



Statement of Comprehensive Income

For the year ended 30 September 2012

	Group		Unaudited
	30 Sept 2012	30 Sept 2011	31 Mar 2012
Continuing operations			
Revenue	\$'000 7,155	Restated \$'000 8,151	Restated \$'000 13,842
Cost of sales	910	452	2,943
Gross Profit	6,245	7,699	10,899
Gain on sale of fixed assets	-	12	1
Other income	18	1	11
Operating expenditure			
Administration expenses	461	576	1,726
Communications	285	442	757
Consultancy services	3	15	330
Employee costs	2,821	3,377	7,046
Marketing expenses	57	41	72
Occupancy costs	417	437	813
Other costs	187	168	302
Travel and accommodation	116	123	253
	4,347	5,179	11,299
Earnings before interest, tax, depreciation and amortisation	1,916	2,533	(388)
Depreciation and amortisation	(2,761)	(3,152)	(6,407)
Share option amortisation	(160)	(51)	(395)
Interest expense and related costs	(2,618)	(1,973)	(5,285)
Plant and equipment impairment	-	-	(500)
Software impairment	-	-	(1,419)
	(5,539)	(5,176)	(14,006)
Profit / (loss) before tax	(3,623)	(2,643)	(14,394)
Tax benefit / (expense)	-	-	625
Profit / (loss) for the period from	(3,623)	(2,643)	(13,769)
Foreign currency translation differences for	19	(6)	(12)
Total comprehensive income of owners	(3,604)	(2,649)	(13,781)
Earnings per share from continuing operations attributable to the equity holders of the company during the year.			
Basic earnings/(loss) per share - cents	(1.667) cents	(2.196) cents	(11.090) cents
Diluted earnings/(loss) per share -cents	(1.667) cents	(2.196) cents	(11.090) cents
The impact of the convertible notes and share options was not dilutionary in any of the 3 periods reported.			

Statement of Changes in Equity

For the year ended 30 September 2012

Unaudited

	Group			
	Share Capital	Foreign Currency Translation Reserve	Retained Deficits	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 31 March 2011 (restated)	27,431	(22)	(20,910)	6,499
Total comprehensive income of owners (restated)	-	(6)	(2,643)	(2,649)
Share issue costs	(39)	-	-	(39)
Total changes in equity	(39)	(6)	(2,643)	(2,688)
Balance at 30 September 2011 (restated)	27,392	(28)	(23,553)	3,811
Total comprehensive income of owners (restated)	-	(6)	(11,126)	(11,132)
Convertible notes issued - equity component	63	-	-	63
Share options recognised at fair value	395	-	-	395
Shares issued	2,735	-	-	2,735
Total changes in equity	3,193	(6)	(11,126)	(7,939)
Balance at 31 March 2012 (restated)	30,585	(34)	(34,679)	(4,128)
Total comprehensive income of owners		19	(3,623)	(3,604)
Shares issued	17,140			17,140
Total changes in equity	17,140	19	(3,623)	13,536
Balance at 30 September 2012	47,725	(15)	(38,302)	9,408

Statement of Financial Position

As at 30 September 2012

Unaudited

	Group		
	30 Sept 2012	30 Sept 2011	31 Mar 2012
	\$'000	Restated \$'000	Restated \$'000
Current assets			
Cash and cash equivalents	3,542	351	3,871
Trade and other receivables	1,774	3,620	1,884
Inventories	2,246	4,314	2,244
Total current assets	7,562	8,285	7,999
Non-current assets			
Receivables	769	68	849
Customer Equipment	8,178	6,833	7,304
Property, plant and equipment	1,314	2,316	1,513
Computer software and development	3,595	7,369	4,504
Customer contracts	4,056	2,247	2,176
Goodwill	5,350	5,350	5,350
Deferred tax	1,582	961	1,582
Total non-current assets	24,844	25,144	23,278
Total assets	32,406	33,429	31,277
Current liabilities			
Bank overdraft	-	-	29
Trade payables and accruals	4,590	5,239	5,839
Provisions	50	50	50
Income tax payable	49	53	49
Borrowings			
Group A - Corporate	2,000	4,275	9,367
Group B - Rental Book	-	7,142	13,362
Total current liabilities	6,689	16,759	28,696
Non-current liabilities			
Borrowings			
Group A - Corporate	16,309	1,882	-
Group B - Rental Book	-	10,977	6,709
Total non-current liabilities	16,309	12,859	6,709
Total liabilities	22,998	29,618	35,405
Net assets	9,408	3,811	(4,128)
Equity			
Share capital	47,725	27,392	30,585
Foreign currency translation reserve	(15)	(28)	(34)
Retained deficits	(38,302)	(23,553)	(34,679)
Total equity	9,408	3,811	(4,128)

