

ASX ANNOUNCEMENT

Half Year Financial Report

Sydney, Wednesday 26 February 2020

Integrated Payment Technologies Limited (ASX: IP1) releases its financial report for the half year ended 31 December 2019, as approved by the Board.

Authorised by:

Don Sharp
Executive Chairman
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M: 0419 632 315



InPayTech

Integrated Payment Technologies Limited

ACN. 611 202 414

ASX IP1

Financial Report for the half-year ended 31 December 2019

Directors' report	2
Auditor's independence declaration	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	15
Independent auditor's review report to the members of Integrated Payment Technologies Limited	16

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Integrated Payment Technologies Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of Integrated Payment Technologies Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Don Sharp - Executive Chairman
Robin Beauchamp - Executive Director
Paul Collins - Non-Executive Director
Sandra Barns - Non-Executive Director (appointed 13 January 2020)

Principal activities

The principal activities of the Group are:

- ClickSuper, which provides clearing house services for both large employers with 20 or more employees and SMEs with less than 20 employees.
- Payment Adviser, which facilitates payments and communication of data concerning the payment between the payer/provider and payee/recipient using the Patents pending or granted to Jagwood.
- PayVu which incorporates ClickSuper and Payment Adviser functionality and interfaces to cloud based accounting software to provide payments via internet banking.
- Jagwood which has patents granted in Asia (i.e. Japan, Hong Kong, Singapore and China) and the Western World (USA, South Africa and New Zealand) in addition to patents pending in Canada and Australia.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,499,344 for 1HFY20. This compares to a net loss after tax attributed to members of Integrated Payment Technologies Limited of \$8,413,461 for 1HFY19 (which included a non-cash write-off of goodwill of \$6,755,549).

ClickSuper Superannuation Service

ClickSuper provides a complete compliance and payment solution to SuperStream and Single Touch Payroll (STP) for superannuation funds, payroll providers and for accounting and enterprise resource planning software.

ClickSuper has continued to onboard new payroll providers, increasing ClickSuper's integrated payroll network, to provide automation and additional security for the transfer of financial and identity information and payments. By delivering new functionality ClickSuper is extending its complete compliance and payment solution to small and medium business which is expected to effectively triple our total addressable market during 2020.

ClickSuper has successfully proven it can deliver a flexible STP solution which embeds with a clearing house for a superannuation fund.

Payment Adviser

Payment Adviser (PA) provides a solution for non-payroll related payments e.g. invoice payments and loan repayments. Currently the PA solution is used by a disruptor in the business lending space, one of Australia's top four accounting firms who use the PA solution for their SME service. Finally, the PA solution is in the final stages of integrating with a peer to peer lender.

PayVu

PayVu provides advisers (bookkeepers, accountants, and other professional advisors) with a scalable account payable (AP) solution which removes double handling and rework and reduces the risks traditionally associated with payment bureau services. i.e. PayVu manages all accounts payable payments; salaries, Pay As You Go tax, superannuation, invoices, GST, and payroll tax. AP items are extracted from cloud-based accounting systems for review by an adviser. When items are recommended for payment the business owner receives a smart phone notification allowing them to review, reject/pay items via the PayVu phone app.

PayVu has been through an extensive early adopter program to confirm it meets the requirements for a broad range of advisers and has now moved to its commercial release phase with increasing sales efforts and marketing scheduled to meet sales targets.

Jagwood

The Group holds patents in the USA, China, Japan, Singapore, Hong Kong, South Africa and New Zealand. The Group has patents pending in Canada and Australia where we have patent protection up to the time they are allowed/disallowed.

