

MARKET RELEASE

SMARTPAY ANNOUNCES 30 SEPTEMBER 2015 HALF YEAR RESULTS

AUCKLAND, 25 November 2015 - Smartpay (NZX: SPY, ASX: SMP), a leading provider of payments and transactional solutions in New Zealand and Australia is pleased to release its half year result for the period to 30 September 2015 which has been subject to independent auditors' review. The following documents are attached:

- Appendix 4D (as required under the ASX Listing Rules)
- Appendix 1 (as required under the NZX Listing Rules)
- Half Year Report for the six month period ending 30 September 2015 (including the independent auditors' Review Report).
- Directors' Declaration

Smartpay Holdings Limited

| NZX : SPY | ASX : SMP | ARBN: 160 712 210 |



APPENDIX 4D (Rule 4.2A ASX Listing Rules)

HALF –YEAR REPORT FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2015

This information should be read in conjunction with the 31 March 2015 Annual Report

Results for announcement to the market

(all comparisons to the six month period ended 30 September 2014)

The information below supplements the information disclosed in the attached Half Year Report

Revenue and Profit	30 Sept 2015 \$NZ'000	30 Sept 2014 \$NZ'000	Up/Down	Movement %
Revenues from ordinary activities	9,896	11,770	↓	(15.9)
Profit/(Loss) after tax attributable to members	143	1,499	↓	(90.5)
Profit after tax attributable to owners	143	1,499	↓	(90.5)

Dividend Information	Dividend paid/payable date	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking
Final 2015 dividend per share		Nil		
Interim 2016 dividend per share		Nil		
Interim dividend dates		n/a		
Ex-dividend date		n/a		
Record date for determining entitlements to dividend		n/a		
Payment date		n/a		

Net tangible assets per share	30 Sept 2015 \$NZ	30 Sept 2014 \$NZ
Net tangible assets per share (cents)	(6.23)	(6.17)

Details of entities over which control has been gained or lost during the period

Nil

Additional Appendix 4D disclosure requirements can be found in the attached Half Year Report and the notes thereto.

This report is based on the attached Half Year Report which has been subject to the independent auditors' review.

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APPENDIX 1 (NZX Listing Rules)

HALF –YEAR REPORT FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2015

This information should be read in conjunction with the 31 March 2015 Annual Report

Results for announcement to the market

(all comparisons to the six month period ended 30 September 2014)

The information below supplements the information disclosed in the attached Half Year Report

Reporting Period	6 months to 30 September 2015	
Previous Reporting Period	6 months to 30 September 2014	
	Amount (\$NZ '000)	Percentage change %
Revenue from ordinary activities	9,896	(15.9)
Profit (loss) from ordinary activities after tax attributable to security holders	143	(90.5)
Net profit (loss) attributable to security holders	143	(90.5)
Interim/Final Dividend	Amount per security \$ NZ	Imputed amount per security
	Nil	n/a
Record Date	n/a	
Dividend Payment Date	n/a	
Comments:	As per attached report	

Details of entities that have been gained or lost over the period

Nil

Additional NZX Appendix 1 disclosure requirements can be found in the attached Half Year Report and the notes thereto.

This report is based on the attached Half Year Report which has been subject to the independent auditor's review.

Half Year Report **2015**

For the six months ending 30 September







Welcome

Welcome to Smartpay's Half Year Report for the six months ending 30 September 2015

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Reports from the Board & Management



Chairman and Managing Director's review

The Board of Smartpay announces its half year results to 30 September 2015.

Six Month Financial Highlights

- Revenue \$9.9m, a 16% decrease on the prior year \$11.8m
- EBITDA* \$3.7m, a 23% decrease on the prior year \$4.8m
- Net Profit After Tax \$0.1m, a 90% decrease on the prior year \$1.5m
- Diluted Earnings Per Share (EPS) of 0.08cents, a 91% decrease on the prior year 0.87 cents

Operating Results

The primary contributor to the lower revenue and profit was the cessation of our largest Australian taxi contract at the end of December 2014. Smartpay is making substantial progress to replace this revenue through our new Australian taxi payments business which we launched earlier this year.

Other contributing factors to the lower revenue and profit relative to the prior period were:

- The prior period included revenue contribution from two software development projects. As these projects were concluded in the prior period there was no corresponding income in the current period; and
- The timing effects of old contracts concluding at earlier points in the period relative to the start dates of new contracts.

