



31 August 2012

Manager Company Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

By E-lodgement

Appendix 4E - Preliminary final report and accompanying announcement

This release contains an announcement to the Australian Stock Exchange Limited (ASX) regarding the full year results for Adept Solutions Limited for the year ended 30 June 2012, which is given to ASX Limited under listing rule 4.3A of the ASX Listing Rules.

Yours faithfully
Adept Solutions Limited

A handwritten signature in black ink, appearing to be 'Tom Cregan'.

Tom Cregan
Managing Director

A handwritten signature in black ink, appearing to be 'Bob Browning'.

Bob Browning
Chairman

About Adept Solutions Limited

Adept Solutions is a financial services company that specialises in the pre-paid financial card market. Adept Solutions is focused on the twin goal of delivering high quality payment systems to its customers and superior returns to its shareholders.

APPENDIX 4E

Preliminary Final Report

ADEPT SOLUTIONS LIMITED
93 104 757 904

1. Details of the reporting period and the previous corresponding period	
	<ul style="list-style-type: none"> • Current period: 1 July 2011 to 30 June 2012. (Note that the current period includes the full years results of Emerchants Limited) • Previous corresponding period: 1 July 2010 to 30 June 2011. (Note that the previous corresponding period did not include the results of Emerchants Limited)

2. Results for announcement to the market			
	Key information	Percentage change	Year ended 30 June 2012 \$
2.1	Revenues from ordinary activities	Up 1739.4% to	3,771,285
2.2	Profit (loss) from ordinary activities after tax attributable to members	Up 94.5% to	(10,027,335)
2.3	Net profit (loss) for the period attributable to members	Up 94.5% to	(10,027,335)
	Dividends	Amount per security	Franked amount per security
2.4	Final dividend	-	-
2.5	Record date for determining entitlements to the dividend	N/A	
2.6	Commentary on results for the financial year Refer Review of Operations attached.		

3. Consolidated Statement of Comprehensive Income	
	Refer Attachment A

4. Consolidated Statement of Financial Position	
	Refer Attachment A

5. Consolidated Statement of Cash Flow	
	Refer Attachment A

6. Consolidated Statement of Change in Equity	
	Refer Attachment A

7. Dividend	
	It is not proposed to pay dividends

8. Dividend reinvestment plan	
	There is no dividend reinvestment plan in operation.

9. Net tangible assets per security			
		Year ended 30 June 2012 \$	Year ended 30 June 2011 \$
	Ordinary shares	0.04	0.10

10. Control gained or lost over entities during the financial year		
	Name of entities where control was gained during the financial year	Date control gained
	Emerchants Limited. Refer Attachment A note 7	8 July 2011
	Name of entities where control was lost during the financial year	Date control lost
	None.	N/A

11. Investment in associates and joint ventures	
	Not applicable.

12. Other information	
	Refer Review of Operations

13. Foreign entities	
	Not applicable.

14. Commentary on results for the period	
	Refer Review of Operations

15. Audit	
	The financial data in this report is in the process of being audited, pending completion of the company's statutory financial report and the issue of the accompanying independent auditors report. The audit process has not identified any material adjustments or misstatements that require the financial data included in this preliminary final report to be corrected, as at the time of signing of this report.

REVIEW OF OPERATIONS

Strategic direction

The 2012 financial year has been one of transition for Adept Solutions Limited (“Adept” or the “Company”), as it transitioned from a mining company to a financial services company through the acquisition of Emerchants Limited (“*emergants*”). Further to that, the original strategy was for Adept to act as a non-operating public holding company and to grow via the acquisition of other complimentary businesses.

As part of a strategic review of the business undertaken in the middle of the year, the Board has endorsed a highly focused strategy of turning *emergants* into the leading provider of re-loadable prepaid debit payment solutions into the commercial, government and not-for-profit segments. Prepaid products differentiate themselves from traditional payment products because funds are pre-loaded ahead of usage and the customer can control how, when and on what the funds can be used for, which is reflected in our mission statement: **empowering | Your Money** and in our Vision, which is to transform the commercial payment solutions landscape by inspiring enterprises to demand more control, more transparency and more flexibility over their funds, and to deliver our stakeholders sustainable financial success.

