Appendix 4D

eServGlobal Limited

ABN 59 052 947 743

Half-year report and appendix 4D
for the half-year ended 30 April 2017

The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 31 October 2016 financial report.

Half-year report and appendix 4D
for the half year ended
30 April 2017

Contents

eServGlobal Limited
ABN 59 052 947 743
Half Year Ended 30 April 2017

Results for announcement to the market

Results				**A$ '000**
Revenues	Down	29.9%	to	5,859
(Loss)/Profit after tax attributable to members	Up	17.0%	to	(14,403)

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	Nil ¢	0%
Previous corresponding period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	Nil ¢	0%

Record date for determining entitlements to the dividend.	N/A

Brief explanation of revenue, net profit and dividends (distributions).

The consolidated entity achieved sales revenue for the period of $5.859 million (2016: $8.363 million) representing a decrease of 29.9% mainly due to the timing of pipeline conversion. EBITDA for the period was a loss of $11.870 million (2016: EBITDA loss $8.809 million).

The net result of the consolidated entity for the half year ended 30 April 2017 was a loss after tax and minority interest for the period of $14.403 million (2016: $12.311 million loss). Loss per share was 2.3 cents (2016: loss per share 4.6 cents).

During the period, there was a net cash outflow of $6.925 million primarily resulting from a net outflow from operations of $5.538 million, dividends paid to minority interest of $0.421 million. Cash at 30 April 2017 was $2.861 million.

Directors' report

The Directors of eServGlobal Limited (the Company) submit herewith the financial report of eServGlobal Limited and its controlled entities (the Group) for the half-year ended 30 April 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

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

John Conoley	Executive Chairman
Andrew Hayward	Chief Financial Officer (appointed 21 December 2016)
Stephen Baldwin	Non-executive Director
Thomas Rowe	Company Secretary and non-executive Director

Review of Operations

This report is to be read in conjunction with other reports issued contemporaneously.

eServGlobal Limited is a public company listed on the Australian Securities Exchange (ASX:ESV) and the London Stock Exchange (AIM) (LSE:ESG). The eServGlobal group has operations worldwide.

eServGlobal offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 65 customers in over 50 countries.

eServGlobal also builds on its extensive experience in the telco domain to offer a comprehensive suite of sophisticated, revenue generating Value-Added Services to engage subscribers in a dynamic manner.

The Company is partnering with MasterCard and BICS to build the HomeSend business, the market leading international remittance service based on eServGlobal technology and enabling mobile money transfer in over 50 markets.

eServGlobal has been a source of innovative solutions for mobile and financial service providers for over 30 years.

The consolidated entity achieved sales revenue for the period of $5.859 million (2016: $8.363 million) representing a decrease of 29.9% mainly due to the timing of pipeline conversion. EBITDA for the period was a loss of $11,870 million (2016: EBITDA loss $8.809 million).

The net result of the consolidated entity for the half year ended 30 April 2017 was a loss after tax and minority interest for the period of $14.403 million (2016: $12.311 million loss). Loss per share was 2.3 cents (2016: loss per share 4.6 cents).

During the period, there was a net cash outflow of $6.925 million primarily resulting from a net outflow from operations of $5.538 million, dividends paid to minority interest of $0.421 million. Cash at 30 April 2017 was $2.861 million.

Auditor's independence declaration

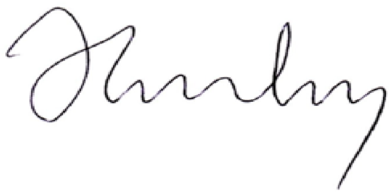
The auditor's independence declaration is included on page 4 of the half-year financial report.

Rounding off of amounts

The Company is a Company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with this Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors, made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



John Conoley
Executive Chairman

London, 28 June 2017

Deloitte Touche Tohmatsu
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The Board of Directors
eServGlobal Limited
c/- Simpsons Solicitors
Level 2, Pier 8/9
23 Hickson Road
Millers Point NSW 2000

28 June 2017

Dear Board Members,

eServGlobal Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of eServGlobal Limited.