Significant changes in the state of affairs

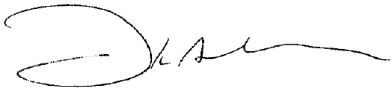
There were no significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Don Sharp
Executive Chairman

26 February 2020
Sydney

Auditor's Independence Declaration

To the Directors of Integrated Payment Technologies Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Integrated Payment Technologies Limited for the period ended 31 December 2019, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M R Leivesley
Partner – Audit & Assurance

Sydney, 26 February 2020

Integrated Payment Technologies Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Revenue			
Service fees	4	739,361	813,744
Other income		33,832	33,832
		<u>773,193</u>	<u>847,576</u>
Less transaction costs		(211,353)	(224,760)
		<u>561,840</u>	<u>622,816</u>
Gross margin			
Interest revenue calculated using the effective interest method		4,857	17,339
Expenses			
Employee benefits expense		(860,825)	(654,072)
Consulting fees		(139,270)	(144,404)
Depreciation and amortisation expense		(639,685)	(1,035,775)
Impairment of goodwill		-	(6,755,549)
Conference and marketing		(135,508)	(141,183)
Premises expense		(42,099)	(50,476)
Patents		(5,918)	(4,433)
Research and development costs		-	(44,290)
Share-based payments		(65,275)	(200,194)
ASX listing costs		(14,131)	(25,447)
Other expenses		(168,142)	(138,153)
Finance costs		(1,033)	(539)
		<u>(1,505,189)</u>	<u>(8,554,360)</u>
Loss before income tax benefit			
Income tax benefit		5,845	140,899
		<u>(1,499,344)</u>	<u>(8,413,461)</u>
Loss after income tax benefit for the half-year attributable to the owners of Integrated Payment Technologies Limited			
Other comprehensive income for the half-year, net of tax		-	-
		<u>(1,499,344)</u>	<u>(8,413,461)</u>
Total comprehensive income for the half-year attributable to the owners of Integrated Payment Technologies Limited			
		<u>(1,499,344)</u>	<u>(8,413,461)</u>
		Cents	Cents
Basic earnings per share	12	(0.485)	(5.448)
Diluted earnings per share	12	(0.485)	(5.448)

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

		Consolidated	
	Note	31 Dec 2019	30 Jun 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		347,599	1,460,240
Trade and other receivables	5	394,488	264,041
Total current assets		<u>742,087</u>	<u>1,724,281</u>
Non-current assets			
Property, plant and equipment		26,601	31,747
Intangibles	6	3,390,752	3,546,657
Deferred tax		422,697	563,596
Total non-current assets		<u>3,840,050</u>	<u>4,142,000</u>
Total assets		<u>4,582,137</u>	<u>5,866,281</u>
Liabilities			
Current liabilities			
Trade and other payables		225,551	244,153
Deferred government grant		67,664	67,991
Borrowings	7	300,000	-
Employee benefits		265,704	222,584
Total current liabilities		<u>858,919</u>	<u>534,728</u>
Non-current liabilities			
Deferred government grant		101,633	135,000
Deferred tax		422,697	563,596
Total non-current liabilities		<u>524,330</u>	<u>698,596</u>
Total liabilities		<u>1,383,249</u>	<u>1,233,324</u>
Net assets		<u>3,198,888</u>	<u>4,632,957</u>
Equity			
Issued capital	8	21,600,708	21,600,708
Share option reserve		740,227	674,952
Accumulated losses		(19,142,047)	(17,642,703)
Total equity		<u>3,198,888</u>	<u>4,632,957</u>

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

Integrated Payment Technologies Limited
Statement of changes in equity
For the half-year ended 31 December 2019



Consolidated	Issued capital \$	Share option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	20,056,507	613,129	(4,620,625)	16,049,011
Loss after income tax benefit for the half-year	-	-	(8,413,461)	(8,413,461)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(8,413,461)	(8,413,461)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	200,194	-	200,194
Balance at 31 December 2018	<u>20,056,507</u>	<u>813,323</u>	<u>(13,034,086)</u>	<u>7,835,744</u>
Consolidated	Issued capital \$	Share option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	21,600,708	674,952	(17,642,703)	4,632,957
Adjustment for adoption of AASB 16 (note 2)	-	-	-	-
Balance at 1 July 2019 - restated	21,600,708	674,952	(17,642,703)	4,632,957
Loss after income tax benefit for the half-year	-	-	(1,499,344)	(1,499,344)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,499,344)	(1,499,344)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	65,275	-	65,275
Balance at 31 December 2019	<u>21,600,708</u>	<u>740,227</u>	<u>(19,142,047)</u>	<u>3,198,888</u>

