Wisr Limited
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Preliminary final report

1. Company details

Name of entity:	Wisr Limited
ABN:	80 004 661 205
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

Key information				**$A'000**
Revenues from ordinary activities	Up	37%	to	1,591
Loss from ordinary activities after tax attributable to members	Up	14%	to	(6,208)
Loss for the year attributable to members	Up	14%	to	(6,208)

Dividends paid and proposed

There were no dividends declared or paid in the reporting period.

3. Statement of Comprehensive Income

Refer Financial Statements below.

4. Statement of Financial Position

Refer Financial Statements below.

5. Statement of Changes in Equity

Refer Financial Statements below.

6. Statement of Cash Flows

Refer Financial Statements below.

7. Details of individual and total dividends and payment dates

There were no dividends declared or paid in the reporting period.

8. Details of dividend reinvestment plan

Not applicable.

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9. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible asset backing per ordinary security	1.02	2.11

10. Control gained over / loss of entities having material effect

On 9 April 2018, Wisr Finance Pty Ltd, 100% owned subsidiary of Wisr Limited, registered Wisr Funding Pty Ltd, a 100% owned subsidiary of Wisr Finance Pty Ltd.

11. Details of associates and joint venture entities

Not applicable.

12. Significant information

Refer to 'Commentary on results for the period' below.

13. For foreign entities, which set of accounting standards is used in compiling the report?

Not applicable.

14. Commentary on results for the period

The commentary on the results for the period is contained in the accompanying media release.

This report is based on accounts which are in the process of being audited.

15. Signed

Signed _____ Date: 31 August 2018

May Ho
Company Secretary
Sydney

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Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $	
Revenue	2	1,590,690	1,160,153	1
Other income	3	231,514	370,914	
Expenses				
Employee benefits expense		(4,328,556)	(3,317,171)	
Depreciation and amortisation expense		(23,922)	(12,124)	
Other expenses		(3,105,284)	(2,500,204)	
Finance costs		(41,596)	(72,713)	
Share based payment expense	13	(530,712)	(1,060,528)	
Loss before income tax	4	(6,207,866)	(5,431,673)	
Income tax expense		-	-	
Loss after income tax for the year		(6,207,866)	(5,431,673)	
Other comprehensive income				
Other comprehensive income for the year, net of tax		-	-	
Total comprehensive income for the year		(6,207,866)	(5,431,673)	
Loss for the year is attributable to:				
Owners of Wisr Limited		(6,207,866)	(5,431,673)	
Total comprehensive income for the year is attributable to:				
Owners of Wisr Limited		(6,207,866)	(5,431,673)	
		Cents	**Cents**	
Basic earnings per share		(1.4)	(1.4)	
Diluted earnings per share		(1.4)	(1.4)	

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents		1,548,888	3,479,300
Loan receivables	5	884,509	1,727,404
Trade and other receivables	6	326,242	67,727
Other assets	7	553,458	287,054
Total current assets		3,313,097	5,561,485
Non-current assets			
Loan receivables	5	2,745,745	4,711,974
Property, plant and equipment	8	41,168	65,516
Available-for-sale financial assets	9	518,000	500,000
Total non-current assets		3,304,913	5,277,490
Total assets		6,618,010	10,838,975
Liabilities			
Current liabilities			
Trade and other payables	10	1,346,009	783,918
Employee benefits	11	240,389	180,620
Convertible notes		373,000	672,000
Total current liabilities		1,959,398	1,636,538
Total liabilities		1,959,398	1,636,538
Net assets		4,658,612	9,202,437
Equity			
Issued capital	12	29,323,980	28,604,725
Reserves		1,900,051	1,394,508
Accumulated losses		(26,565,419)	(20,796,796)
Total equity		4,658,612	9,202,437

The above statement of financial position should be read in conjunction with the accompanying notes

