



*Axses*today

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year period
ended 31 December 2016

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Australian requirements for interim financial reports

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Axsesstoday Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Axesstoday Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Level 4, 50 Queen Street, Melbourne, Australia, 3000. Its shares are listed on the Australian Securities Exchange.

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (the "Group") consisting of Axesstoday Limited ("Axesstoday" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

The following persons were directors of Axesstoday Limited during the half-year and up to the date of this report:

- **Kerry Daly** (Chairman) was appointed as director on 19 October 2016 and continues in office at the date of this report.
- **Peter Ferizis** (CEO and Managing Director)
- **Michael Sack**
- **Matthew Reynolds** was appointed as director on 21 December 2016 and continues in office at the date of this report.
- **Yaniv Meydan**
- **Ryan Raymond** was a director from the beginning of the financial period until his resignation on 19 October 2016.
- **Ashley Krongold** was appointed as director on 14 July 2016 and resigned on 19 October 2016

Principal Activities

During the half year the principal activities of the Group consisted of providing equipment finance primarily to small to medium enterprise customers in the hospitality and transport sectors.

Results and Review of Operations

Key Highlights

- Continued strong growth in all key operating metrics and exceeded prospectus forecasts
- Profit after tax increased by 186% to \$1.6m compared to the previous corresponding period
- Interest income increased by 149% to \$8.3 million for the six months to 31 December 2016 compared to \$3.4m for the six months to 31 December 2015 (previous corresponding period)
- Net receivables increased 68% to \$88.4 million as at 31 December 2016 compared to \$52.5m as at 30 June 2016
- Credit quality remains sound
- Guidance for full year net profit after tax has been revised upwards to \$3.6 million from \$3.3 million

Overview

Aksesstoday Limited is a specialist provider of equipment funding solutions for small to medium sized enterprises (SMEs) in the hospitality, transport and other sectors. Aksesstoday makes funding fairer, easier and faster for business owners.

During the six month period to 31 December 2016, Aksesstoday Limited delivered continued strong organic business growth and consistent performance across all key operating metrics, and is well positioned to continue this trend into the second half of the financial year.

The Group's net profit after tax for the six months to 31 December 2016 was \$1.6 million compared to the previous corresponding period of \$0.6 million. The key drivers of profit growth over the period were:

- Net portfolio income increasing by 143% to \$6.0 million, underpinned by 68% increase in net loan receivables since June 2016
- Accredited retail merchants and introducers increasing from 140 as at 30 June 2016 to 190 as at 31 December 2016
- Credit losses continuing in line with Prospectus forecasts at 1.3% of average net receivables and the credit provision balance represented 1.2% of net receivables at period end allowing for future credit losses.

Loan receivables increased by 215% over previous corresponding period to \$88.4 million (gross lease receivables of \$136.3 million). The result was also 13% higher than forecasts of \$78.0 million due to strong growth in new retail merchants accreditations that are expected to continue to provide sustainable loan receivable growth and earnings momentum into FY18 and beyond. The strong growth rates have continued into the start of the current half.

The full earnings impact from the growth in net receivables will not be realised until subsequent reporting periods in part due to the Company's policy of taking credit provisions at the commencement of new loans and leases.

During the 6 month period to 30 June 2017, the Company is forecasted to incur increased operating costs associated with the relocation to larger premises and increased employees to support growth projections.

Loan receivables are forecast to continue to increase ahead of the Prospectus estimate, and the Company expects full year after tax earnings will now be in the order of \$3.6 million compared to \$3.3m in the Company's prospectus forecast. It is anticipated the full interest revenue contribution from the higher receivables balance will be reflected in FY18.

Hospitality

The Hospitality business exceeded expectations for the 6 month period to 31 December 2016, with growth in loan receivables of 158% over the previous corresponding period to \$48.3 million. The Company has continued to deepen market penetration in its core channels of restaurants, cafes and franchise sectors. The outlook for the Hospitality sector remains strong as a result of continuing favourable industry conditions and expansion of the Group's activity in new channels including franchise groups.

Transport

The Transport business delivered rapid growth for the period to 31 December 2016, with growth in loan receivables of 494% over the previous corresponding period to \$26.6 million. The growth has been attributed to increased market awareness and new introducer accreditations. The Company expects strong performance to continue into the second half of the financial year based on the current rate of finance volume growth and the strong finance origination pipeline.

