

Appendix 4D

26 February 2019

Half year reporting period ending 31 December 2018

The following information is provided to ASX under listing rule 4.2A.3.

1. Reporting period

- a. Current Period: 6 months ended 31 December 2018
- b. Prior Period: 6 months ended 31 December 2017

2. Results for announcement to the market

	Item	31 December 2018 \$	31 December 2017 \$	Change %
Revenue from ordinary activities	2.1	-	\$25,843	(100%)
Profit/(Loss) after tax attributable to members	2.2	(\$198,964)	(\$443,530)	55%
Net Profit/(Loss) attributable to members	2.3	(\$198,964)	(\$443,530)	55%
Dividend	2.4	ZipTel Limited did not declare a dividend during the current reporting or corresponding previous reporting period.		
The record date for determining entitlements to the dividend	2.5	Not applicable		
Explanatory information	2.6	<p>Overview</p> <p>For the Half Year Ended 31 December 2018, ZipTel Limited ("ZipTel" or the 'Company') the Company was focused on developing opportunities for the Company's platforms in particular the agreement with Space Digital Media Limited (SDM) whereby ZipT IP is being integrated into a new global content/social platform – the Convo Mobile Application ("Convo App"); and reviewing other opportunities.</p> <p>On 8 May 2018, the Company provided a substantive update on the progress of its agreement with London-based Space Digital Media Limited (SDM) to launch a new ZipT technology based mobile application aimed at becoming a globally significant content driven communication/ social platform; the Convo App.</p> <p>ZipTel continues to support and advise SDM on software development for the Convo App. The Convo App has been refined over the past quarter incorporating learnings from global soft launches on both the iOS and Android platforms. These refinements have been targeted at improving UI/UX to encourage user acquisition and retention.</p> <p>The Convo App is live and available on most App stores globally. SDM and ZipTel continue to develop the Convo App with a view to a supported launch into the marketplace leveraging SDM's significant advertising, marketing and sporting ambassador links. In this regard, SDM has been active in signing publishers onto the platform to drive content within the Convo App – content will be the significant driver for future user acquisitions and relationships with publishers will be a key component in the success of the Convo App.</p> <p>Revenue</p> <p>Revenue from the sale of goods and services was nil during the period. The Company is focused on exploring commercial outcomes for its products, the first result of which was the ZipT Convo agreement. Future commercial outcomes will likely look to place the Company in a more active capacity where the Company can have more control over the timing of initiatives involving the Company's products.</p>		

Explanation of loss

During the period, the Company:

- Incurred employees' benefits expenses of \$90,558 significantly lower (29%) than the prior period (2017: \$126,891) as it adopted a lean structure;
- Incurred no direct research and development expenses (2017: \$100,492) as development support to SDM was conducted by internal salaried staff;
- Administration and operating expenses were also reduced significantly to \$137,748. This represents a reduction of 40% over the prior period (2017: \$228,675).

Outlook

ZipTel is reviewing its operations with the focus on establishing a cash flow positive business. The Company will look to develop opportunities for its current platforms as well as potential opportunities and deliver them mindful of the Company's current lean structure objectives. The Company will also continue to review other opportunities, leveraging its contacts with a view to increasing shareholder value.

3. Net tangible assets per security

	31 December 2018	31 December 2017
Net tangible asset per share (cents per share)	0.89 cents	0.88 cents

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

There were no entities over which control has been gained or lost during the period.

5. Details of individual and total dividends or distributions & dividends or distribution payments

Not applicable.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable.

7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities

Not applicable.

8. For foreign entities, which set of accounting standards is used in compiling the report

The Company is not a foreign entity.

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

The 31 December 2018 Half-Year report is based upon accounts that were reviewed by the Company's auditor are not subject to a modified opinion.

Yours faithfully

ZipTel Limited



Bert Mondello
Director
T: +61 8 6380 2555
W: www.ziptel.com.au

For personal use only



ACN 108 042 593

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2018 and any announcements to the market during the half-year ended 31 December 2018.