As lead audit partner for the review of the financial statements of eServGlobal Limited for the half year ended 30 April 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of eServGlobal Limited

We have reviewed the accompanying half-year financial report of eServGlobal Limited, which comprises the condensed statement of financial position as at 30 April 2017, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 18.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 April 2017 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 eServGlobal 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of eServGlobal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 eServGlobal 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 30 April 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(c) Going Concern in the half year financial report, which indicates that the consolidated entity incurred a loss after tax of $14.392 million and had net cash outflows from operations of $5.538 million during the half year ended 30 April 2017. As stated in Note 1(c), these conditions, along with other matters as set forth in Note 1 (c), indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our review conclusion is not modified in this respect.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 28 June 2017

Directors' declaration

The Directors declare that:

a) based on the matters set out in Note 1(c), in the Directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable; and

b) 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

John Conoley
Executive Chairman

London, 28 June 2017

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 April 2017

	Note	Consolidated Half-Year Ended 30 April 2017 $'000	Half-Year Ended 30 April 2016 $'000
Revenue		5,859	8,363
Cost of sales	2	(7,209)	(7,910)
Gross (loss) / profit		(1,350)	453
Interest income		24	24
Foreign exchange gain		317	1,878
Research and development expenses		(101)	(1,284)
Sales and marketing expenses		(2,081)	(2,296)
Administration expenses	2	(6,762)	(4,933)
Share of loss of associate		(1,917)	(2,651)
(Loss)/profit before interest expense, tax, depreciation and amortisation (EBITDA)		(11,870)	(8,809)
Amortisation expense		(1,650)	(1,413)
Depreciation expense		(34)	(48)
Loss before interest expense and tax		(13,554)	(10,270)
Finance costs		(778)	(1,679)
Loss before tax		**(14,332)**	**(11,949)**
Income tax expense		(60)	(266)
Loss for the period		**(14,392)**	**(12,215)**
Other comprehensive income (loss), net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on the translation of foreign operations (nil tax impact)		(980)	(2,390)
Total comprehensive (loss)/profit for the period		**(15,372)**	**(14,605)**
(Loss)/profit attributable to:			
Equity holders of the parent		(14,403)	(12,311)
Non controlling interest		11	96
		(14,392)	**(12,215)**
Total comprehensive (loss)/income attributable to:			
Equity holders of the parent		(15,385)	(14,684)
Non controlling interest		13	79
		(15,372)	**(14,605)**
(Loss)/profit per share:			
Basic (cents per share)		**(2.3)**	**(4.6)**
Diluted (cents per share)		**(2.3)**	**(4.6)**

Notes to the Financial Statements are included on pages 12 to 18

Condensed consolidated statement of financial position as at 30 April 2017

	Note	Consolidated 30 April 2017 $'000	31 October 2016 $'000
Current Assets			
Cash and cash equivalents		2,861	9,375
Trade receivables and work in progress	2	10,676	14,939
Inventories		70	72
Current tax assets		204	817
Other current assets		1,789	3,037
Total Current Assets		15,600	28,240
Non-Current Assets			
Investment in associate	10	23,205	24,986
Property, plant and equipment		21	32
Trade receivables	2	778	1,596
Deferred tax assets		936	1,062
Other intangible assets – capitalised development costs		4,899	5,598
Total Non-Current Assets		29,839	33,274
Total Assets		45,439	61,514
Current Liabilities			
Trade and other payables		8,413	11,488
Current tax payables		266	280
Provisions		976	1,009
Deferred revenue		2,321	1,692
Total Current Liabilities		11,976	14,469
Non-Current Liabilities			
Borrowings	5	13,457	11,759
Provisions		897	890
Deferred revenue		417	-
Total Non-Current Liabilities		14,771	12,649
Total Liabilities		26,747	27,118
Net Assets		18,692	34,396
Equity			
Issued capital	6	142,276	142,276
Reserves	7	(3,519)	(2,626)
Accumulated losses		(120,230)	(105,827)
Equity attributable to owners of the parent		18,527	33,823
Non controlling interest		165	573
Total Equity		18,692	34,396

Notes to the Financial Statements are included on pages 12 to 18

Condensed consolidated statement of changes in equity for the half-year ended 30 April 2017