Portfolio Performance

Actual credit losses incurred were \$0.4 million for the 6 months to 31 December 2016 compared to an impairment provision expense of \$0.8 million during the period. The level of credit losses are consistent with previous periods and within budget expectations. Total credit losses to date remained stable at 1.3% of net receivables (1.6% of average net receivables). The Company continues to take an active approach to maximising the recovery, refurbishment and redeployment of assets and currently has over \$1.0 million of credit loss provisions available to be applied against future impairment losses.

Arrears (unimpaired past due 30 day receivables) were 0.89% of gross receivables at 31 December 2016, which has remained consistent over the past 6 months. The result was underpinned by maintaining credit discipline and effective collection processes.

Financial Position

The Group had \$88.4 million of net loan receivables as at 31 December 2016. Net debt increased to \$66.8 million compared to \$46.7 million at 30 June 2016. The level of gearing has remained well within financial covenants and as at 31 December 2016 was 77%.

The Company continues to optimise its capital structure to ensure that its sources of funding will support the ongoing growth in the business and maximize shareholder value. The Company is currently in advanced discussions with its financiers on increasing its debt facilities, and is pleased to receive the strong support of its senior bank debt financier and is continuing to develop an active debt capital markets presence to support its ongoing growth objectives.

The Company is experiencing rapid balance sheet growth due to strong ongoing asset origination. As a result, the Company will review its funding requirements on an ongoing basis to ensure the Group maintains a strong balance sheet with prudent capital ratios and is positioned to capitalise on the current business momentum and strong earnings growth outlook.

Dividend

The Company listed on the ASX on 21st December 2016, 5 business days prior to the end of the half-year reporting period. Based on this timing the Directors have elected not to pay a dividend for the half-year ended 31 December 2016. Net income for the period will be re-invested to support the strong ongoing business growth rate.

The Directors expect to pay a dividend for the earnings attributed to the half year ending 30 June 2017, which is consistent with the Company's target dividend payout ratio of approximately 50% of distributable profits. The Company will implement a Dividend Reinvestment Plan for shareholders to reinvest their dividends to minimise the cash and capital impact of dividends on the Company.

Systems

The Company's credit and administration systems have continued to be effective in managing risk and supporting the administration requirements of rapid growth in underlying business volumes. The Company has recently commenced planning for technology upgrades to core systems to maintain its market leading technology position. The proposed system upgrades are intended to increase capacity to support growth, improve the customer service experience, broaden the Group's product base, enable flexibility for future international expansion and continue to improve operating leverage and cost management through increased levels of process automation.

Strategy and Outlook

The Company continues to focus on its core products and market segments through deeper penetration in the existing hospitality and transport sectors. The Group continues to experience favourable trading conditions, with ongoing market penetration and growth in retail merchant and introducer relationships underpinning the Groups growth objectives.

The Company has also commenced testing new products in markets that are complementary to its core product offering. These opportunities will be evaluated further in the coming period and provide the potential to broaden the Group's product suite and cross sell opportunities to new and existing end customers with risk-adjusted returns in line with the Company's objectives. An initial scoping review has also commenced into opportunities for limited international expansion in selected markets. Any future steps to expand outside the Group's current core markets will be undertaken prudently and progressively based on thorough market testing.

Auditors Independence Declaration:

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.



Kerry Daly
Chairman

Melbourne
24 February 2017



Auditor's Independence Declaration

As lead auditor for the review of Axesstoday Limited for the half-year ended 31 December 2016, 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.

This declaration is in respect of Axesstoday Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Daniel Rosenberg'.