Review of Operations

A key focus during the period was the development of our new Australian taxi business to capitalise on the opportunities we saw emerging through the regulatory changes in the Australian taxi payments market and to replace the revenue and profit from Smartpay's previous Australian taxi contract which ended in December 2014.

We are pleased to report that we have made substantial progress in growing this revenue and profit line. To date we have deployed and are earning revenue from over 1,500 taxi terminals under our new model and have a substantial pipeline of opportunities which we expect will contribute to the ongoing growth of our Australian business.

Summary and Outlook

The key focus areas for the second half of this year and into next year are:

1. The continued growth of our Australian Taxi and SME business.
2. The launch of our Australian mobile and integrated terminals. We expect these to be significant contributors to our Australian growth based on our success with the same products in the NZ market and the pipeline of opportunities we see building in anticipation of these products being available in the Australian market.
3. Developing the opportunity to become a direct acquirer in the Australian market following recent regulatory reform in the Australian payments industry which we believe Smartpay is well placed to benefit from.

**EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments (EBITDA is a useful non - GAAP measure as it shows the contribution to earnings prior to finance costs and non cash items)*

The result reported here represents the culmination of some of the challenges we faced and the tough decisions we had to make to move our business forward. The outcomes of these decisions, while not apparent in this period's results are now showing clear progress and growth. While not yet evident in these half year results, we expect this growth will be clear when we report our full year results.



Ivan Hammerschlag
Chairman



Bradley Gerdis
Managing Director



Directors holding office

The profiles of the directors who held office during or since the end of the half-year are detailed below:

Ivan Jeremy Hammerschlag, Chairman and Independent Director - BCom, CTA

Ivan joined the Board of Smartpay as its Chairman in July 2012. Ivan is an accountant and has extensive experience in retail, property and investment in both listed and unlisted companies in South Africa and Australia.

In 1990, Ivan purchased Freedom Furniture which, during Ivan's years of ownership, grew to sales in excess of A\$200 million. Ivan spent 5 years in Australia working alongside private equity fund investors and was executive chairman of five of the businesses purchased by the private equity fund investors. In 2006 Ivan was instrumental in taking control of a retail conglomerate listed on the ASX called RCG Limited. During 2015 RCG made a transformational acquisition of New Zealand headquartered Accent Group of companies giving RCG a market capitalisation in excess of NZ \$600 million. RCG now consists of 280 stores selling lifestyle and athletic footwear across both Australia and New Zealand. The company is also a distributor of 13 dominant international footwear brands in both countries.

Ivan was a 50% shareholder in Divergence Technologies that became a leading provider of Point of Sales systems to retailers in Australia.

Ivan resides in Sydney, Australia.

In addition to being Chairman of the Board, Ivan is the Chair of the Board's Remuneration and Appointments Committee.

Bradley Gavin Gerdis, Managing Director B.Bus (Hons), MCom

Bradley joined Smartpay in December 2011 bringing to the company expertise and experience in managing high growth payments businesses. He joined the Smartpay Board in July 2012. Prior to joining Smartpay, Bradley was a founding executive of Customers Ltd, an ASX listed ATM and payments company which grew from start-up to become Australia's largest ATM operator during his time with the business. Bradley also played a leading role as a founding director in the development of Strategic Payments Services Pty Ltd, a payments processing business in joint venture with Customers Limited, Bendigo Bank Ltd and MasterCard International. Bradley's experience includes direct investment roles with ANZ Private Equity and Gresham Private Equity. He has held executive and non-executive director positions in both publicly listed and private companies.

Bradley ordinarily resides in Sydney, Australia.

In addition to being on the Board, Bradley serves on the Board's Audit and Finance Committee and Remuneration and Appointments Committee.

Gregor John Barclay, **Independent Director – LLB, Dip. Bus**

Greg joined the Board of Smartpay in April 2010. He is an experienced commercial lawyer, was a founding principal of Auckland law firm Claymore Partners and currently acts as a consultant to that firm. Greg is a past or present director of some high profile New Zealand corporate or sporting entities including Rugby Sales LP (a partner in the commercial programme for Rugby World Cup 2011) and Experience Group (a leading national sports and event management company). He is currently a director of New Zealand Cricket and is also a director of Cricket World Cup 2015. He is chairman of Pacific Forest Products Group (a significant log and export marketing company in New Zealand) and currently chairs Franchised Businesses Limited (the largest franchise company in New Zealand with over 700 Green Acres and Hire-A-Hubby franchisees).

