	131,077
Accrued SMS charges	78,713	80,173
Unearned revenue - licence fees	-	5,226
Rent		
Incentive	13,466	-
	508,773	451,812

12. Borrowings

	Group	
	30/06/2015	30/06/2014
	\$	\$
Non - Current		
Secured loans from related parties	150,000	200,000

13. Provisions

Current

	Group	
	30/06/2015	30/06/2014
	\$	\$
Employee benefits	221,611	190,301
Movement in provisions:		
Opening	190,301	88,363
Amounts provided	31,310	116,839
Amounts used	-	(14,901)
Closing balance	221,611	190,301

14. Issued capital

	Group	
	30/06/2015	30/06/2014
	\$	\$
14.1 Issued and paid up capital		
Ordinary shares, fully paid	7,376,993	7,376,993

(30 June 2015: 8,567,414, 30 June 2014: 8,567,414)

14.2 Fully paid ordinary shares

	Group	
	Number of shares	Issued capital \$
Balance as at 30 June 2013	8,359,110	7,195,825
Shares issued to Directors	180,000	149,468
Shares issued to Pyschool Vendors	28,304	31,700
Balance as at 30 June 2014	8,567,414	7,376,993
Shares issued during the year	-	-
Balance as at 30 June 2015	8,567,414	7,376,993

15. Reserves

	Group	
	30/06/2015	30/06/2014
	\$	\$
Option issue reserve	395,333	301,762
Foreign currency translation reserve	1,134	5,973
	396,467	307,735
	Option Issue Reserve	Foreign Currency Translation Reserve
Balance as at 30 June 2013	219,402	5,973
Options issued	107,340	-
Options exercised	(30,737)	-
Currency translation differences	5,757	-
Balance as at 30 June 2014	301,762	5,973
Options issued	93,571	-
Currency translation differences	-	(4,839)
Balance as at 30 June 2015	395,333	1,134

Nature and purpose of reserve

The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

The foreign currency translation reserve is used to record exchange rate differences arising from the translation of the financial statements of foreign subsidiaries and is recognised directly in the Statement of Profit or Loss and Other Comprehensive Income before accumulation in this reserve.

16. Subsequent Events

There has not been any matter or circumstance that has arisen since 30 June 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.



Signed: Mark Fortunatow
Director