Non-reloadable (gift) revenues will remain an important part of our financial results in the medium term, and we were pleased to announce in April a renewal of our exclusive agreement with Edge Loyalty Systems. The existing products we provide through this relationship, and new products that are in development for our partnership with Edge, provide us with a solid financial foundation.

Investment in people and technology

Whilst the majority of our revenues today are generated from non-reloadable (gift) cards, the market opportunity for re-loadable products in Australia has been estimated at \$16.2bn per annum. Importantly, re-loadable prepaid programs generate recurring revenues over multi-year contracts and provide the scale in our business model to facilitate a leadership position in this segment. We have made significant investments in the second half of the year. Those investments included the recruitment of a new Executive team and other key employees, reconfiguring the Board of Directors, increased investment in Information Technology, Sales and Marketing, and a focused Product development plan.

Board of Directors

The effective execution of any strategy is dependent upon a strong stable of talent. We started at the very top, by right-sizing our Board of Directors and appointing three very seasoned business professionals, Mr Tony Adcock, a former PricewaterhouseCoopers partner, Mr David Liddy, former CEO of Bank of Queensland and Mr Peter Martin, former CEO of Rothschild Asset Management in Australia.

Leadership team

The Executive team was enhanced during the year as follows:

- Mr Tom Cregan was appointed as CEO elect in January and CEO in April taking over from Bob Browning who assumed the role of executive Chairman to assist with the transition. In August, Tom was appointed as Managing Director and Bob assumed the role of non-executive Chairman. Tom brings significant payments solutions experience to the Company including his role in establishing a payments company in Australia (e-pay) and, most recently, as the Executive Vice President of Netspend Corporation in the USA where he was responsible for managing NetSpend’s partner distribution channel.
- Mr James Ingham was appointed in April as the Chief Technology Officer. James has over 19 years’ experience in Information Systems and was formerly head of Information Technology for the Group Investment Division of QBE. To compliment the appointment of James and to ensure the Company is able to maintain its PCI accreditation and deliver on the strategy and pipeline of products, the Company made significant investment in senior software developers and senior infrastructure staff.
- Mr Richard Anderson was appointed as Chief Commercial Officer in May, with responsibility for sales, marketing and client services, and brings with him several years of experience in the prepaid financial services market in the United States. The group expanded its Sales and Marketing effort with the hiring of senior business development executives in Perth, Melbourne and Sydney to compliment the existing staff in Brisbane. In addition, a senior Product Development Manager was employed to oversee and develop the current and future pipeline of product offerings and the client service staffing was expended to ensure the Company offers.
- Mr Bruce Stewart was promoted from Financial Controller of *emergants* Ltd to the Group Chief Financial Officer role in February 2012 and with additional hires in Business Analytics a strong and talented team has been created.

Technology and infrastructure

In addition to recruiting highly qualified personnel, the Company invested significantly in the systems, infrastructure and product offerings of its wholly owned subsidiary, *emerchants*, shortly after the acquisition to ensure the Company has the foundation to support the operating growth and can provide clients with unique innovative payment solutions. In this regard;

- \$412,414 was incurred on capital expenditure migrating and furnishing *emerchants* to larger office premises to accommodate the expansion of the business.
- \$471,252 was incurred in migrating the previous *emerchants* single data centre residing at its operating location to two separate third party data centres (Melbourne & Brisbane). This was done shortly after the acquisition of *emerchants* and was done to provide *emerchants* with more effective levels of risk mitigation, service uptime and capacity to align to the increase in transaction volumes currently experienced and projected to be experienced in the future.
- *emerchants* was granted an Australian Financial Services Licence by the Australian Securities and Investments Commission in December 2011 and achieved its second straight year of annual certification of Payment Card Industry Data Security Standard (PCI DSS), the highest data security standard in the industry in Australia.