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Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016	22,409,803	819,894	(15,365,123)	7,864,574
Loss after income tax expense for the year	-	-	(5,431,673)	(5,431,673)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(5,431,673)	(5,431,673)
Transactions with owners in their capacity as owners:				
Issue of share capital	5,702,641	-	-	5,702,641
Costs of capital raising	(320,406)	-	-	(320,406)
Share based payments	812,687	574,614	-	1,387,301
Balance at 30 June 2017	28,604,725	1,394,508	(20,796,796)	9,202,437

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	28,604,725	1,394,508	(20,796,796)	9,202,437
Loss after income tax expense for the year	-	-	(6,207,866)	(6,207,866)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,207,866)	(6,207,866)
Transactions with owners in their capacity as owners:				
Issue of share capital	600,000	-	-	600,000
Share based payments	119,255	944,786	-	1,064,041
Transfer of reserve to accumulated losses	-	(439,243)	439,243	-
Balance at 30 June 2018	29,323,980	1,900,051	(26,565,419)	4,658,612

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

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Statement of cash flows
For the year ended 30 June 2018

	Consolidated 2018 $	2017 $
Cash flows from operating activities		
Net of lending and repayments	(14,885,009)	(75,428)
Net proceeds from sale of loans	18,859,853	1,858,621
Payments to suppliers and employees	(6,297,173)	(4,951,501)
	(2,322,329)	(3,168,308)
Interest received	42,877	45,476
Management fees received	168,191	92,746
Interest and other finance costs paid	(43,601)	(74,598)
Proceeds from R&D tax incentive	-	365,547
Net cash used in operating activities	(2,154,862)	(2,739,137)
Cash flows from investing activities		
Payments for investments	(18,000)	-
Payment for property, plant and equipment	-	(73,093)
Net cash used in investing activities	(18,000)	(73,093)
Cash flows from financing activities		
Proceeds from issue of shares	600,000	5,702,641
Costs of raising capital paid	-	(320,406)
Repayment of convertible notes	(299,000)	(328,000)
Transaction costs related to loans and borrowings	(58,550)	(27,500)
Net cash provided by financing activities	242,450	5,026,735
Net (decrease) / increase in cash and cash equivalents	(1,930,412)	2,214,505
Cash and cash equivalents at the beginning of the financial year	3,479,300	1,264,795
Cash and cash equivalents at the end of the financial year	1,548,888	3,479,300

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

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Notes to the financial statements
For the year ended 30 June 2018

Note 1. Accounting policies

These financial statements for the year ended 30 June 2018 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Wisr Limited ("the Group") is a for-profit entity for the purpose of preparing the financial statements.

The principal accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 2. Revenue

	Consolidated	
	2018	2017
	$	$
Effective interest income on financial assets	1,129,821	859,725
Other revenue from financial assets	417,485	251,971
Interest on cash	6,282	10,179
Interest from investments	37,102	38,278
Revenue	1,590,690	1,160,153

Note 3. Other income

	Consolidated	
	2018	2017
	$	$
R&D tax incentive	223,264	365,547
Rental income	8,250	5,367
Other income	231,514	370,914

Note 4. Expenses

	Consolidated	
	2018	2017
	$	$
Losses from ordinary activities before income tax includes the following other specific expenses:		
Property lease costs	129,320	127,227
Superannuation expense	298,277	238,221
Marketing costs	1,521,198	640,523
Legal expenses	29,745	197,799
Write off of loan assets		
Doubtful debts expense	(107,598)	32,028
Bad debt expense	187,560	278,871
Loss on sale of loan assets	-	78,966
	79,962	389,865

Notes to the financial statements
For the year ended 30 June 2018

Note 5. Loan receivables

	Consolidated 2018 $	2017 $
Current		
Loan receivables	984,740	1,839,049
Less: provision for impairment of receivables	(100,231)	(111,645)
	884,509	1,727,404
Non-current		
Loan receivables	2,849,241	4,911,654
Less: provision for impairment of receivables	(103,496)	(199,680)
	2,745,745	4,711,974

Loan receivables comprise of personal loans between $5,000 to $50,000 with an interest range between 8.50% to 22.75%. The personal loans are repayable within the ranges of 3 to 5 years.

