QuickFee Group

Annual Report - 30 June 2017

QuickFee Group
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Year-ended 30 Jun 2017 US$	5 Dec 2015 to 30 Jun 2016 US$
Revenue			
Interest income		93,544	9,969
Loan fee income		25,872	400
Service fee income		19,438	4,000
Expenses			
General and administration		(541,303)	(278,639)
Occupancy		(45,502)	(8,876)
Employee benefits		(344,930)	(79,305)
Depreciation		(972)	-
Finance costs		(65,726)	(20,693)
Loss before income tax expense		(859,579)	(373,144)
Income tax expense	3	-	-
Loss after income tax expense for the year attributable to the owners of QuickFee Group		(859,579)	(373,144)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of QuickFee Group		(859,579)	(373,144)

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

QuickFee Group
Statement of financial position
As at 30 June 2017

	Note	30 Jun 2017 US$	30 Jun 2016 US$
Assets			
Current assets			
Cash and cash equivalents		614,692	1,046,875
Trade and other receivables	4	1,123,337	201,273
Prepayments		48,796	-
Total current assets		1,786,825	1,248,148
Non-current assets			
Plant and equipment		6,172	5,116
Total non-current assets		6,172	5,116
Total assets		1,792,997	1,253,264
Liabilities			
Current liabilities			
Unearned income		59,407	10,029
Trade and other payables	5	666,313	16,379
Total current liabilities		725,720	26,408
Non-current liabilities			
Borrowings	6	1,000,000	1,000,000
Total non-current liabilities		1,000,000	1,000,000
Total liabilities		1,725,720	1,026,408
Net assets		67,277	226,856
Equity			
Issued capital	7	1,300,000	600,000
Accumulated losses		(1,232,723)	(373,144)
Total equity		67,277	226,856

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

QuickFee Group
Statement of changes in equity
For the year ended 30 June 2017

	Issued capital US$	Accumulated losses US$	Total equity US$
Balance at 8 December 2015	-	-	-
Loss after income tax expense for the year	-	(373,144)	(373,144)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(373,144)	(373,144)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 7)	600,000	-	600,000
Balance at 30 June 2016	600,000	(373,144)	226,856

	Issued capital US$	Accumulated losses US$	Total equity US$
Balance at 1 July 2016	600,000	(373,144)	226,856
Loss after income tax expense for the year	-	(859,579)	(859,579)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(859,579)	(859,579)
Transactions with owners in their capacity as owners:			
Contributions of equity (note 7)	700,000	-	700,000
Balance at 30 June 2017	1,300,000	(1,232,723)	67,277

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

QuickFee Group
Statement of cash flows
For the year ended 30 June 2017

	Note	Year-ended 30 Jun 2017 US$	5 Dec 2015 to 30 Jun 2016 US$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		138,854	14,363
Payments to suppliers (inclusive of GST)		(1,203,283)	(541,679)
Finance costs paid		(65,726)	(20,693)
Net cash used in operating activities	15	(1,130,155)	(548,009)
Cash flows from investing activities			
Payments for plant and equipment		(2,028)	(5,116)
Net cash used in investing activities		(2,028)	(5,116)
Cash flows from financing activities			
Proceeds from issue of shares		700,000	600,000
Proceeds from borrowings		-	1,000,000
Net cash from financing activities		700,000	1,600,000
Net increase/(decrease) in cash and cash equivalents		(432,183)	1,046,875
Cash and cash equivalents at the beginning of the financial year		1,046,875	-
Cash and cash equivalents at the end of the financial year		614,692	1,046,875

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounts are presented in United States dollars ("US$") which is the functional and presentation currency of the Combined Entity.

New or amended Accounting Standards and Interpretations adopted
The Combined Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations will not have any significant impact on the financial performance or position of the Combined Entity.

The following Accounting Standards and Interpretations are most relevant to the Combined Entity:

IFRS 9 Financial Instruments
The Combined Entity has adopted IFRS 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The implementation of this standard will not have a material effect on the Combined Entity.