Trends in key performance indicators

Whilst we have been “re-tooling” the Company with a focused strategy and a new team, the key metrics of the business have continued to perform well. As we generate revenues from a range of areas including transaction fees, monthly fees, set-up fees, interest and breakage, the four key metrics include:

- New Dollar Loads: Total dollars loaded onto our prepaid platform (+113% on prior year)
- Total Cards Issued: How many cards are issued through the platform (+102% on prior year)
- Transactions: How many transactions are generated by those cards (+99% on prior year)
- Funds Under Management: The dollars on our platform that generate interest income (+83% on prior year)

Summary of FY12 Financial results

- The growth in the four key performance indicators translated into revenue of \$3.77m, up 80% on prior year on a pro-forma basis assuming *emerchants* had been part of the Company for the entire period, and Gross Profit of \$3.38m, up 85% on the comparable period on a pro-forma basis.
- The loss before income tax increased from (\$5.16m) in the prior year to (\$10.02m) in the current year.

The loss incorporated a number of non-cash items (33% of the total expense base and 50% of the total loss), including the amortisation of share-based payment expenses amounting to \$1.1m on options awarded to executives and management in the FY11 year and \$0.2m for options awarded in the current year.

Other factors contributing to the loss include certain significant one-off charges, namely:

- The recruitment of a new leadership team (\$0.45m);
- The write down of mining tenements to nil book value as the Company is not undertaking significant operations regarding its remaining mining tenements, reflecting the fact that the focus and strategy of the Company is centred on payments solutions and the directors are uncertain of the amounts that will be recovered through sale at this time, but the directors are acting in the best interests of the company to achieve a suitable outcome (\$1.63m). This charge included an amount of \$0.4m relating to the sale of the Northern Territory mining tenement that the Company expects to receive in the FY14 year conditional upon a production decision, but was required to write off as it did not meet the recognition criteria as a contingent asset;
- The amortisation of finite life intangibles over a one-year period that arose on the acquisition of Emerchants (\$1.094m);
- Termination payment for outsourced administration services (\$0.35m); and
- Consultancy and advisory services related the acquisition and subsequent integration of Emerchants (\$0.539m)

Despite the growth in revenue, as a result of the one-off expenditures and strategic investments made during the year, the company's financial performance lags behind desired levels and has reflected itself in our historical share price performance over the course of the year. As focused as we are on driving revenue growth and margin expansion, we will continue to look for opportunities to reduce expenses, conserve cash and bring forward our transition into positive cash and profitability.

Appendix 4E

Preliminary final report

Capital raising and liquidity

Adept finished its first year with a successful fully-subscribed capital raising, thereby strengthening its balance sheet for the foreseeable future. The Company raised gross proceeds of \$2.7m and in addition received a tax refund of \$400k in July from the R&D Tax Concession program for FY2011. The Company expects to receive a similar amount in Q2 FY13 from the R&D Tax Concession program for FY2012 and \$125k for the sale of Adept Solutions Northern Territory mining tenement in 1HFY13 (and potential for a further \$400k in FY14 should a production decision be made by the counterparty to the contract), which combined with the recent capital raising, provides sufficient liquidity to pursue its strategic direction at the current time.

Following the fully-subscribed shareholder rights issue and private placement we have the strategy in place, the team in place and the funding in place, and we look forward to executing on the strategy and providing shareholders with updates of our positive progress during the year.