TABLE OF CONTENTS

DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	5
INDEPENDENT AUDITOR'S REVIEW REPORT	6
DIRECTORS' DECLARATION	8
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13

For personal use only

CORPORATE INFORMATION

ZIPTTEL LIMITED

ABN 41 108 042 593

DIRECTORS

Mr Josh Hunt (Non-Executive Chairman)
Mr Umberto (Bert) Mondello (Non-Executive Director)
Mr Salvatore Vallelonga (Non-Executive Director)

COMPANY SECRETARY

Mr Derek Hall

PRINCIPAL PLACE OF BUSINESS

Suite 3, 138 Main Street
Osborne Park, Western Australia 6017
T +61 (0) 8 6380 2555

REGISTERED OFFICE

Suite 3, 138 Main Street
Osborne Park, Western Australia 6017
T +61 (0) 8 6380 2555

SOLICITORS

HopgoodGanim Lawyers
Level 27, Allendale Square, 77 St Georges Tce,
Perth, Western Australia 6005
T +61 (0) 8 9321 0200

SHARE REGISTER

Security Transfer Registrars
770 Canning Highway,
Nedlands, Western Australia 6153
T +61 (0) 8 9315 2333

AUDITOR

Criterion Audit Pty Ltd
1/437 Roberts Rd
Subiaco, Western Australia 6008

DIRECTORS' REPORT

The directors of ZipTel Limited (the "Company") submit herewith the financial report of the Company and its controlled entities (the "Group") for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors' report as follows:

The names of the directors of the Company during or since the end of the half-year are:

DIRECTORS	PERIOD OF DIRECTORSHIP
Josh Hunt (Non-Executive Chairman)	Since 12 June 2014
Umberto (Bert) Mondello (Non-Executive Director)	Since 12 June 2014
Salvatore Vallelonga (Non-Executive Director)	Since 12 June 2014

REVIEW OF OPERATIONS AND PRINCIPAL ACTIVITIES

PRINCIPAL ACTIVITIES

ZipTel Limited (ASX:ZIP) ("ZipTel" and the "Company") is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to consumers and enterprise. ZipTel listed on the ASX in July 2014 with its core focus on the distribution of communications and technology products, both domestically and internationally.

During the half year ended 31 December 2018, ZipTel was focussed on developing opportunities for the Company's platforms in particular the agreement with Space Digital Media Limited ("SDM") whereby ZipT IP is being integrated into a new global content/social platform – the Convo Mobile Application ("Convo App").

ZipTel continues to support and advise SDM on software development for the Convo App. The Convo App has been refined over the past half year incorporating learnings from global soft launches on both the iOS and Android platforms. These refinements have been targeted at improving UI/UX to encourage user acquisition and retention.

The Company also continues to review opportunities in the technology sector to complement its current IP and software development offering.

ZIPT CONVO AGREEMENT

Zipt is a mobile-based international communication App that enables consumers to send SMSs and make international calls for free between users. Zipt was launched in June 2015 and more than 10 million users across the globe downloaded the app. With the bulk of users in emerging markets, the Company was unable to establish a profitable revenue stream from Zipt and the platform was placed into a care and maintenance phase on 30 April 2017, incurring minimal costs to support and retain intellectual property, server and user information. This step included removing the Zipt application from the various App stores. From here ZipTel sought commercial outcomes for this product.

This initiative resulted in the execution of an agreement ("Agreement") with London-based Space Digital Media Limited (SDM) to have certain ZipT technology integrated into the Convo App and to assist with development of the Convo App. The Convo App is aiming to become a globally significant content driven communication/ social platform that boasts a well credentialed executive team.