	Issued Capital $'000	Foreign Currency Translation Reserve $'000	Equity-settled benefits Reserve $'000	Accumulated Losses $'000	Attributable to owners of the parent $'000	Non controlling Interest $'000	Total $'000
Consolidated							
Balance at 1 November 2016	142,276	(5,666)	3,040	(105,827)	33,823	573	34,396
Profit/(loss) for the period	-	-	-	(14,403)	(14,403)	11	(14,392)
Exchange differences arising on translation of foreign operations	-	(982)	-	-	(982)	2	(980)
Total comprehensive income/(loss) for the period	-	(982)	-	(14,403)	(15,385)	13	(15,372)
Payment of dividends	-	-	-	-	-	(421)	(421)
Equity settled payments	-	-	89	-	89	-	89
Balance at 30 April 2017	142,276	(6,648)	3,129	(120,230)	18,527	165	18,692
Balance at 1 November 2015	116,074	(2,791)	2,965	(83,889)	32,359	412	32,771
Profit (loss) for the period	-	-	-	(12,311)	(12,311)	96	(12,215)
Exchange differences arising on translation of foreign operations	-	(2,373)	-	-	(2,373)	(17)	(2,390)
Total comprehensive income for the period	-	(2,373)	-	(12,311)	(14,684)	79	(14,605)
Equity settled payments	-	-	5	-	5	-	5
Balance at 30 April 2016	116,074	(5,164)	2,970	(96,200)	17,680	491	18,171

Notes to the Financial Statements are included on pages 12 to 18

Condensed consolidated statement of cash flows for the half-year ended 30 April 2017

	Consolidated	
	Half-Year Ended 30 April 2017 $'000	**Half-Year Ended 30 April 2016 $'000**
Cash Flows from Operating Activities		
Receipts from customers	7,683	10,362
Payments to suppliers and employees	(14,000)	(14,969)
Interest and other costs of finance paid	-	(92)
Income tax (paid) / refund	779	(864)
Net cash used in operating activities	(5,538)	(5,563)
Cash Flows From Investing Activities		
Proceeds from HomeSend business divestment	-	5,133
Investment in HomeSend joint venture company	-	(3,905)
Interest received	24	24
Payment for property, plant and equipment	(26)	(22)
Software development costs	(964)	(1,014)
Net cash (used in) / from investing activities	(966)	216
Cash Flows From Financing Activities		
Payment of dividends	(421)	-
Proceeds from borrowings	-	5,845
Repayment of bank loan	-	(3,000)
Net cash (used) / from financing activities	(421)	2,845
Net Decrease In Cash and Cash Equivalents	(6,925)	(2,502)
Cash At The Beginning Of The Period	9,375	4,976
Effects of exchange rate changes on the balance of cash held in foreign currencies	411	(477)
Cash and Cash Equivalents At The End Of The Period	2,861	1,997

Notes to the Financial Statements are included on pages 12 to 18

Notes to the condensed consolidated financial statements

1. Significant accounting policies

(a) Statement of compliance

The half year financial report is a general purpose financial report 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 financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. 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 Company is a Company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with this Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

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 2016 annual financial report for the financial year ended 31 October 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New, revised or amending Accounting Standards and Interpretations adopted
The Group adopted all of the relevant new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the half year ended 30 April 2017 and are not expected to have any significant impact for the full financial year ending 31 October 2017. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the condensed consolidated financial statements

1. Significant accounting policies (continued)

(c) Going concern

The condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 April 2017 reflects a loss after tax of $14.392 million and the condensed consolidated statement of cash flows reflects net cash outflows from operations of $5.538 million. The Directors have reviewed the cash flow forecast prepared by management for the period through to 30 June 2018. The cash flow forecast indicates that that the Group will have sufficient funding to operate as a going concern during the forecast period based on existing levels of business infrastructure cost outflows and expected inflows from a new shareholders loan (refer below), timely completion, billing and collection of existing work in progress and trade receivable balances, and a probability assessment applied to new business pipeline opportunities. On this basis the Directors have prepared the financial statements on the going concern basis.

The Directors' assessment of the cash flow forecast includes proceeds by the parent entity of GBP 2.5 million ($4.2 million) from a shareholder loan extension with 1798 Volantis Fund Limited (formerly The AlphaGen Volantis Fund Limited) and 1798 Volantis Catalyst Fund Limited (formerly AlphaGen Volantis Catalyst Fund Limited) negotiated subsequent to period end, in June 2017. The purpose of these funds will be to meet the Group's short term working capital requirements. The shareholder loan facility is subject to certain covenant conditions as detailed in Subsequent Events note 11.