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

Integrated Payment Technologies Limited
Statement of cash flows
For the half-year ended 31 December 2019



	Consolidated	
Note	31 Dec 2019	31 Dec 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	690,136	1,121,378
Payments to suppliers and employees (inclusive of GST)	(1,539,839)	(1,373,995)
	(849,703)	(252,617)
Interest received	4,742	15,734
Interest and other finance costs paid	(1,033)	(539)
	(845,994)	(237,422)
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(3,105)	(6,328)
Payments for intangibles	(463,542)	(626,415)
	(466,647)	(632,743)
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from shareholder loans	200,000	-
	200,000	-
Net cash from financing activities		
Net decrease in cash and cash equivalents	(1,112,641)	(870,165)
Cash and cash equivalents at the beginning of the financial half-year	1,460,240	1,956,210
	347,599	1,086,045
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. General information

The financial statements cover Integrated Payment Technologies Limited as a Group consisting of Integrated Payment Technologies Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars which is Integrated Payment Technologies Limited's functional and presentation currency.

Integrated Payment Technologies Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 5
28 Margaret Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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 following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

Impact of adoption of AASB 16

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019 \$
Operating lease commitments as at 1 July 2019 (AASB 117)	26,675
Finance lease commitments as at 1 July 2019 (AASB 117)	-
Short-term leases not recognised as a right-of-use asset (AASB 16)	(26,675)
Right-of-use assets (AASB 16)	-
	<hr/>
Increase in opening accumulated losses as at 1 July 2019	<hr/> <hr/> -

Going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the half-year ended 31 December 2019, the Group recorded a loss before income tax benefit of \$1,505,189 (31 December 2018: loss of \$8,554,360); showed net cash outflows from investing activities of \$466,647 (31 December 2018: \$632,743) and net cash outflows from operating activities of \$845,994 (31 December 2018: \$237,422). The net assets of the Group as of 31 December 2019 were \$3,198,888 (30 June 2019: \$4,632,957).

The ability of the Group to meet its commitments and to develop its projects or divest for a profit is dependent upon the Group raising capital. The directors have considered that the Group plans to undertake capital raising to fund its medium term capital needs in their assessment of the future funding of the Group.

The directors are of the opinion that the Group will continue to obtain additional capital when the business requires it and accordingly have prepared the financial statements on a going concern basis.

In the unlikely scenario that the Group is not able to obtain additional capital as and when required, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in these financial statements.

At the date of approval of these financial statements, 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 statements at 31 December 2019. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment relating to the commercialisation of the process underlying the patents granted and applied for to link data with payments services. It operates in the one geographical segment of Australia.

The operating segment information is therefore the same as the financial statements.

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$	\$
<i>Major product lines</i>		
ClickSuper	728,285	808,367
Payment Adviser	11,076	5,377
	<u>739,361</u>	<u>813,744</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	562,156	639,069
Services transferred over time	177,205	174,675
	<u>739,361</u>	<u>813,744</u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Trade receivables	208,111	154,585
Loan receivables	100,000	-
Other receivables	3,715	2,170
Goods and services tax receivable	-	41,426
Prepayments	82,662	65,860
	<u>394,488</u>	<u>264,041</u>

Note 6. Non-current assets - intangibles

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Goodwill - at cost	6,755,549	6,755,549
Less: Impairment	(6,755,549)	(6,755,549)
	-	-
Patents - at cost	861,629	792,349
Less: Accumulated amortisation	(87,466)	(80,497)
Less: Impairment	(320,960)	(320,960)
	453,203	390,892
Software - at cost	3,331,702	3,331,702
Less: Accumulated amortisation	(2,181,972)	(1,999,021)
Less: Impairment	(600,879)	(600,879)
	548,851	731,802
Client relationships - at cost	5,123,600	5,123,600
Less: Accumulated amortisation	(3,355,507)	(3,074,160)
Less: Impairment	(924,052)	(924,052)
	844,041	1,125,388
PayVu - at cost	3,330,300	2,924,051
Less: Accumulated amortisation	(719,389)	(559,222)
Less: Impairment	(1,066,254)	(1,066,254)
	1,544,657	1,298,575
	<u>3,390,752</u>	<u>3,546,657</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Patents	Software	Client relationships	PayVu	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2019	-	390,892	731,802	1,125,388	1,298,575	3,546,657
Additions	-	69,280	-	-	406,249	475,529
Amortisation expense	-	(6,969)	(182,951)	(281,347)	(160,167)	(631,434)
Balance at 31 December 2019	-	<u>453,203</u>	<u>548,851</u>	<u>844,041</u>	<u>1,544,657</u>	<u>3,390,752</u>