Under the Agreement ZipTel has granted a license to certain IP rights to the ZipT technology to SDM and will assist in the development of the Convo App in return for royalty payments of between 10% and 20% of Net Revenue received in relation to the Convo App. SDM has advised that they intend to focus on building revenue in three core areas initially - advertisement, branded content and E-Commerce. The Convo App will have its own 'in app' advertisement engine for publishers to generate advertisement revenue and gain more visibility. It is intended that this feature has been added to allow the Convo App to generate revenue from its publishers, whilst giving publishers value for money in terms of additional reach and followers.

DIRECTORS' REPORT

In addition, SDM's model contemplates that the Convo App is to generate revenue from traditional "in app" advertisement placements and banner ads placed between content or on user interaction. The Convo App is intended to enable publishers to drive traffic to their pages and benefit from ongoing advertisement revenue splits. Refer to the announcement of 18 August 2017 for further details.

SDM and ZipTel continue to develop the Convo App with a view to a supported launch into the marketplace leveraging SDM's significant advertising, marketing and sporting ambassador links.

Since executing the Agreement, the Convo App has had soft launches on both the iOS and Android platforms and is live and available on most App stores globally. The Company continues to work with SDM to refine the Convo App prior to its supported global launch.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

During the half year ended 31 December 2018, the Company posted a net loss after tax of \$198,964 (2017: loss of \$443,530). Of this current period expenses totalling \$227,746, \$137,748 relates to administration and operating expenses with \$90,558 relating to employee benefits. The Company's Zipt platform is in care and maintenance, apart from development efforts to white label the platform with SDM. The Company is currently finalising its R&D lodgement for the FY2018 period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

OUTLOOK FOR 2019

ZipTel continues to support and advise SDM on software development for the Convo App. ZipTel is reviewing its operations with the focus on establishing a cash flow positive business. The Company will look to develop opportunities for its current platforms as well as potential opportunities and deliver them mindful of the Company's current lean structure objectives. The Company will also continue to review other opportunities, leveraging its contacts with a view to increasing shareholder value.

SUBSEQUENT EVENTS

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 31 December 2018.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the review for the half-year is provided on page 6 of this report.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the Corporations Act 2001.



Josh Hunt
Chairman

26 February 2019

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Ziptel Limited and its controlled entities for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 26th day of February 2019

For personal use only

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

Independent Auditor's Review Report

To the Members of Ziptel Limited

We have reviewed the accompanying half-year financial report of Ziptel Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the 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 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 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 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 2018 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 Ziptel 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.

For personal use only

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 Ziptel Limited and Controlled Entities 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 2018 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Criterion Audit

CRITERION AUDIT PTY LTD



CHRIS WATTS CA
Director

DATED at PERTH this 26th day of February 2019

For personal use only

DIRECTORS' DECLARATION

The Directors declare that:

- In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors



Josh Hunt
Chairman

26 February 2019

For personal use only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue			
Sale of goods and services		-	25,843
Other income	3	28,782	10,557
Expenses			
Cost of sales		(446)	(19,543)
Other expenses from ordinary activities			
Administration and Operating Expenses	4	(137,748)	(228,675)
Employee benefits	4	(90,558)	(126,891)
Share-based payments		-	-
Research and development expenses		-	(100,492)
Finance costs		(61)	(3,969)
Exchange gain		1,067	(360)
Total expenses		(227,746)	(479,930)
Loss before income tax		(198,964)	(443,530)
Income tax expense		-	-
Loss for the period		(198,964)	(443,530)
Other comprehensive loss		-	-
Total comprehensive loss for the period		(198,964)	(443,530)
Loss attributable to owners of the Company		(198,964)	(443,530)
Total comprehensive loss attributable to owners of the Company		(198,964)	(443,530)
Basic and diluted loss per share attributable to the ordinary equity holders of the Company (cents per share)		(0.1)	(0.3)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	31 December 2018 \$	30 June 2018 \$
Current Assets			
Cash and bank balances		1,391,485	1,643,149
Trade and other receivables		10,177	9,902
Prepayments		7,197	16,762
Inventories		-	-
Total Current Assets		1,408,859	1,669,813
Non-current Assets			
Total Non-current Assets		-	-
Total Assets		1,408,859	1,669,813
Current Liabilities			
Trade and other payables		83,402	145,392
Total Current Liabilities		83,402	145,392
Total Liabilities		83,402	145,392
Net Assets		1,325,457	1,524,421
Equity			
Issued capital	5	14,052,249	14,052,249
Accumulated losses		(12,726,792)	(12,527,828)
Total equity		1,325,457	1,524,421