Daniel Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
24 February 2017

Aksesstoday Limited
Condensed consolidated statement of profit and loss

For the half-year ended 31 December 2016

	Notes	HALF-YEAR	
		2016	2015
		\$	\$
Revenue from continuing operations	9	8,288,976	3,328,075
Other income		312,993	52,803
Employee benefits expense		(2,009,343)	(799,759)
Depreciation and amortisation expense		(35,711)	(3,556)
Provision for lease impairment		(728,879)	(304,060)
Registration costs		(221,869)	(109,748)
General Administration and Marketing Expenses		(542,524)	(253,900)
Other expenses		(263,650)	(85,410)
Finance costs		(2,465,119)	(1,022,335)
Profit before income tax		2,334,874	802,110
Income tax expense		(711,375)	(234,216)
Profit for the half-year		1,623,499	567,894
Profit is attributable to:			
Owners of Aksesstoday Limited		1,623,499	567,894
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents)		5.79	2.40
Diluted earnings per share (cents)		4.88	2.40

The above condensed consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

Axesstoday Limited
Condensed consolidated statement of comprehensive income

For the half-year ended 31 December 2016

	HALF-YEAR	
	2016	2015
Other comprehensive income	\$	\$
Profit for the half-year	1,623,499	567,894
<i>Item that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges	64,598	(95,142)
Other comprehensive income for the half-year, net of tax	64,598	(95,142)
Profit for the half-year	1,688,097	472,752
Profit is attributable to:		
Owners of Axesstoday Limited	1,688,097	472,752

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Axesstoday Limited
Condensed consolidated statement of financial position

For the half-year ended 31 December 2016

	Notes	31-Dec-16	30-Jun-16
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		167,765	599,778
Receivables	10	22,556,488	18,184,172
Other receivables		1,730,022	1,610,604
Total current assets		24,454,275	20,394,554
NON-CURRENT ASSETS			
Receivables	10	65,880,812	34,329,382
Property, plant and equipment		120,404	113,595
Intangible assets		419,255	453,166
Total non-current assets		66,420,471	34,896,143
Total assets		90,874,746	55,290,697
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,227,972	939,803
Borrowings	11	1,282,773	26,050,000
Derivative financial instruments		402,574	494,857
Current tax liabilities		256,970	178,205
Provisions		135,462	73,682
Total current liabilities		4,305,751	27,736,547
NON-CURRENT LIABILITIES			
Borrowings	11	65,660,679	21,239,193
Deferred tax liabilities		930,662	512,456
Total non-current liabilities		66,591,341	21,751,649
Total liabilities		70,897,092	49,488,196
Net assets		19,977,654	5,802,501
EQUITY			
Contributed equity		16,988,057	4,501,000
Other reserves		(281,802)	(346,400)
Retained earnings		3,271,399	1,647,901
Total equity		19,977,654	5,802,501

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

Axesstoday Limited
Condensed consolidated statement of changes in equity

For the half-year ended 31 December 2016

Consolidated entity	Attributable to owners of Axesstoday Limited			
	Contributed Equity	Other Reserves	Retained Earnings	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2015	4,001,000	-	217,624	4,218,624
Profit for the half-year	-	-	567,894	567,894
Other comprehensive income	-	(95,142)	-	-
Total comprehensive income for the half-year	-	(95,142)	567,894	567,894
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	-	-	-	-
Balance at 31 December 2015	4,001,000	(95,142)	785,519	4,691,377
Balance at 1 July 2016	4,501,000	(346,400)	1,647,901	5,802,501
Profit for the half-year	-	-	1,623,499	1,623,499
Other comprehensive income	-	64,598	-	64,598
Total comprehensive income for the half-year	-	64,598	1,623,499	1,688,097
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	12,487,057	-	-	12,487,057
	12,487,057	-	-	12,487,057
Balance at 31 December 2016	16,988,057	(281,802)	3,271,399	19,977,654

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

Axesstoday Limited
Condensed consolidated statement of cash flows

For the half-year ended 31 December 2016

	HALF-YEAR	
	2016	2015
	\$	\$
Cash flows from operating activities		
Receipts from customers (inc. GST)	18,385,477	8,355,565
Payments to suppliers and employees (inc. GST)	(49,124,544)	(20,643,681)
	(30,739,067)	(12,288,116)
Interest received	156,732	45,113
Interest paid	(1,804,481)	(491,988)
Income taxes paid	(214,404)	
Net cash (outflow) from operating activities	(32,601,220)	(12,734,991)
Cash flows from investing activities		
Payments for property, plant and equipment	(39,358)	(58,604)
Payments for intangibles	(41,265)	(77,388)
Proceeds from sale of property, plant and equipment		
Net cash (outflow) from investing activities	(80,623)	(135,992)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	12,487,057	
Proceeds from subordinated notes	19,230,000	19,230,000
Proceeds from/repayments of bank borrowings	2,000,000	(6,000,000)
Repayment of related party borrowings	(2,750,000)	(752,000)
Net cash inflow from financing activities	30,967,057	12,478,000
Net (decrease) increase in cash and cash equivalents	(1,714,784)	(392,983)
Cash and cash equivalents at the beginning of the half-year	599,778	599,098
Cash and cash equivalents at the end of the half-year	(1,115,008)	206,115
Cash	167,765	599,778
Bank Overdraft	(1,282,773)	-
Balance per statement of cash flows	(1,115,008)	599,778