The fair value of the loan receivables is considered to approximate the carrying value.

Note 6. Trade and other receivables

	Consolidated 2018 $	2017 $
Current		
Accrued interest on loan receivables	52,679	49,538
Accrued management fee income	42,011	-
Other accrued income	231,552	13,281
Trade receivables	-	4,908
	326,242	67,727

Note 7. Other assets

	Consolidated 2018 $	2017 $
Current		
Prepayments	187,733	18,846
Deposits	26,333	26,333
Cash held in trust	339,392	241,875
	553,458	287,054

Note 8. Property, plant and equipment

	Consolidated 2018 $	2017 $
Plant and equipment, at cost	79,280	81,924
Less: accumulated depreciation	(38,112)	(16,408)
	41,168	65,516

Notes to the financial statements
For the year ended 30 June 2018

Note 9. Available-for-sale financial assets

	Consolidated 2018 $	2017 $
Non-current		
Investment in Wisr Personal Loan Fund	518,000	500,000

The group has invested $518,000 into the Wisr Personal Loan Fund. The DirectMoney Personal Loan Fund is a registered managed investment scheme where investors' money is pooled and invested into unsecured personal loans acquired from Wisr Finance Pty Ltd. The investment is classified as available for sale in accordance with *AASB 139 Financial Instruments: Recognition and Measurement.*

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 2018 $000	Valuation Technique(s)	Inputs Used
Financial assets			
Investment in Wisr Personal Loan Fund (Fund)	518	Market approach using monthly valuation reports provided by Fund's Investment Manager and Fund's Administrator.	Monthly valuation report provided by Fund's Investment Manager and Fund's Administrator.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Note 10. Trade and other payables

	Consolidated 2018 $	2017 $
Current		
Trade payables	744,518	232,057
Sundry payables	255,407	204,297
Accrued expenses	259,248	279,806
Superannuation payable	86,836	67,758
	1,346,009	783,918

Note 11. Employee benefits

	Consolidated 2018 $	2017 $
Current		
Provision for annual leave	240,389	180,620

Notes to the financial statements
For the year ended 30 June 2018

Note 12. Issued capital

	Consolidated 2018 $	2017 $
(a) Issued and paid up capital		
Ordinary shares fully paid	29,644,386	28,925,131
Costs of raising capital	(320,406)	(320,406)
	29,323,980	28,604,725

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on show of hands.

	2018		2017	
	Number of shares	$	Number of shares	$
(b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	436,925,084	28,604,725	271,954,175	22,409,803
Issue of shares from Rights issue	-	-	135,777,153	5,702,641
Costs of raising capital	-	-	-	(320,406)
Issue of shares as payment of funder fees	2,000,000	60,000	27,155,099	741,334
Issue of shares to CEO as part of short term incentive	2,194,625	59,255	2,038,657	71,353
Issue of shares to Alceon	14,285,715	600,000	-	-
Closing Balance as at 30 June	455,405,424	29,323,980	436,925,084	28,604,725

Note 13. Share based payments

The share based payment expense of $530,712 consists of:

- Performance rights expense of $103,510 accrued up to 30 June 2018;
- Funder fee expense totalling $271,891 accrued during the year in relation to an agreement entered into between the Company and Macquarie Bank Limited on 19 February 2016;
- Funder fee expense totalling $124,740 paid and accrued during the year in relation to an agreement entered into between the Company and 255 Finance in August 2017, of which the Company agreed to issue shares to 255 Finance and options that vest upon certain hurdles being met; and
- Options expense of $30,571 accrued in relation to the grant of call options to Alceon Group Pty Limited (Alceon) in February 2018 as part of a strategic investment by Alceon in the Company.