Greg resides in Auckland, New Zealand.

In addition to being on the Board, Greg serves on the Board's Remuneration and Appointments Committee and Audit and Finance Committee.

Matthew George Turnbull, **Independent Director – BCom, CA**

Matt joined the Board of Smartpay in April 2013, he is a Chartered Accountant and is a member of the Chartered Accountants Australia and New Zealand. He commenced his career with PWC (then Price Waterhouse) and has over 20 years experience providing accounting and corporate advisory services.

Matt has a detailed understanding of Smartpay, having assisted the company in the 2012 recapitalisation and restructure, and the recent acquisition of Viaduct Limited.

Matt resides in Auckland, New Zealand.

In addition to being on the Board, Matt serves on the Board's Remuneration and Appointments Committee and is the Chair of the Audit and Finance Committee.

Martyn Richard Pomeroy, **Executive Director**

Marty joined Smartpay in January 2013 post the acquisition of Viaduct Limited. Marty joined the Smartpay Board in April 2014.

Prior to joining Smartpay Marty was one of the two founding Directors of Viaduct Limited. Marty was instrumental in the development and success of the Viaduct business from a startup in 2001, through a period of growth to it becoming the third largest provider of eftpos terminals in New Zealand with an annual turnover of \$7 million and employing 36 staff. Prior to Viaduct Marty held managerial roles in sales and service with Eftpos New Zealand. He brings over 13 years of experience in the NZ Payments industry to the Board.

Marty has a detailed understanding of the operational, sales and commercial elements of the Smartpay business and is also involved in the strategy and build of the opportunity in Australia.

Marty resides in Auckland, New Zealand.







Condensed Statement of Comprehensive Income

For the Six Months Ended 30 September 2015

	Note	Group		
		30 Sept 2015	30 Sept 2014	31 Mar 2015
		Unaudited	Unaudited	
		\$'000	\$'000	\$'000
Continuing operations				
Revenue	3	9,896	11,770	22,191
Other income		4	2	21
Operating expenditure	4	(6,191)	(6,968)	(13,009)
Earnings before interest, tax, depreciation, share option expense, amortisation, impairments, and unrealised foreign exchange		3,709	4,804	9,203
Depreciation and amortisation	4	(2,679)	(2,223)	(4,703)
Unrealised foreign currency exchange differences		395	261	(201)
Share option amortisation		(58)	(58)	(117)
Net finance (costs) / income	4	(924)	(1,043)	(2,191)
Impairments	4	(359)	(301)	(540)
		(3,625)	(3,364)	(7,752)
Profit before tax		84	1,440	1,451
Tax benefit	5	59	59	119

Condensed Statement of Comprehensive Income (continued)

	Note	Group		
		30 Sept 2015	30 Sept 2014	31 Mar 2015
		Unaudited	Unaudited	
Profit for the period from continuing operations of owners		143	1,499	1,570
Other comprehensive income				
Foreign currency translation differences for foreign operations which may be reclassified subsequently to profit / (loss) (no tax effect)		(224)	(147)	49
Share based payments reversal which will not subsequently be reclassified to profit / (loss) (no tax effect)		-	-	50
Total comprehensive income of owners		(81)	1,352	1,669
Earnings per share from continuing operations attributable to the equity holders of the company during the period.	6			
Basic earnings per share - cents		0.08 cents	0.87 cents	0.91 cents
Diluted earnings per share - cents		0.08 cents	0.87 cents	0.91 cents

The accompanying notes form an integral part of the financial statements.