If the Group is unable to successfully generate its expected levels of operating performance and cash flows through to 30 June 2018 and meet the covenant conditions relating to the new shareholder loan, and /or if required, is unable to secure additional capital or alternative funding, significant uncertainty would exist as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

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

Notes to the condensed consolidated financial statements

	30 April 2017 $'000	31 October 2016 $'000
2. Trade receivables and work in progress		
(a) Current trade receivables and work in progress		
Trade receivables	8,815	8,715
Less : Allowance for doubtful debts	(5,170)	(3,733)
	3,645	4,982
Work in progress	13,306	14,723
Less : Allowance for non-recoverability and losses	(6,275)	(4,766)
	7,031	9,957
	10,676	14,939
(b) Non-current trade receivables		
Trade receivables	2,120	1,596
Less : Allowance for doubtful debts	(1,342)	-
	778	1,596

The Group recognises an allowance for doubtful debts in relation to trade receivables whose collectability is considered doubtful. The Group also recognises allowance for non-recoverability and losses in relation to work in progress when there is evidence of dispute with the customers or where prolonged delays are encountered impacting project completion.

The Group's assessment is based on the knowledge of disputes at the reporting date and other relevant factors such as political or regulatory issues in the geographical location of the customer, as well as any change in the credit quality of the customer from the date credit was initially granted up to the reporting date.

Based on a detailed assessment by management, an impairment expense on trade receivables of $2.779 million charged to Administration Expenses, and on work in progress of $1.509 million charged to Cost of Sales was recognised in profit or loss in the current half year.

Notes to the condensed consolidated financial statements

3. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in a single segment being the telecommunications software solutions business. Accordingly, all reported information in the financial report relates to this single segment.

4. Issuances, repurchases and repayment of securities

During the current period the Company did not issue any shares (2016: nil).

The Company issued 6,000,000 share options over ordinary shares to its Executive Chairman and Chief Financial Officer at an option exercise price of $0.21 per share, and the vesting date being the earlier of 13 March 2019 or a change in control of the business or Company. The fair value of the share options at grant date was $0.03 per share.

The Company cancelled 2,175,000 expired share options over ordinary shares under its executive and employee share option plan during the period.

No employee share options were exercised in the period (2016: nil).

5. Borrowings

	30 April 2017 $'000	31 October 2016 $'000
Interest bearing loan		
Non-current	13,457	11,759

Non-current borrowings represent loan from related party shareholders 1798 Volantis Fund Limited (formerly The AlphaGen Volantis Fund Limited) and 1798 Volantis Catalyst Fund Limited (formerly AlphaGen Volantis Catalyst Fund Limited). The total borrowings balance as at 30 April 2017 includes principal of $12.1 million (GBP 7 million), accrued interest of 1% per month compounded and impact of foreign exchange movement for the period. The loan is secured by way of a fixed and floating charge over the total assets and undertakings of the Group and is due for repayment, including accrued interest, on 30 June 2019. Subsequent to period end, the Group obtained an additional loan of $4.2 million (GBP 2.5 million) from the Lenders. Refer details in the Subsequent events note 11.

Notes to the condensed consolidated financial statements

6. Issued Capital

	30 April 2017 $'000	31 October 2016 $'000
640,183,996 fully paid ordinary shares	142,276	142,276

	30 April 2017		31 October 2016	
	No. '000	$'000	No. '000	$'000
Fully Paid Ordinary Shares				
Balance at the beginning of the financial period	640,184	142,276	265,774	116,074
Shares issued in the period	-	-	374,410	27,549
Costs of share issue	-	-	-	(1,347)
Balance at the end of the financial period	640,184	142,276	640,184	142,276

7. Reserves

	30 April 2017 $'000	31 October 2016 $'000
Employee equity-settled benefit	3,129	3,040
Foreign currency translation	(6,648)	(5,666)
	(3,519)	(2,626)

8. Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

8.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group has no financial assets and financial liabilities that are measured at fair value as at 30 April 2017 (October 2016: nil).