Statement of Cash Flows
For the year ended 30 September 2012

Unaudited

	Group		
	30 Sept 2012	30 Sept 2011	31 Mar 2012
	\$'000	Restated \$'000	Restated \$'000
Cash flows from operating activities			
Receipts from customers	8,014	6,638	15,351
Interest received	7	1	4
Payments to suppliers	(6,983)	(7,144)	(13,562)
Interest paid	(1,257)	(1,317)	(3,779)
GST received/(paid)	(76)	226	(371)
Net cash inflow/(outflow) from operating activities	(295)	(1,596)	(2,357)
Cash flows from investing activities			
Proceeds from disposal of assets	-	12	1
Purchase of property, plant & equipment	(1,219)	(2,188)	(3,863)
Purchase of customer contracts	(2,370)	(785)	(866)
Development of computer software	(295)	(240)	(389)
Net cash inflow/(outflow) from investing activities	(3,884)	(3,201)	(5,117)
Cash flows from financing activities			
Proceeds from borrowings	19,900	3,199	13,476
Repayment of borrowings	(30,791)	(343)	(5,925)
Shares issued	14,770	-	1,513
Share issue costs	-	(39)	(79)
Net cash inflow/(outflow) from financing activities	3,879	2,817	8,985
Net increase/(decrease) in cash	(300)	(1,980)	1,511
Add opening cash equivalents	3,842	2,331	2,331
Closing cash equivalents	3,542	351	3,842
<i>Reconciliation of closing cash equivalents to the balance sheet:</i>			
Cash and cash equivalents	3,542	351	3,871
Bank overdraft	-	-	(29)
Closing cash equivalents	3,542	351	3,842

Supplementary Information

	30 Sept 2012	30 Sept 2011	31 Mar 2012
		Restated	Restated
1. Net Tangible Assets per Share (cents per share)	(1.19)	(9.27)	(10.91)

2. Change in Lease Classification

Since 31 March 2012 there has been a change in the lease classification and therefore revenue recognition relating to the accounting of the Eftpos terminal rental contracts and one presentational change to the Statement of Comprehensive Income. See below for a brief summary of the changes - full details will be provided in the Interim Report to 30 September 2012 which will be available in late December.

Lease Classification

Previously Eftpos rentals contracts entered into by the Group with its customers for Eftpos terminals together with bundled software were treated as Finance leases. This assessment was determined based on the historic life of the terminal being 3 years. However it has subsequently been established that the current life of the Eftpos terminal fleet is considerably longer than 3 years and is on average at least 6 years. This change is largely attributable to a change in the terminal supplier in 2009 and correspondingly more reliable and resilient terminals. The directors have consequently determined that the appropriate treatment of the Eftpos rental contracts is as an operating lease. The impact of this change is to recognise revenue from the rental agreement on a monthly basis over the term of the rental agreement rather than recognising the full rental revenue on a net present value basis at the inception of the lease.

The change in lease classification has been retrospectively applied to prior periods and the comparables for the 6 month period ending 30 September 2011 and the twelve months ending 31 March 2012 have been restated to reflect the retrospective change. The directors consider this change in lease classification provides more reliable and relevant information.

Restatement - Statement of comprehensive Income

The amount of net revenue adjustment for the current period and for each period presented is provided in the following table (excludes impact of depreciation, amortisation and capitalised expenditure).

	30 Sept 2012	30 Sept 2011	31 Mar 2012
Sales revenue from Eftpos terminals rentals	2,507	5,393	10,073
Cost of sales deducted	(210)	(1,460)	(2,598)
Net revenue	2,297	3,933	7,475
Finance Income	1,400	965	2,115
Total net revenue	3,697	4,898	9,590

Net Revenue recognised in accordance with the new lease classification and restated revenue reported

6,134 4,210 9,318

The Net revenue difference as a result of recognising revenue in accordance with the change in lease classification and restating prior periods

2,437 (688) (272)

Restatement - Statement of financial position

The restated total equity number of -\$4,128,000 at 31 March 2012 results from the majority of the finance receivable being de-recognised and the fleet of eftpos rental terminals being recognised on the balance sheet. This has been addressed through the issue of \$17 million of new equity in the six month period ending 30 September 2012.

Change in Presentation

The directors have determined following a re-evaluation of the risk and responsibilities undertaken by the group in relation to the telephony revenue that the better presentation is to recognise only the margin on the telephony revenue rather than the gross revenue. The change had no impact on previously reported profit results and the comparative periods reported have been amended to reflect the changed reporting format. This has resulted in the following changes to Revenue and Cost of sales.

	30 Sept 2012	30 Sept 2011	31 Mar 2012
Gross Telephony sales as previously reported	4,827	6,290	11,837
Telephony cost of sales deducted from revenue and cost of sales	(4,675)	(6,099)	(11,608)
Telephony commissions now reported in revenue	152	191	229
Total Revenue previously reported	9,861	15,898	28,946
As a result of offsetting the telephony cost of sales above, the revised total revenue before the lease classification change above	5,186	9,799	17,338

3. Segment Information

Geographical Segments at 30 September 2012 and 30 September 2011

	New Zealand		Australia		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales - external	5,604	6,204	1,551	1,947	-	-	7,155	8,151
Sales - inter segment	439	164	-	-	(439)	(164)	-	-
Operating earnings (EBITDA)	1,670	945	246	1,588	-	-	1,916	2,533
Finance costs	2,541	1,973	77	-	-	-	2,618	1,973
Profit / (loss) before tax	(3,251)	(2,685)	(372)	42	-	-	(3,623)	(2,643)
Total assets	36,047	30,331	1,733	4,895	(5,374)	(1,797)	32,406	33,429
Total liabilities	(21,383)	(24,191)	(6,989)	(7,224)	5,374	1,797	(22,998)	(29,618)
Capital expenditure	3,323	310	266	-	-	-	3,589	310
Depreciation and amortisation	2,220	2,606	541	546	-	-	2,761	3,152

4. Audit Status

The 30 September statements are unaudited. The 31 March statements were audited for the financial year end but the restatement following the change of lease classification and presentational change at 1 April has not been audited.