Condensed Statement of Changes in Equity

For the Six Months Ended 30 September 2015

	Group			
	Share Capital (Note 8)	Foreign Currency Translation Reserve	Retained Deficits	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 31 March 2014	54,642	582	(45,533)	9,691
Profit / (loss) for the six months from continuing operations of owners	-	-	1,499	1,499
Other comprehensive income		(147)	-	(147)
Total comprehensive income of owners	-	(147)	1,499	1,352
Share options recognised at fair value	58	-	-	58
Total changes in equity	58	(147)	1,499	1,410
Balance at 30 September 2014 (unaudited)	54,700	435	(44,034)	11,101
Profit / (loss) for the six months from continuing operations of owners	-	-	71	71
Other comprehensive income	-	196	50	246
Total comprehensive income	-	196	121	317
Share options recognised at fair value net of options lapsed	9	-	-	9
Total changes in equity	9	196	121	326
Balance at 31 March 2015	54,709	631	(43,913)	11,427
Profit / (loss) for the six months from continuing operations of owners	-	-	143	143
Other comprehensive income	-	(224)	-	(224)
Total comprehensive income of owners	-	(224)	143	(81)
Share options recognised at fair value	58	-	-	58
Total changes in equity	58	(224)	143	(23)
Balance at 30 September 2015 (unaudited)	54,767	407	(43,770)	11,404





Condensed Statement of Financial Position

As at 30 September 2015

	Note	30 Sept 2015	30 Sept 2014	31 Mar 2015
		Unaudited	Unaudited	
		\$'000	\$'000	\$'000
Current assets				
Cash and bank balances		3,675	3,664	4,965
Trade, finance and other receivables		2,708	3,520	2,651
Derivative financial instruments		42	32	-
Income tax receivable		45	-	30
Total current assets		6,470	7,216	7,646
Non-current assets				
Finance and other receivables		114	379	229
Property, plant and equipment	7	12,345	12,882	12,638
Intangible assets		7,331	6,925	6,861
Goodwill		14,772	14,772	14,772
Total non-current assets		34,562	34,958	34,500
Total assets		41,032	42,174	42,146
Current liabilities				
Trade payables and accruals		2,593	3,656	3,827
Derivative financial instruments		449	-	264
Borrowings	8	7,327	2,829	5,817
Total current liabilities		10,369	6,485	9,908

Condensed Statement of Financial Position (continued)

	Note	Group		
		30 Sept 2015	30 Sept 2014	31 Mar 2015
		Unaudited	Unaudited	
		\$'000	\$'000	\$'000
Non-current liabilities				
Borrowings	8	18,750	23,960	20,243
Deferred tax liabilities		509	628	568
Total non-current liabilities		19,259	24,588	20,811
Total liabilities		29,628	31,073	30,719
Net assets		11,404	11,101	11,427
Equity				
Share capital	8	54,767	54,700	54,709
Foreign currency translation reserve		407	435	631
Retained deficits		(43,770)	(44,034)	(43,913)
Total equity		11,404	11,101	11,427
Net tangible asset backing cents per share		(6.23)	(6.17)	(5.94)

The accompanying notes form an integral part of the financial statements





Condensed Statement of Cash Flows

For the Six Months Ended 30 September 2015

	Note	Group		
		30 Sept 2015	30 Sept 2014	31 Mar 2015
		Unaudited	Unaudited	
		\$'000	\$'000	\$'000
Cash flows from operating activities				
Receipts from customers		9,985	10,938	21,904
Interest received		40	90	114
Payments to suppliers and employees		(6,712)	(7,638)	(13,751)
Interest paid		(853)	(1,215)	(1,991)
Net cash inflow/(outflow) from operating activities	9	2,460	2,175	6,276
Cash flows from investing activities				
Proceeds from disposal of assets		-	-	20
Purchase of terminal assets and other property, plant and equipment		(2,419)	(3,057)	(4,213)
Development of computer software		(1,301)	(464)	(1,283)
Net cash inflow/(outflow) from investing activities		(3,720)	(3,521)	(5,476)
Cash flows from financing activities				
Proceeds from borrowings		1,470	2,210	2,880
Repayment of borrowings		(1,500)	(1,500)	(3,015)
Shares Issued		-	-	-
Net cash inflow/(outflow) from financing activities		(30)	710	(135)
Net increase/(decrease) in cash equivalents		(1,290)	(636)	665
Add opening cash equivalents		4,965	4,300	4,300
Closing cash equivalents		3,675	3,664	4,965
<i>Reconciliation of closing cash equivalents to the statement of financial position:</i>				
Cash and bank balances		3,675	3,664	4,965
Closing cash and bank balances		3,675	3,664	4,965

The accompanying notes form an integral part of the financial statements



Condensed Notes to the Financial Statements

For the Six Months Ended 30 September 2015

1. General Information

SmartPay Holdings Limited (the "Parent") is a New Zealand company registered under the Companies Act 1993 and listed on both the New Zealand Stock Exchange ("NZX") and the Australian Securities Exchange ("ASX"). The Parent is an issuer (FMC entity) in terms of the Financial Reporting Act 2013. The addresses of its registered office and principal place of business are disclosed in the directory to the interim report.