For more information, please contact:

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APPENDIX 4E – ATTACHMENT A
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Revenue	4	3,771,285	205,029
Expenses			
Consumables used		371,841	-
Employee benefits expense		4,660,852	508,253
Acquisition-related expenses			
- Cash payments		-	925,280
- Share-based payments		137,647	741,754
Share-based payments			
- Directors and executives		1,119,424	48,880
- Advisory group		-	647,242
- Consulting fees		50,000	780,000
- Employees		22,280	-
Depreciation and amortisation expense		2,032,355	3,086
Impairment of assets	8,9	1,629,511	448,185
Interest expense		4,219	-
Loss on disposal of fixed assets		-	2,097
Other expenses	4	4,167,601	1,256,538
Total expenses		14,195,730	5,361,315
Loss before income tax		(10,424,445)	(5,156,286)
Income tax benefit	5	397,110	-
Net loss for the year		(10,027,335)	(5,156,286)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(10,027,335)	(5,156,286)
Loss per share (cents per share)	6	16.11	15.19
Diluted loss per share (cents per share)	6	16.11	15.19

Appendix 4E
Preliminary final report

APPENDIX 4E – ATTACHMENT A
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents		2,289,472	10,317,609
Trade and other receivables		680,187	543,790
Other assets		535,713	1,704,470
		3,505,372	12,565,869
Assets classified as held for sale	8	-	1,349,493
TOTAL CURRENT ASSETS		3,505,372	13,915,362
NON-CURRENT ASSETS			
Other receivables		422,263	28,761
Plant and equipment		773,898	7,684
Exploration and evaluation expenditure	9	-	914,607
Goodwill	7	10,777,373	-
Intangibles		1,376,523	-
Total Non-Current Assets		13,350,057	951,052
TOTAL ASSETS		16,855,429	14,866,414
CURRENT LIABILITIES			
Trade and other payables		721,219	886,798
Borrowings		398,266	-
Employee benefits		344,472	21,806
Provisions		108,827	-
Other current liabilities		-	9,870,200
Total Current Liabilities		1,572,784	10,778,804
NON-CURRENT LIABILITIES			
Deferred income		-	59,000
Other non-current liabilities		320,143	-
Total Non-Current Liabilities		320,143	59,000
TOTAL LIABILITIES		1,892,927	10,837,804
NET ASSETS		14,962,502	4,028,610
EQUITY			
Issued capital		34,810,591	15,128,715
Reserves		1,604,787	325,436
Accumulated losses		(21,452,876)	(11,425,541)
TOTAL EQUITY		14,962,502	4,028,610

APPENDIX 4E – ATTACHMENT A
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,547,100	-
Payments to suppliers and employees		(9,849,744)	(1,742,126)
R & D tax offset refunded		-	147,149
Interest received		798,592	196,404
Interest paid		(4,219)	-
Acquisition – related expenses		-	(237,499)
Net cash used in operating activities		(6,508,271)	(1,636,072)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(870,159)	(7,579)
Payments for intangibles		(272,398)	-
Proceeds from sale of mining tenements		475,000	-
Payments for exploration and evaluation expenditure		(44,419)	(409,289)
Payments for deposits placed		(401,762)	-
Exploration tenement guarantees paid		-	(13,500)
Loan to Emerchants Limited		-	(500,000)
Payment for subsidiary, net of cash acquired		(499,901)	-
Payments to the vendors for the acquisition of Emerchants Limited		-	(1,664,124)
Net cash used in investing activities		(1,613,639)	(2,594,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		134,764	3,363,290
Share application monies received		-	9,870,200
Capital raising costs		(40,991)	(439,001)
Net cash provided from financing activities		93,773	12,794,489
Net increase/(decrease) in cash held		(8,028,137)	8,563,925
Cash at beginning of year		10,317,609	1,753,684
Cash at end of year		2,289,472	10,317,609