8.2 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Directors consider that the carrying amounts of the following financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values:

	30 April 2017 $'000	31 October 2016 $'000
Financial assets		
Trade receivables - current and non-current	4,423	6,578
Cash and cash equivalents	2,861	9,375
Deposits and other assets	887	1,888
Financial liabilities		
Trade and other payables	8,413	11,488
Borrowings	13,457	11,759

Notes to the condensed consolidated financial statements

9. Dividends

No dividend has been declared in respect of the current or previous financial year.

10. Investment in associate

Details of the material investment in associate at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			30 April 2017	31 October 2016
Homesend SRCL (a)	Provision of international mobile money services	Brussels, Belgium	35%	35%

a) HomeSend SRCL was formed on 3 April 2014. The Directors have determined that the Group exercises significant influence over HomeSend SRCL by virtue of its 35% voting power in shareholders meetings and its contractual right to appoint two out of six Directors to the board of Directors of that company. The associate is accounted for using the equity method in these condensed consolidated financial statements.

b) Reconciliation of the carrying amount of the investment in associate:

	30 April 2017 $000	31 October 2016 $000
Opening balance	24,986	31,473
Share of current period loss of the associate	(1,917)	(4,638)
Effects of foreign currency exchange movements	136	(1,849)
Closing balance	23,205	24,986

Notes to the condensed consolidated financial statements

11. Subsequent events

a) Credit Facility Guarantee to Homesend SCRL

On 11 May 2017, the Group agreed to guarantee a €5 million ($7.2 million) credit facility to be provided by KBC Bank SA to Homesend SCRL (the Guarantee). The loan facility has been obtained by the associate to support the growth of its business by supplementing the working capital reserves, as and when required, to facilitate transfer settlements.

The Guarantee is provided by all the shareholders of the associate. Based on the pro-rata proportion to its shareholding in Homesend SCRL, the Group's share of the Guarantee is €1.75 million ($2.55 million).

The Guarantee is unsecured and may be withdrawn, in respect to future credit, on three months' notice.

Homesend SCRL has agreed to reimburse the guarantors for any payment made under the Guarantee. If Homesend SCRL issues share capital either to reimburse a Guarantor or to satisfy monies owing under the credit facility following a Guarantor failing to meet a demand made against them under the Guarantee, it has been agreed that the capital in Homesend SCRL will be issued at fair market value and a defaulting Guarantor will not participate in the capital raising.

b) Additional debt facility

On 28th June 2017 a further £2.5 million ($4.2 million) tranche of debt has been secured with Lombard Odier Asset Management (USA) Corp as discretionary investment manager for and on behalf of 1798 Volantis Fund Limited and 1798 Volantis Catalyst Fund Limited (the "New Tranche") to strengthen the Group`s cash position for working capital and also to continue further restructuring of the business to create a more appropriate and long term structure. The New Tranche is on the same terms as the existing debt facility save for the inclusion of an additional covenant applying to the New Tranche only. The additional covenant (the "Net Asset Covenant") requires the Company to disclose in its 31 December 2017 full year accounts an improvement in net assets over the net assets disclosed in the 30 April 2017 half year accounts (adjusted for the New Tranche as if the New Tranche was funded on 30 April 2017). A breach of the Net Asset Covenant would entitle the lenders to call for repayment of the New Tranche. The first twelve months' interest on the New Tranche accrues immediately on execution.

Notes to the condensed consolidated financial statements

Other information required to be given to ASX under listing rule 4.2A.3

Net tangible assets per security	Current period	31 October 2016
Net tangible assets per security	2.2 cents	4.5 cents

Dividends

	Amount	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend	Date paid/ payable
Interim dividend: Current year	Nil	N/A	N/A	N/A	N/A
Previous period	Nil	N/A	N/A	N/A	N/A
Final dividend paid in respect of previous financial year:					
Current period: Final dividend	Nil	N/A	N/A	N/A	N/A
Previous corresponding period:					
Special dividend					
Final dividend	Nil	N/A	N/A	N/A	N/A

The dividend or distribution plans shown below are in operation.

N/A.

The last date(s) for receipt of election notices for the dividend or distribution plans	N/A