The condensed consolidated financial statements of SmartPay Holdings Limited comprise the Parent and its subsidiaries (together referred to as the "Group"). The interim report is presented for the six months ended 30 September 2015 and is unaudited.

The Group comprises profit-oriented entities and is a provider of technology products, services and software to merchants and retailers in New Zealand and Australia.

The condensed financial statements were authorised for issue by the Directors on 24 November 2015.

2. Basis of Preparation

a. Statement of Compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, accounting policies consistent with International Financial Reporting Standards (IFRS) and New Zealand equivalents to IFRS (NZ IFRS) and NZ IAS 34 Interim Financial Statements.

The interim report should be read in conjunction with the financial statements and related notes included in the Group's annual report for the year ended 31 March 2015.

The interim report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as comprehensive an understanding of the financial performance, financial position, and financing and investing activities as the full financial report.

b. Judgements and Estimates

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2015.

Condensed Notes to the Financial Statements (continued)

c. Functional and Presentation Currency

The condensed consolidated financial statements for the six months ended 30 September 2015 are expressed in New Zealand dollars (\$), which is the Parent's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

d. Accounting Policies

The accounting policies are the same as those adopted in the most recent annual financial report. There are some minor changes in presentation and where these have occurred the comparable information in the prior periods has been changed to ensure consistency.

Condensed Notes to the Financial Statements (Continued)

3. Segment Information

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group's business provides technology solutions through various product lines into the same markets, to the same customers, with all product lines being reported as a single business.

The only data that is reviewed by management that is analysed by any segment breakdown is revenue showing the various revenue streams split geographically. Costs and funding are not analysed for decision making purposes to a segment level.

In New Zealand no customer represents more than 10% of total revenues so there is no concentration of customers. In Australia three customers make up 45% of total Australian revenues, with the largest Australian customer representing 25% of total Australian revenues.

Geographical Segments

Geographical Segments at 30 September 2015 and 30 September 2014	New Zealand		Australia	
	2015	2014	2015	2014
	Unaudited \$'000	Unaudited \$'000	Unaudited \$'000	Unaudited \$'000
Sales - external				
Operating lease, software and support revenue	7,755	8,428	706	1,283
Other service revenue	1,017	926	129	170
Sale of goods	422	428	-	411
Finance revenue	-	1	21	32
Other revenue	5	194	-	-
Total segment sales	9,199	9,977	856	1,896

Elimination		Total	
2015 Unaudited \$'000	2014 Unaudited \$'000	2015 Unaudited \$'000	2014 Unaudited \$'000
-	-	8,461	9,711
-	-	1,146	1,096
(159)	(103)	263	736
-	-	21	33
-	-	5	194
(159)	(103)	9,896	11,770

Condensed Notes to the Financial Statements (Continued)

4. Expenditure

Operating Expenditure	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Direct costs of sales and installations	752	772	1,469
Compliance and IT and marketing costs	636	718	1,562
Employee costs	3,733	4,366	8,007
Occupancy costs	438	440	831
Other costs	480	526	873
Travel and accommodation	152	146	267
	6,191	6,968	13,009

Marketing and debt management expenses have been reclassified in September 2014.

Depreciation and Amortisation	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Depreciation	1,773	1,472	3,191
Amortisation	906	751	1,512
	2,679	2,223	4,703

Net finance costs	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Other interest received	(57)	(50)	(114)
Interest on bank overdrafts and borrowings	843	864	1,663
Change in fair value - Interest rate swap	185	115	411
Change in fair value - foreign exchange contract (realised and unrealised)	(108)	-	-
Finance transaction fees amortisation	61	114	231
	924	1,043	2,191

Condensed Notes to the Financial Statements (Continued)

Impairments	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Property, plant and equipment	211	301	546
Capital Work in Progress	148	-	(6)
	359	301	540

Eftpos terminals are impaired if they are damaged and not economic to repair or refurbish.