*The above Consolidated Statement of Financial Position should be read
in conjunction with the accompanying notes.*

For personal use only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Attributable to Owners of the Company

	Notes	Issued Capital \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017		12,402,899	12,050,549	(23,716,403)	737,045
Loss for the period		-	-	(443,530)	(443,530)
Total comprehensive loss for the period		-	-	(443,530)	(443,530)
Transactions with owners in their capacity as owners					
Contribution of equity, net of transaction costs		1,069,658	-	-	1,069,658
Transfer of expired options value		-	(11,468,657)	11,468,657	-
Recognition of share-based payments		-	-	-	-
Balance at 31 December 2017		13,472,557	581,892	(12,691,276)	1,363,173

	Notes	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
Balance at 1 July 2018		14,052,249	-	(12,527,828)	1,524,421
Loss for the period		-	-	(198,964)	(198,964)
Total comprehensive loss for the period		-	-	(198,964)	(198,964)
Transactions with owners in their capacity as owners					
Contribution of equity, net of transaction costs		-	-	-	-
Recognition of share-based payments		-	-	-	-
Balance at 31 December 2018		14,052,249	-	(12,726,792)	1,325,457

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Notes	2018 \$	2017 \$
Cash flows from operating activities		
Receipts from customers	772	23,842
Payments to suppliers and employees	(274,091)	(824,606)
Finance costs	-	(1,276)
Other income	20,518	10,557
Net cash used in operating activities	<u>(252,801)</u>	<u>(791,483)</u>
Cash flows from investing activities		
Acquisition of financial assets	-	-
Payments of intangible assets	-	-
Net cash used in/(provided by) investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	1,197,871
Share issue transaction costs	-	(128,213)
Repayment of borrowings	-	-
Net cash provided by financing activities	<u>-</u>	<u>1,069,658</u>
Net decrease in cash and cash equivalents	(252,801)	278,175
Cash and cash equivalents at the beginning of the period	1,643,149	1,156,120
Effects of exchange rate changes	1,137	(360)
Cash and cash equivalents at the end of the period	<u>1,391,485</u>	<u>1,433,935</u>

*The above Consolidated Statement of Cash Flows should be read
in conjunction with the accompanying notes*

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

BASIS OF PREPARATION

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values at the end of each reporting period, as disclosed in the accounting policies below. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

NEW AND REVISED ACCOUNTING STANDARDS

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies as a result of the adoption of new and revised accounting standards.

IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies as a result of accounting standards issued not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SEGMENT REPORTING

(1) DESCRIPTION OF SEGMENTS

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's executive directors examine the Group's performance from a core communications products perspective and have identified two reportable operating segments of its business, being prepaid travel sim card services (AussieSim) and mobile based VOIP communication services (Zipt).