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Preliminary final report

APPENDIX 4E – ATTACHMENT A
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Share Capital	Accumulate d Losses	Option Reserve	Total
		\$	\$	\$	\$
Balance at 1 July 2010		10,259,958	(6,269,255)	52,028	4,042,731
Total comprehensive income					
- Loss for the period		-	(5,156,286)	-	(5,156,286)
- Other comprehensive income		-	-	-	-
Transactions recorded directly in equity					
- Share-based payments		2,256,977	-	175,899	2,432,876
- Issue of share capital		3,248,290	-	-	3,248,290
- Issue of options		-	-	115,000	115,000
- Transfer on conversion of options		17,491	-	(17,491)	-
- Issue costs		(654,001)	-	-	(654,001)
Balance at 30 June 2011		<u>15,128,715</u>	<u>(11,425,541)</u>	<u>325,436</u>	<u>4,028,610</u>
Balance at 1 July 2011		15,128,715	(11,425,541)	325,436	4,028,610
Total comprehensive income					
- Loss for the period		-	(10,027,335)	-	(10,027,335)
- Other comprehensive income		-	-	-	-
Transactions recorded directly in equity					
- Share-based payments		50,000	-	1,279,351	1,329,351
- Shares issued to vendors of Emerchants Limited	7	9,775,000	-	-	9,775,000
- Issue of share capital		10,000,000	-	-	10,000,000
- Issue of options		-	-	-	-
- Transfer on conversion of options		4,964	-	-	4,964
- Issue costs		(148,088)	-	-	(148,088)
Balance at 30 June 2012		<u>34,810,591</u>	<u>(21,452,876)</u>	<u>1,604,787</u>	<u>14,962,502</u>

APPENDIX 4E – ATTACHMENT A
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary final report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary final report covers the consolidated group of Adept Solutions Limited and its controlled entities (Company or Group). Adept Solutions Limited is a listed public company, incorporated and domiciled in Australia.

The preliminary final report of Adept Solutions Limited and its controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

Reporting Basis and Conventions

The preliminary final report has been prepared on an accruals basis and is based on historical costs, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2 - Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and intangibles with indefinite useful lives

The Company determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The value in use calculation requires the directors to estimate the future cashflows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Recovery of deferred tax assets

Deferred tax assets are currently not recognised in the financial statements but will be subject to ongoing review.

NOTE 3 - Going concern

Notwithstanding the fact that the Company incurred a Net Loss for the year of \$10,027,335 and has Cash and cash equivalents on hand of \$2,289,472 at the reporting date, the directors are of the opinion that the Company is a going concern for the following reasons.

Subsequent to year end the Company raised \$2,664,114 of equity capital via an issue of ordinary shares at \$0.09. The funds raised will be used to meet the ongoing working capital requirements of the Company. The directors also anticipate that the Company will continue to grow its revenues strongly in FY13 and that the

APPENDIX 4E – ATTACHMENT A
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7 - Business combinations

Acquisition of Emerchants Limited

On 8th July 2011, Adept Solutions Limited acquired 100% of the voting shares of Emerchants Limited (*emergants*), an issuer of prepaid financial cards.

The total cost of the combination was \$12,275,000 and comprised an issue of equity instruments and \$2,500,000 cash, of which \$2,468,998 was paid as at 30 June 2012 and contingent consideration. The Company issued 11,500,000 ordinary shares with a post-consolidation fair value of \$0.85 each, based on the quoted price of the shares of Adept Solutions Limited at the date of exchange. Those shares are subject to a voluntary trading escrow of 36 months ending 8 July 2014.

The Group has recognised the fair values of the identifiable assets and liabilities of *emergants* based upon the best information available as of the reporting date. Business combination accounting is as follows:

	Fair value at acquisition date \$
Property, plant and equipment	93,209
Cash and cash equivalents	304,973
Trade receivables	115,637
Other current assets	42,309
Other receivables	55,755
Intangible assets	2,939,325
Trade and other payables	(406,938)
Borrowings	(982,471)
Provisions	(119,051)
Other non-current liabilities	(545,121)
Provisional fair value of identifiable net assets	1,497,627
Goodwill arising on acquisition	10,777,373
	12,275,000
 Acquisition date fair value of consideration transferred:	 2012 \$
Shares issued, at fair value	9,775,000
Cash consideration	2,500,000
Contingent consideration liability	-
Total consideration	12,275,000
 The cash outflow on acquisition is as follows:	 Consolidated \$
Cash paid – pre 30 June 2011	1,664,124
Cash paid or payable – post 30 June 2011	835,876
Net cash acquired with the subsidiary	(304,973)
Net cash outflow	2,195,027