5. Taxation Expense

	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Income tax (expense) / credit comprises:			
Deferred tax benefit	59	59	119
Income tax benefit	59	59	119
Reconciliation between charge for year and accounting profit			
Profit/(loss) before tax	84	1,440	1,451
Income tax at 28%	(23)	(403)	(406)
Add/(deduct) the tax effect of:			
Non-deductible expenses	(29)	(45)	(114)
Australian tax rate difference	10	(14)	(4)
Current year tax losses and deferred tax not recognised	101	521	643
Income tax benefit	59	59	119

Condensed Notes to the Financial Statements (Continued)

6. Earnings per Share

The calculation of basic and fully diluted earnings per share is as follows:

	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Basic earnings per share - cents			
Profit for the period	143	1,499	1,570
Weighted average number of shares ('000)	171,752	171,752	171,752
Basic earnings per share - cents	0.08	0.87	0.91

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares issued during the year (if any).

Diluted earnings per share - cents

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares whether issued or able to be issued during the year. For 30 September 2015 the share options were not dilutive so the calculation excludes the impact of 18,750,000 shares (30 September 2014: 24,750,000 and 31 March 2015: 18,750,000 shares) potentially issuable consequently the diluted earnings per share is equivalent to the basic earnings per share.

Condensed Notes to the Financial Statements (Continued)

7. Property, Plant and Equipment

	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Opening carrying value	10,247	9,794	9,794
Additions	191	391	549
Transfers from capital work in progress	1,840	1,849	3,695
Depreciation	(1,773)	(1,472)	(3,191)
Disposals	-	-	(28)
Impairment	(211)	(301)	(546)
FX adjustments	115	54	(26)
Closing carrying value	10,409	10,315	10,247
Capital work in progress	1,936	2,567	2,391
Total property, plant and equipment	12,345	12,882	12,638

8. Debt and Equity Securities

There have been no new share or option issues during the period.

Share Capital	Number of Shares ('000)	\$'000
Opening balance at 1 April 2015	171,752	54,709
Share based payments: employee remuneration	-	58
Closing Balance 30 September 2015	171,752	54,767

The total number of shares on issue at 30 September 2015 was 171,752,278 (31 March 2015: 171,752,278 shares and 30 September 2014: 171,752,278 shares). All ordinary shares are fully paid and rank equally with one vote attaching to each share. The ordinary shares have no par value.

The movement in share capital for the six months of \$58,000 was the amortisation of the fair value of options issued to directors and employees in recognition for services rendered.

Debt

No new debt facility has been entered into during the six months since the last balance date, however draw-downs on the capex facility have been made. The existing ASB Bank facilities have been extended for 12 months and now expires on 11 July 2018. The capex facility remains in place until 11 July 2018 however each draw-down on the facility is provided on 90 day terms and rolled over. Consequently we have included the capex facility in current liabilities in the statement of financial position. Normal quarterly repayments have been made and there has been no breach of covenants during this period.

Condensed Notes to the Financial Statements (Continued)

9. Operating Cash Flows Reconciliation

	Group		
	30 Sept 2015	30 Sept 2014	31 Mar 2015
	Unaudited	Unaudited	
	\$'000	\$'000	\$'000
Profit/(loss) for the period	143	1,499	1,570
<i>Add/(deduct) non-cash items:</i>			
Depreciation & amortisation	2,679	2,223	4,703
Loss on disposal of fixed assets	-	-	(4)
Share based payments	58	58	117
Financing costs and bad debts	28	115	272
Foreign exchange adjustments	(395)	(261)	201
Impairment	359	301	540
Deferred tax	(59)	(59)	(119)
<i>Add/(deduct) changes in working capital items:</i>			
Trade and other receivables	88	(858)	(552)
Derivative financial instruments	143	115	411
Payables and accruals	(569)	(958)	(833)
Provision for current tax	(15)	-	(30)
Net cash inflow from operating activities	2,460	2,175	6,276

10. Commitments and Contingencies

a. Operating Lease Commitments

There has been no material change to the operating lease commitments disclosed in the most recent annual financial report.

b. Guarantees

There has been no material change to the guarantees disclosed in the most recent annual financial report.