IFRS 15 Revenue from Contracts with Customers
The Combined Entity has adopted IFRS 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The implementation of this standard will not have a material effect on the Combined Entity.

Note 1. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with International Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') , as appropriate for for-profit oriented entities.

The combined financial statements comprise the financial statements of the separate legal entities QuickFee Group LLC, QuickFee Inc, QuickFee GCI LLC and QuickFee Finance LLC at 30 June 2017. These entities are subject to common control through common Directors and shareholders and operate as a combined Group. These combined financial statements aggregate the financial information of each separate legal entity, eliminating inter-company transactions. For the purpose of these combined financial statements no single entity is identified as a parent entity for accounting purposes and accordingly these combined financial statements are not prepared under the consolidation principles as defined in IFRS 10 – Consolidated Financial Statements.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Combined Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Combined Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Combined Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributed to loans and borrowings are capitalised as part of the asset and amortised over the life of the loan. All other finance costs are expensed in the period in which they are incurred.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Combined Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Income tax benefit

The potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. It is likely that the tax benefit will approximately the Combined Entity's accumulated losses multiplied by the applicable tax rate for the Combined Entity in the USA.

Note 4. Current assets - trade and other receivables

	30 Jun 2017 US$	30 Jun 2016 US$
Trade receivables	1,101,796	176,949
Other receivables	21,541	24,324
	1,123,337	201,273

Note 5. Current liabilities - Trade and other payables

	30 Jun 2017 US$	30 Jun 2016 US$
Trade payables	534,488	-
Other payables	131,825	16,379
	666,313	16,379

Note 6. Non-current liabilities - borrowings

	30 Jun 2017 US$	30 Jun 2016 US$
Loans and borrowings	1,000,000	1,000,000

A loan with a value of $1,000,000 was entered into with HTT Management Pty Limited on 2 March 2016. The loan has a term of 39 months, is fully drawn and is not secured. Interest is charged at a fixed rate of 6% per annum.

Note 7. Equity - issued capital

	30 Jun 2017 Shares	30 Jun 2016 Shares	30 Jun 2017 US$	30 Jun 2016 US$
Ordinary shares - fully paid	747,143	347,143	1,300,000	600,000

Movements in ordinary share capital

Details	Date	Shares	Issue price	US$
Balance	8 December 2015	-		-
Issue of shares		347,143		600,000
Balance	30 June 2016	347,143		600,000
Issue of shares		400,000		700,000
Balance	30 June 2017	747,143		1,300,000

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Combined Entity in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Combined Entity does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The Combined Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Combined Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Combined Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the prior year.

Note 8. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 9. Financial instruments

Market risk

Foreign currency risk
The Combined Entity's functional and presentation currency is United States dollars. As such the Combined Entity is not exposed to any significant risk with respect to foreign exchange.

Price risk
The Combined Entity is not exposed to any significant price risk.

Interest rate risk
The Combined Entity is not exposed to interest rate risk as loans and borrowings and interest received as revenue from customers are set at fixed interest rates.

Credit risk
The Combined Entity is not exposed to any significant credit risk. The management of the Combined Entity perform full credit checks on any new customers signed up by the business. These checks are usually performed by third parties. If a debtor is not recoverable that has been sold to the Combined Entity this debt will be recovered from the customer in line with the contractual terms. At 30 June 2017 there are no debts which are outside their contractual terms. (30 June 2016: US$ nil)

Liquidity risk
Vigilant liquidity risk management requires the Combined Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Combined Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Combined Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 Jun 2017	Weighted average interest rate %	1 year or less US$	Between 1 and 2 years US$	Between 2 and 5 years US$	Over 5 years US$	Remaining contractual maturities US$
Non-derivatives						
Non-interest bearing						
Trade and other receivables	-	1,123,337	-	-	-	1,123,337
Prepayments	-	48,796	-	-	-	48,796
Trade and other payables	-	(666,313)	-	-	-	(666,313)
Interest-bearing - fixed rate						
Other loans	6.00%	-	(1,000,000)	-	-	(1,000,000)
Total non-derivatives		505,820	(1,000,000)	-	-	(494,180)