For the financial year ended 30 June 2012, the acquired business contributed \$3,560,728 of revenue and \$2,758,952 of the net loss before tax to the group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7 - Business combinations (continued)

Acquisition of Emerchants Limited

The accounting for the acquisition of Emerchants Limited has been finalised at the end of the reporting period and all the necessary market valuations and other calculations have been finalised and the fair value of the intangibles, associated deferred tax liabilities and goodwill above reflect the directors' assessment of the fair value of the intangibles.

Acquisition related costs of \$137,647 (30 June 2011: \$1,667,034) are included in other expenses in the statement of comprehensive income. Directly attributable costs of raising equity have been included as a deduction from equity.

Under the terms of the acquisition agreement, the Group must issue the former owners of Emerchants Limited additional shares based upon the achievement of:

- a level of at least \$1,500,000 in net assets at 30 June 2011. A further 1,000,000 Shares in Adept Solutions Limited may have been issued to the Emerchants vendors subject to the successful achievement of the net assets. This was not achieved and consequently no value has been ascribed to this in the purchase price allocation;
- annual gross sales revenue of \$7,000,000 for the 12 month period ending 30 June 2012. Adept Solutions Limited will issue a further 3,000,000 Deferred Consideration Shares to the Emerchants Limited vendors in their Respective Proportions. In the event Emerchants Limited does not achieve the revenue levels, the Shares may still be issued to the Emerchants Limited vendors at Adept Solutions Limited's absolute discretion. The achievement of these targets is not considered probable and consequently no value is ascribed to this in the purchase price allocation above; and
- specified net profit before tax targets over the three financial years commencing on 1 July 2011 as set out in the tables below, may entitle the Emerchants Limited vendors to a further 15,000,000 Shares. The achievement of these targets is not considered probable and consequently no value is ascribed to this in the purchase price allocation above.

Table A – Threshold Targets; \$M (80% of Vendor Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$4.1M	\$11.3M	\$17.9M
Performance Shares to be issued to EML Vendors (in their Respective Proportions)	1.4M	1.4M	1.4M

Table B – Vendor Targets; \$M

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$5.2M	\$14.1M	\$22.3M
Performance Shares to be issued to EML Vendors (in their Respective Proportions)	2.5M	2.5M	2.5M

Table C – Stretch Targets; \$M (120% of Expected Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$6.2M	\$17.0M	\$26.8M
Performance Shares to be issued to EML Vendors (in their Respective Proportions)	3.6M	3.6M	3.6M

APPENDIX 4E – ATTACHMENT A
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7 - Business combinations (continued)

Table D – Super Stretch Targets; \$M (150% of Expected Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$7.7M	\$21.2M	\$33.5M
Performance Shares to be issued to EML Vendors (in their Respective Proportions)	5M	5M	5M

	2012	2011
	\$	\$
NOTE 8 - Non-current assets held for sale		
Exploration & evaluation expenditure (i)	-	1,349,493

(i) During the period the Company sold its Northern Territory assets. Under the terms of the sale, the assets were sold for \$1,000,000 plus 1% royalties. Adept received proceeds of \$475,000 during the current year and has accounted for a further \$125,000 as a current receivable with settlement pending formal approval from the Mines Minister. The remaining \$400,000 has been written off as the subsequent proceeds are dependent on the purchaser entering the asset into production and therefore does not meet the virtually certain criteria for recognition as a contingent asset.

NOTE 9 - Exploration & evaluation expenditure

Cost brought forward in respect of areas of interest in the exploration and evaluation stage	914,607	2,293,045
Expenditure incurred and capitalised during the year	909	419,240
Expenditure written off during the year	(915,516)	(448,185)
Transfer to assets classified as held for sale	-	(1,349,493)
Cost carried forward	-	914,607

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of respective areas. As the Company is now entirely focused on the provision of payment services and is not undertaking significant operations regarding its existing mining tenements, the tenements have been written off.