11. Related Parties

The notes below should be read in conjunction with note 29 Related Parties in the most recent annual financial statements for the year ended 31 March 2015. The comments in the most recent financial statements unless amended below, are not materially different for the period to 30 September 2015.

12. Subsequent Events

Following balance date the following events have occurred:

There have been no events subsequent to balance date.



Independent auditor's review

For the Six Months Ended 30 September 2015



Independent review report

To the shareholders of Smartpay Holdings Limited

We have completed a review of the interim financial statements of Smartpay Holdings Limited on pages 7 to 24 which comprise the statement of financial position as at 30 September 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders of Smartpay Holdings Limited those matters we are required to state to them in the independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders of Smartpay Holdings Limited as a body, for our review work, this report or any of the opinions we have formed.

Directors' responsibilities

The directors of Smartpay Holdings Limited are responsible for the preparation and fair presentation of interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework. As the auditor of Smartpay Holdings Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Our firm has also provided other services to Smartpay Holdings Limited in relation to IT advisory support. Subject to certain restrictions, partners and employees of our firm may also deal with Smartpay Holdings Limited on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditors of Smartpay Holdings Limited. The firm has no other relationship with, or interest in, Smartpay Holdings Limited.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of Smartpay Holdings Limited do not present fairly, in all material respects, the financial position of the SmartPay Holdings Limited as at 30 September 2015, and of its financial performance and its cash flows for the period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.

Directory

Registered office

182-190 Wairau Road, Glenfield
PO Box 100490,
North Shore
Auckland, New Zealand
0800 4 SMARTPAY (476 278)
P: +64 9 442 2700
F: +64 9 442 2722
Email: info@smartpay.co.nz
Website: www.smartpay.co.nz

Australian offices

Level 2, 117 York Street
SYDNEY
NSW 2000, Australia
T: +61 2 8876 2300
F: +61 2 9869 4223
Website: www.smartpay.com.au

Board

Ivan Hammerschlag – Chairman and Independent Director
Bradley Gerdis – Managing Director
Greg Barclay – Independent Director
Matthew Turnbull – Independent Director
Marty Pomeroy – Executive Director

Management

Bradley Gerdis – Managing Director
Marty Pomeroy – GM New Zealand
Mark Unwin – GM Product
Aidan Murphy – Chief Financial Officer
Linc Burgess – GM Australia
Rowena Bowman – Company Secretary

Auditors

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland, New Zealand
P: +64 9 367 5800

Share registrar – New Zealand

Computershare Investor
Services Limited
Private Bay 92119 Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Auckland, New Zealand
P: +64 9 488 8700
F: +64 9 488 8787




Share registrar – Australia

Computershare Investor Services Pty Ltd
GPO Box 3329
Melbourne Victoria 3001, Australia
Freephone: 1 800 501 366
Fax: +61 3 947 3200

Solicitors

Claymore Partners Limited
Level 2
63 Fort Street
Auckland, New Zealand
P: +64 9 379 3163



For more info:  www.smartpay.co.nz  0800 4 SMARTPAY (0800 476 278)  0800 353 300

Auckland
182 Wairau Road
Glenfield
Auckland 0627
0800 476 278

PO Box 100 490
Auckland 0745
t: +64 9 442 2700
e: info@smartpay.co.nz

Wellington
Level 3, 12 Johnston Street
PO Box 1288
Wellington 6011
0800 476 278

Christchurch
53 Greenhaven Drive
Burwood
Christchurch 8083
0800 476 278

Australia
Level 2, 117 York Street
Sydney
NSW, 2000
1800 433 876

t: + 61 2 88 76 2300
t: +61 2 98 69 4223
e: info@smartpay.com.au



Directors' Declaration

The Directors of Smartpay Holdings Limited hereby declare that:

- The interim financial statements for the six month period to 30 September 2015, as set out on pages 7 to 24 of the Half Year Report, have been prepared in accordance with New Zealand International Financial Reporting Standards and give a true and fair view of the financial position of Smartpay Holdings Limited as at 30 September 2015; and
- In the Directors' opinion at the date of this declaration there are reasonable grounds to believe that the Company 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 directors' dated 24 November 2015 and is signed for and on behalf of the Board of Directors by the Managing Director.

For and on behalf of the Directors,



Bradley Gerdis
Managing Director