(2) SEGMENT REVENUE AND RESULTS

	SEGMENT REVENUE		SEGMENT PROFIT	
	2018	2017	2018	2017
	\$	\$	\$	\$
CONTINUING OPERATIONS				
AussieSim	-	25,765	(11,028)	2,141
Zipt	16,000	78	15,035	(323)
	16,000	25,843	4,007	1,818
Other income	12,782	10,557	12,782	10,557
Corporate and administration	-	-	(215,692)	(448,426)
Depreciation and amortisation	-	-	-	(3,510)
Finance Costs	-	-	(61)	(3,969)
TOTAL LOSS BEFORE INCOME TAX	28,782	36,400	(198,964)	(443,530)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2017: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit before tax earned by each segment without allocation of central corporate and administration costs, employee benefits, depreciation and amortisation, and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(3) SEGMENT ASSETS AND LIABILITIES

	31 December 2018	30 June 2018
	\$	\$
SEGMENT ASSETS		
AussieSim	11,426	10,832
Zipt	216	22,632
Total segment assets	11,642	33,464
Cash and corporate assets	1,397,217	1,636,349
TOTAL ASSETS	1,408,859	1,669,813
SEGMENT LIABILITIES		
AussieSim	1,819	-
Zipt	1,066	16,200
Total segment liabilities	2,885	16,200
Cash and corporate liabilities	80,517	129,192
TOTAL LIABILITIES	83,402	145,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SEGMENT REPORTING (CONT'D)

For the purposes of monitoring segment performance and allocating resources between segments:

- (i) all assets are allocated to reportable segments other than cash, GST receivables, and certain other receivables. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- (j) all liabilities are allocated to reportable segments other than bank overdraft, borrowings, and corporate creditors. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(4) INFORMATION ABOUT MAJOR CUSTOMERS

The Group has no external customers that represent more than 10% of total Group revenue. ZipTel Limited is not reliant on any of its major customers.

NOTE 3: OTHER INCOME

The following is an analysis of the Group's other income for the period.

	31 December 2018 \$	31 December 2017 \$
NON-OPERATING ACTIVITIES		
Interest	12,782	10,557
Write back of creditor balances	16,000	-
TOTAL OTHER INCOME	28,782	10,557

NOTE 4: RESULTS OF THE PERIOD

The following items are included in the Group's results for the period:

	2018 \$	2017 \$
EMPLOYEE, DIRECTOR AND CONSULTANT BENEFITS		
- Directors' fee and employee wages and salaries	90,558	126,891
- Share-based payments	-	-
TOTAL EMPLOYEE, DIRECTOR AND CONSULTANT BENEFITS	90,558	126,891
ADMINISTRATION AND OPERATING EXPENSES		
- Administration	72,171	87,475
- Consulting	65,577	113,908
- Amortisation of intangible assets	-	3,510
- Write off inventories	-	23,782
TOTAL ADMINISTRATION AND OPERATING EXPENSES	137,748	228,675

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: ISSUED CAPITAL

2018

FULLY PAID ORDINARY SHARES

Balance at 31 December 2017
Balance at 1 July 2018
Balance at 31 December 2018

	Number of shares	\$
	149,733,899	14,052,249
	149,733,899	14,052,249
	149,733,899	14,052,249

Number of Options

31 December 2018	30 June 2018
---------------------	-----------------

MOVEMENTS IN OPTIONS

Balance at the beginning of the period
Issue of options under Rights Issue
Options lapsed during the period

	29,946,780	-
	-	29,946,780
	-	-
	29,946,780	29,946,780

BALANCE AT THE END OF THE PERIOD

31 December 2018	30 June 2018
\$	\$

Option Reserve

	-	-
--	---	---

BALANCE AT THE BEGINNING OF THE PERIOD

Options granted during the year
- Share-based payments
-Transfer to expired options value
Balance at the end of the period

	-	11,470,857
	-	-
	-	(11,470,857)
	-	-

There were no share-based payments during the period.

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

(1) SECURITIES GRANTED DURING PERIOD

No securities were granted to the directors or other key management personnel as remuneration during the period.

(2) SECURITIES VESTED DURING PERIOD

No securities vested to the directors or other key management personnel during the period.

NOTE 7: FAIR VALUE OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

NOTE 8: CONTINGENCIES

There were no contingencies as at 31 December 2018.

NOTE 9: SUBSEQUENT EVENTS

There were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 31 December 2018.

For personal use only