Note 7. Current liabilities - borrowings

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Shareholder loans	300,000	-

Shareholder loans

Shareholder loans mature after 12 months from the date of issue (30 October 2019). Interest accrues at the rate of 8% per annum.

Note 8. Equity - issued capital

	31 Dec 2019	30 Jun 2019	Consolidated	31 Dec 2019	30 Jun 2019
	Shares	Shares	\$	\$	
Ordinary shares - fully paid	<u>308,840,298</u>	<u>308,840,298</u>	<u>21,600,708</u>	<u>21,600,708</u>	

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company 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.

Share buy-back

There is no current on-market share buy-back.

Note 9. Equity - dividends

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

Note 10. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting their remaining contractual maturities at a current market interest rate that is available for similar financial liabilities.

Note 11. Contingent liabilities

The Group had no material contingent liabilities at 31 December 2019 or 31 December 2018.

Note 12. Earnings per share

	31 Dec 2019	31 Dec 2018
	\$	\$
Loss after income tax attributable to the owners of Integrated Payment Technologies Limited	<u>(1,499,344)</u>	<u>(8,413,461)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>308,840,298</u>	<u>154,420,149</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>308,840,298</u>	<u>154,420,149</u>
	Cents	Cents
Basic earnings per share	(0.485)	(5.448)
Diluted earnings per share	(0.485)	(5.448)

20,000,000 share options in respect to share-based payments have been excluded from the above calculation for diluted earnings per share at 31 December 2019 (31 December 2018: 7,500,000) as their inclusion would be anti-dilutive due to the loss for the half-year.

Note 13. Share-based payments

On 31 July 2019, the Group has issued 15,000,000 options under the Employee Share Option Plan Scheme

The option terms are (subject to the Employee Share Option Plan rules):

- each option gives the right to subscribe for or acquire one ordinary share in the Company;
- nil consideration is payable for the option grant;
- exercise price is 3.5 cents (\$0.035) per option; with the holder given the following choice:
 - (i) exercise the options in the traditional manner, in which case, pay the exercise price and receive 1 ordinary share for each option exercised; or
 - (ii) elect a cashless exercise alternative, in which case, the Company will only issue the number of ordinary shares as are equal in value to the positive difference between the exercise price otherwise payable for the options and then the market value of the shares at the time of exercise (determined as the volume weighted average market price of the Company's shares sold on the ASX on the 5 business days immediately prior to the exercise date);
- option vests 12 months from the date of the grant of the options if:
 - (i) the market price of the ordinary share in the Company is at least \$0.035; and
 - (ii) the relevant employee remains in employment with the Company or its subsidiaries; and
- exercise period ends 3 years after the date of grant of the options

Total expense arising from share-based payment transactions recognised during the financial half-year was \$65,275 (31 December 2018: \$200,194).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
31/07/2019	31/07/2022	\$0.030	\$0.035	192.40%	-	1.00%	\$0.026

Note 14. Events after the reporting period

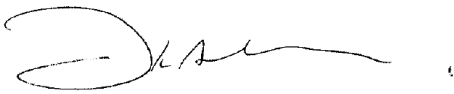
No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Don Sharp
Executive Chairman

26 February 2020
Sydney

Independent Auditor's Report

To the Members of Integrated Payment Technologies Limited

Report on the audit of the financial report

Conclusion

We have reviewed the accompanying half year financial report of Integrated Payment Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Integrated Payment Technologies Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss before income tax of \$1,505,189 and net cash flows were negative \$1,112,641 during the half year ended 31 December 2019. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Integrated Payment Technologies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M R Leivesley
Partner – Audit & Assurance

Sydney, 26 February 2020



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