NOTE 10 - Segment information

The Group has one reportable segment begin the issuance of prepaid financial cards in Australia

APPENDIX 4E – ATTACHMENT A
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 11 - Contingent liabilities and contingent assets

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent liabilities

Host-Based Store Value (HBSV) account with Cuscal Limited (Cuscal)

Cuscal provides an HBSV account to *merchants* for use as a licensee which facilitates clients of *merchants* to deposit funds relating to in the provision of prepaid payment products. Cuscal has sole authority to transact on the licensee HBSV account. Due to the fact that the licensee does not have ownership or the right to direct operation of the HBSV account, the account is not recognised as an asset in the financial statements of the Company. The total *merchants* system cardholder account balances as at 30 June 2012 is \$14,327,431 (2011: \$8,015,844).

Under the agreement:

- i. In consideration of Cuscal performing any Authorised Act, the licensee will indemnify Cuscal and the directors, employees, officers, agent and independent contractors of Cuscal on demand from time to time, and
- ii. The licensee is liable to Cuscal in respect of any debit balance of the HBSV account and in respect of any other moneys owing or contingently owing by the licensee to Cuscal under or in connection with the HBSV account.

Debit Card Value (DCV) account with Bank of Western Australia Limited (Bankwest)

Bankwest provides a DCV account to *merchants* for use as a licensee which facilitates clients of *merchants* to deposit funds relating to in the provision of prepaid payment products. Bankwest has sole authority to transact on the licensee DCV account. Due to the fact that the licensee does not have ownership or the right to direct operation of the DCV account the account is not recognised as an asset in the financial statements of the Company. The total *merchants* system cardholder account balances as at 30 June 2012 is \$970,176 (2011: \$134,236).

Under the agreement:

- i. *merchants* shall indemnify, defend and hold Bankwest harmless against any losses incurred by Bankwest arising from any and all claims and actions brought by and third party (including legal costs on a full indemnity basis), and
- ii. The licensee is liable to Bankwest in respect of any debit balance of the HBSV account and in respect of any other moneys owing or contingently owing by the licensee to Bankwest under or in connection with the HBSV account.

APPENDIX 4E – ATTACHMENT A
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12 - Significant events after balance date

Pursuant to a Prospectus dated 18 June 2012, the Company undertook a renounceable rights issue entitlement offer of up to 15,693,083 new shares at an issue price of \$0.09 each on the basis of 1 new share for every 4 shares held as at 27 June 2012 to raise approximately \$1,412,377 (Rights Issue) and a placement of up to 16,666,666 new shares to investors at an issue price of \$0.09 per new share to raise approximately \$1,100,000 with the ability to accept an additional \$400,000 in oversubscriptions (Placement).

The Rights Issue was partially underwritten by some of the Directors and, together with this underwriting, the Rights Issue was fully subscribed and 15,692,942 fully paid shares were issued on 26 July 2012 at an issue price of \$0.09 to raise a total of \$1,412,364.

The Placement was fully subscribed with 13,908,328 fully paid ordinary shares issued at a price of \$0.09 on 3 August 2012 based on the total proceeds received of \$1,251,750 which comprised a placement of \$1,100,000 and additional oversubscriptions of \$151,750.

On 21 August 2012 the Board approved the issue to Executives and other staff members of 12,000,000 performance based options to take up fully paid ordinary post-consolidation shares of the Company and the implementation of a short term incentive plan (STIP) available to all employees of the Company in order to incent and retain existing employees and to attract new employees to the business. The STIP is funded from a bonus pool calculated by any surplus achievement of the Board approved FY13 EBITDA Budget and is paid to employees as a maximum tiered percentage of their annual remuneration.

Except for the above there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.