Note 9. Financial instruments (continued)

30 Jun 2016	Weighted average interest rate %	1 year or less US$	Between 1 and 2 years US$	Between 2 and 5 years US$	Over 5 years US$	Remaining contractual maturities US$
Non-derivatives						
Non-interest bearing						
Trade and other receivables	-	201,273	-	-	-	201,273
Trade and other payables	-	(16,379)	-	-	-	(16,379)
Interest-bearing - fixed rate						
Other loans	6.00%	-	-	(1,000,000)	-	(1,000,000)
Total non-derivatives		184,894	-	(1,000,000)	-	(815,106)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 10. Key management personnel disclosures

Directors
No amounts were paid to the Directors of the Company during the year ended 30 June 2017.

Note 11. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by, the auditor of the Combined Entity:

	Year-ended 30 Jun 2017 US$	5 Dec 2015 to 30 Jun 2016 US$
Audit services -		
Audit of the financial statements	8,680	3,428

Note 12. Contingent assets and liabilities

The Combined Entity does not have any contingent assets or liabilities at 30 June 2017.

Note 13. Related party transactions

Parent entity
QuickFee Group is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 10.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 14. Events after the reporting period

The following matters have significantly affected the Combined Entity since 30 June 2017.

A Loan with face value of US$1,550,000 was entered into on 1 September 2017 and matures on 31 August 2019. The loan is secured over the assets of the Combined Entity. The loan accrues interest at 9% and has a limit of $5 million. The loan does not have a conversion feature.

Since 1 July 2017 up until the date of this report the Combined Entity has issued 1,252,857 shares raising a total of US$800,000.

A convertible loan agreement was entered into between the Combined Entity and a number of parties raising a total of A$1,480,000 (US$1,141,672) on and around 30 June 2018. The loan will convert or be repaid when the Combined Entity lists on the ASX. If the Combined Entity does not list within 6 months of draw down, then Combined Entity can repay the loan in cash at its discretion or convert the loan into shares at a price of $0.10. If the Combined Entity elects to repay the loan in cash a 10% coupon will be payable on the repayment date. Subsequent to to 30 June 2018 a further A$120,000 was raised under the terms as noted above

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Combined Entity's operations, the results of those operations, or the Combined Entity's state of affairs in future financial years.

Note 15. Reconciliation of loss after income tax to net cash used in operating activities

	Year-ended 30 Jun 2017 US$	5 Dec 2015 to 30 Jun 2016 US$
Loss after income tax expense for the year	(859,579)	(373,144)
Adjustments for:		
Depreciation and amortisation	972	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(922,384)	(201,273)
Increase in prepayments	(48,476)	-
Increase in trade and other payables	649,934	16,379
Increase in unearned income	49,378	10,029
Net cash used in operating activities	(1,130,155)	(548,009)

QuickFee Group
Directors' declaration
30 June 2017

In the directors' opinion:

- the attached financial statements and notes comply with International Financial Reporting Standards and other mandatory professional reporting requirements as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Combined Entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Combined Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

On behalf of the directors



Bruce Coombes
Director
30 November 2018

William Buck

QuickFee Group

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the QuickFee Group LLC, QuickFee Inc, QuickFee GCI LLC and QuickFee Finance LLC known as the QuickFee Group, (the Group), which comprises the combined statement of financial position as at 30 June 2017, the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying combined financial report presents fairly, in all material respects, the financial position of the Combined Entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Combined Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Basis of preparation

We draw attention to Note 1 to the financial report which outlines the basis of preparation. The accompany financial report include the aggregated combined financial position as 30 June 2017 and the combined results of operations for the year then ended of four separate legal entities (QuickFee Group LLC, QuickFee Inc, QuickFee GCI LLC and QuickFee Finance LLC) known as the QuickFee Group. Due to the effect of intercompany transactions, had separate financial reports been prepared for each of the legal entities, they would not necessarily be indicative of the results that would have occurred.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Melbourne, 30 November, 2018