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

Axesstoday Limited
Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2016

1. Reporting Entity

Axesstoday Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for profit entity and is a provider of finance to small to medium sized enterprises for equipment, including hospitality, transport, and other business critical equipment. The consolidated annual financial statements of the Group as at and for the year ended 30 June 2016 are available at www.axesstodaylimited.com.au.

2. Statement of Compliance

This condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2016 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2016. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2016.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 February 2017.

3. Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated interim financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the group consisting of Axesstoday Limited and its subsidiaries.

(A) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Axesstoday Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Historical cost convention

These financial statements have been prepared under the historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property - measured at fair value,*
- assets held for sale - measured at fair value less cost of disposal.*

ii. New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial period beginning 2016 affected any of the amounts recognised in the current period or any previous period and are not likely to affect future periods.

iii. New accounting standards to be applied in future reporting periods

The accounting standards that have not been early adopted for the period ended 31 December 2016 but will be applicable to the group in future reporting periods are detailed below:

a. Financial instruments - impairment of financial assets

In December 2014, AASB issued the final version of AASB 9: 'Financial Instruments' (AASB 9(2014)), AASB 2014-7: 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)' and AASB 2014-8: 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)- Application of AASB 9 (December 2009) and AASB 9 (December 2010)'.

AASB 9 (2014) is the final version of a new principal standard that consolidates requirements for the classification and measurement of financial assets and liabilities, hedge accounting and impairment of financial assets. AASB 9 (2014) supersedes all previously issued and amended versions of AASB 9 and applies to the group from 1 July 2018, with early adoption permitted.

We are currently assessing the impact on our financial results.

b. Revenue from contracts with customers

In December 2014, the AASB issued AASB 15: 'Revenue from Contracts with Customers' and AASB 2014-5: 'Amendments to Australian Accounting Standards arising from AASB 15'. In October 2015 the AASB issued AASB 2015-8: 'Amendments to Australian Accounting Standards - Effective Date of AASB 15' which deferred the effective date of the new revenue standard from 1 January 2017 to 1 January 2018. In May 2016, the AASB issued AASB 2016-3: 'Amendments to Australian Accounting Standards - Clarifications to AASB 15.'

AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3 apply to the company from 1 July 2018, with early application permitted.

We are currently assessing the impact of the new revenue standard on our financial results.

c. New leasing standard

In February 2016, AASB issued AASB 16 'Leases', which replaces the current guidance in AASB 117 'Leases'. The new standard significantly changes accounting for lessees requiring recognition of all leases on the balance sheet, including those currently accounted for as operating leases. A lessee will recognise liabilities reflecting future lease payments and 'right-of-use assets', initially measured at a present value of unavoidable lease payments. Depreciation of leased assets and interest on lease liabilities will be recognised over the lease term.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases and account for them as operating leases or finance leases.

There is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

The new standard will apply to the company from 1 July 2019. Earlier adoption is permitted, but only in conjunction with AASB 15: 'Revenue from Contracts with Customers'.

We are currently assessing the impact of the new leasing standard on our financial results.

(B) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(C) Revenue recognition

Revenue is recognised for the major business activities using the methods outlined below.

Lease finance interest revenue

The group recognises lease finance interest revenue by applying discount rates implicit in the lease balances receivable at the beginning of each payment period.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(D) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(E) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(F) Impairment of assets

Goodwill and 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 assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs to dispose and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(G) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(H) Lease receivables

The group has classified its long term contracts as finance leases for accounting purposes. Under a finance lease, substantially all the risks and benefits incidental to the ownership of the leased asset are transferred by the group to the lessees. The group recognises at the beginning of the lease term an asset at an amount equal to the aggregate of the present value (discounted at the interest rate implicit in the lease) of the minimum lease payments and an estimate of any unguaranteed residual value expected to accrue to the group at the end of the lease term.

Impairment of non-derivative financial assets

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that they are impaired. The main non-derivative financial assets held by the Group is lease receivables.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor will enter bankruptcy; or
- adverse changes in the payment status of contract holders.

The Group considers evidence of impairment for their lease receivables at a collective level. Contracts in arrears are assessed and grouped together depending on their risk characteristics. In assessing collective impairment, the Group uses historical information on the likelihood of recoveries, the total amount of security bonds held against the delinquent contracts and impairs the debtor ledger accordingly. Losses are recognised in profit or loss and reflected in an allowance account. When the Group has exhausted all reasonable efforts of recovery, the net book debt of the contract is written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(I) Investments and other financial assets

i. Classification

The group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

ii. Reclassification

The group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-

trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

iii. Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

iv. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established

v. Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'Loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

vi. Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.

vii. Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

viii. Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(J) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

i. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is

hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset.

The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

ii. Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

(K) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each period, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Furniture, fittings and equipment 3- 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the

asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(L) Intangible assets

IT development and software

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(M) Trade and other payables

These amounts represent liabilities for goods and services provided to the group previous to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(N) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(O) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying

assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(P) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(Q) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(R) Contributed equity

Ordinary shares are classified as equity.

(S) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

(T) Performance Shares

The performance shares are granted to all existing shareholders and vest on the basis of conditions set out in Note 4. If these vesting conditions are met, the performance shares will convert one for one into ordinary shares of the Company. The performance shares are issued to all existing shareholders in their capacity as holders of equity instruments of the Company and do not have service conditions; as such they have been accounted for as equity instruments.

4. Performance Shares

On 19 October 2016, Axesstoday issued 5,000,000 Performance Shares (Tranche 1) and 8,000,000 Performance Shares (Tranche 2). A summary of the Performance Share Terms and Conditions is provided below. The description below is only a summary and is qualified in its entirety by reference to the Constitution and the Corporations Act and the Listing Rules.

PERFORMANCE SHARE TERMS AND CONDITIONS:

Performance Shares (Tranche 1 and Tranche 2) will convert into Shares in the event the Performance Shares (Tranche 1 and Tranche 2) milestones are satisfied. 100% of the Performance Shares held by each Performance Shareholder will convert into Shares on the basis of one Share for every one Performance Share.

The Performance Shares (Tranche 1) Milestone is as follows:

- The Axesstoday Group achieving NPAT for FY2017/2018 of \$5,250,000 or more;
- Axesstoday achieving a target basic earnings per Share of \$0.123 based on the volume weighted average price of shares on issue during FY2017/2018; and
- During the period commencing from the date of issue of the Performance Shares and ending on 30 June 2018, Axesstoday must not have been in breach of any of Axesstoday's debt covenants for more than 20 consecutive business days without such breach having been rectified.

The Performance Shares (Tranche 2) Milestone is as follows:

- The Axesstoday Group achieving NPAT for FY2018/2019 of A\$8,100,000 or more;
- Axesstoday achieving a target basic earnings per Share of \$0.148 based on the volume weighted average price of shares on issue during FY2018/ 2019; and
- During the period commencing from 1 July 2018 and ending on 30 June 2019, Axesstoday must not have been in breach of any of Axesstoday's debt covenants for more than 20 consecutive business days without such breach having been rectified.

The issuance of the Performance Shares does not impact the net assets or earnings of the Company. As the Performance Shares were issued and are held by the existing shareholders prior to the Offer, if the performance shares vest they will convert one for one into ordinary shares with a dilutive impact on the other shareholders.

5. Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2016.

6. Derivative Financial Instruments

Derivatives are only used for economic hedging purposes and not as trading or speculative investments. The group has the following derivative financial instruments:

(a) Instruments used by the group

The group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the group's financial risk management policies.

Interest rate swap contracts - cash flow

The group's policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The interest rate swap contracts currently in place have fixed interest rates as follows:

Notional Amount	Expiry Date	Rate
\$15,000,000	9/07/2020	2.26%
\$20,000,000	9/07/2020	2.77%

The variable interest rates are below the current fixed rates at the end of the reporting period.

The contracts require monthly settlement of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from re-measuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve, to the extent that the hedge is effective.

	HALF-YEAR FULL-YEAR	
	2016	2016
Current liabilities	\$	\$
Interest rate swap contracts - cash flow hedges	402,574	494,857
Total current derivative financial instrument liabilities	402,574	494,857

7. Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2016 and 31 December 2016 on a recurring basis:

At 31 December 2016				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivatives used for hedging - interest rate swap	-	402,574	-	402,574
Total Liabilities	-	402,574	-	402,574

At 30 June 2016				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivatives used for hedging - interest rate swap	-	494,857	-	494,857
Total Liabilities	-	494,857	-	494,857

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2016.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(b) Fair value hierarchy

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

(c) Fair value measurements using significant unobservable inputs

There were no transfers between the levels of the fair value hierarchy in the six months to 31 December 2016. There were also no changes made to any valuations techniques applied as of 30 June 2016.

(d) Fair values of other financial instruments (unrecognized)

The group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at 31 December 2016:

Non-current borrowings		
	Carrying Amount	Fair Value
Bank Loans	26,947,200	27,349,774

8. Operating Segments

The Group has two reportable segments based on the asset classes that comprise the majority of the lease receivables balance, being Hospitality and Transport. The two segments are managed separately with distinct products because they are significantly different markets. For each of the segments, the Group's Chief Executive Officer and other executive managers review internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Hospitality - providing equipment finance to the hospitality industry
- Transport - providing equipment finance to the transport industry

31-Dec-16				
	Hospitality	Transport	Other	Total
Revenue	4,918,080	2,255,488	1,115,408	8,288,976
Reportable segment profit/loss before tax	1,236,4123	1,278,599	(180,138)	2,334,874
Segment receivables (exc. provision)	48,336,152	26,627,447	14,499,197	89,462,796

31-Dec-15				
	Hospitality	Transport	Other	Total
Revenue	2,240,298	429,208	658,569	3,328,075
Reportable segment profit/loss before tax	725,282	228,314	(151,486)	802,110
Segment receivables (exc. provision)	18,757,570	4,482,487	5,274,804	28,514,862

Allocation of operating expenses is based on the number of open customer accounts per segment. At 31 December 2016, the average financed amount for hospitality and transport segments were \$17k and \$57k, respectively.

9. Revenue

	HALF-YEAR	
	2016	2015
From continuing operations	\$	\$
Lease interest	8,133,737	3,283,983
Interest	155,239	44,092
Other income	312,993	52,803
Total revenue from continuing operations	8,601,969	3,380,878

10. Receivables

	31-Dec-16	30-Jun-16
Current	\$	\$
Lease receivables	20,378,242	17,073,531
Secured loans receivables	2,439,805	1,110,641
Provision for impairment of receivables	(261,559)	-
Current net receivables	22,556,488	18,184,172
Receivables balance consists of:		
Principal	21,471,978	17,150,569
Initial direct costs	1,346,069	1,033,603
Provision for impairment of receivables	(261,559)	-
Current net receivables	22,556,488	18,184,172
Non-current	\$	\$
Lease receivables	65,045,022	35,122,553
Secured loans receivables	1,599,726	0
Provision for impairment of receivables	-763,936	-793,171
Non-current net receivables	65,880,812	34,329,382
Receivables balance consists of:		
Principal	62,713,282	33,012,242
Initial direct costs	3,931,466	2,110,311
Provision for impairment of receivables	(763,936)	(793,171)
Non-current net receivables	65,880,812	34,329,382
Receivables - group as lessor	\$	\$
Commitments in relation to receivables as follows:		
Within one year	43,922,855	27,150,319
Later than one year but not later than five years	92,339,615	58,133,575
Minimum lease receivable	136,262,470	85,283,894
Unearned interest income	(46,799,674)	(33,087,810)
Total net receivable assets	89,462,795	52,196,084
Representing receivables:		
Current	22,818,048	18,184,172
Non-current	66,644,748	35,122,553
Total net receivables	89,462,796	53,306,725

11. Borrowings

	31-Dec-16	30-Jun-16
Current borrowings:	\$	€
Secured		
Bank loans	1,282,773	25,300,000
Total secured current borrowings	1,282,773	25,300,000
Unsecured		
Bank loans	-	750,000
Total unsecured current borrowings	-	750,000
Non-current borrowings:	\$	€
Secured		
Bank loans	26,947,200	-
Subordinated notes	38,713,479	19,239,193
Total secured non-current borrowings	65,660,679	19,239,193
Unsecured		
Loans from related parties	-	2,000,000
Total unsecured non-current borrowings	-	2,000,000

Bank loans:

On 9 November 2016 Axesstoday Limited (“the borrower”) refinanced the Senior Corporate Debt Facility with the Commonwealth Bank of Australia Limited (“the Lender”).

At 31 December 2016, Axesstoday had access to loan facilities of \$47,500,000 (Australian dollars).

Commonwealth Bank of Australia Limited has security over the following:

- Axesstoday Limited
- Axesstoday Operations Pty Ltd
- A.C.N. 603 303 126 Pty Ltd
- Axesstoday Retail Pty Ltd

Under the terms of the borrowing facilities, the group is required to comply with the following financial covenants:

- Senior Debt to Eligible Receivables is less than 85%
- Interest Cover Ratio is greater than 1.5 times
- The Credit Adjusted Senior Financial Indebtedness is less than the Rental Payment Amount
- The Equipment Receivables Ratio is greater than 90%

All financial covenants have been met for the period ended 31 December 2016.

Subordinated notes:

The Subordinated Notes are unconditionally and irrevocably guaranteed on a joint and several and unsecured and subordinated basis between the group and BNY Trust Company of Australia Limited. The Subordinated Notes are the second-ranking Security behind the Permitted Senior Debt and liabilities mandatorily preferred by law.

The Subordinated Notes will be unconditionally and irrevocably guaranteed on a joint and several and unsecured and subordinated basis by the group. The obligations of the group under the Guarantee will be unsecured obligations of that group and will at all times rank equally among themselves and at least equally with all other direct, unsecured and unconditional obligations of that Guarantor, other than the Permitted Senior Debt and liabilities mandatorily preferred by law.

In addition, the group undertakes:

- At all times, the aggregate of the:
 - EBITDA generated by the entities named within the agreements is at least 90 per cent of the total EBITDA of the Group; and
 - Total Tangible Assets of the entities named within the agreements is at least 90 per cent of the Total Tangible Assets of the Group.

12. Earnings per Share

Details of basic and diluted EPS reported separately in accordance with AASB 113: Earnings per Share are as follows:

	31-Dec-16	31-Dec-15
Basic earnings per share	\$	\$
Profit for the period	1,623,499	567,894
Weighted average number of ordinary shares		
Weighted average number of ordinary shares	28,044,193	23,685,507
Weighted average number of ordinary shares (basic)	28,044,193	23,685,507
Diluted earnings per share	\$	\$
Profit for the period	1,623,499	567,894
Weighted average number of ordinary shares		
Weighted average number of ordinary shares	28,044,193	23,685,507
Effect of performance shares	5,228,261	-
Weighted average number of ordinary shares (diluted)	33,272,454	23,685,507

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AXSESSTODAY

Aksesstoday Limited
Directors' declaration

For the half-year ended 31 December 2016

In the Directors' opinion:

- I. the financial statements, comprising; the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows are in accordance with the Corporations Act 2001, including:
 - a. *(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and*
 - b. *(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and*
- II. there are reasonable grounds to believe that Aksesstoday Limited 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 Directors.

On behalf of the Board of Aksesstoday Limited



Kerry Daly
Chairman

Melbourne
24 February 2017



Independent auditor's review report to the members of Axsesstoday Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Axsesstoday Limited (the company), which comprises the condensed consolidated balance sheet as at 31 December 2016, the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Axsesstoday Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

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 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 Australian 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 consolidated entity's financial position as at 31 December 2016 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 Axsesstoday 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*.

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Independent auditor's review report to the members of Axsesstoday Limited (continued)

Report on the Half-Year Financial Report (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Axsesstoday Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the company for the half-year ended 31 December 2016 included on Axsesstoday Limited's web site. The company's directors are responsible for the integrity of the Axsesstoday Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Daniel Rosenberg', written in a cursive style.

Daniel Rosenberg
Partner

Melbourne
24 February 2017