Appendix 4D

eServGlobal Limited

ABN 59 052 947 743

Half-year report and appendix 4D
for the half-year ended 30 April 2014

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 2013 financial report.

Half-year report and appendix 4D
for the half year ended
30 April 2014

Contents

eServGlobal Limited

ABN 59 052 947 743

Half Year Ended 30 April 2014

Results for announcement to the market

Results				**A$ '000**
Revenues	Up	24.3%	to	16,937
Profit after tax attributable to members	Up	>100%	to	20,548

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 $16.937 million (2013: $13.621 million) – an increase of 24.3% due to new customer wins and existing customers extending their mobile money and Value Added Services footprint. The gross profit realised was $10.527 million (gross profit margin: 62%) (2013: $8.349 million (gross profit margin: 61%)). EBITDA for the period was a profit of $34.349 million (2013: EBITDA loss $0.327 million).

The net result of the consolidated entity for the half year ended 30 April 2014 was a profit after tax and minority interest for the period of $20.548 million (2013: $2.539 million loss). Profit per share was 8.2 cents (2013: loss per share 1.1 cents).

During the period, there was a net cash inflow of $6.530 million primarily resulting from the receipt of proceeds of $8.241 million following the closure on 3 April 2014 of the HomeSend joint venture with MasterCard and BICS and the issuance of 4,500,000 new ordinary shares at $0.75 generating net cash receipts of $3.365 million, offset by a net outflow from operations of $4.035 million. Cash at 30 April 2014 was $11.570 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 2014. 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:

Stephen Baldwin	Acting Chairman (since 3 March 2014) and Non-executive Director
Paolo Montessori	Chief Executive Officer & Director
Stephen Blundell	Chief Finance Officer & Director
François Barrault	Non-executive Director
John Conoley	Non-executive Director
Thomas Rowe	Non-executive Director (appointed 3 March 2014)
Richard Mathews	Non-executive Chairman (resigned 3 March 2014)
Craig Halliday	Non-executive Director (resigned 30 December 2013)

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.

eServGlobal closed on 3 April 2014 a joint venture with MasterCard and BICS to take the HomeSend global payment hub into its next phase of expansion. The joint venture will enable cross-border remittances and domestic person-to-person transfers between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location. MasterCard will have a majority share of the joint venture while eServGlobal will hold 35%.

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

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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 Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report 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

Stephen Baldwin
Acting Chairman

Sydney, 30 June 2014

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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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

30 June 2014

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 2014, 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

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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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 consolidated statement of financial position as at 30 April 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes 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 19.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 2014 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.

Deloitte.

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 2014 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 30 June 2014

Directors' declaration

The directors declare that:

a) 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

Stephen Baldwin
Acting Chairman

Sydney, 30 June 2014

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 April 2014

	Note	Consolidated Half-Year Ended 30 April 2014 $'000	Half-Year Ended 30 April 2013 $'000
Revenue		16,937	13,621
Cost of sales		(6,410)	(5,272)
Gross profit		10,527	8,349
Interest income		33	13
Gain recognised on disposal of HomeSend business	11	33,865	-
Foreign exchange gain		1,373	1,066
Research and development expenses		(2,258)	(1,037)
Sales and marketing expenses		(2,841)	(2,356)
Administration expenses		(6,080)	(6,362)
Share of loss of associate	12	(270)	-
Profit/(loss) before interest expense, tax, depreciation and amortisation (EBITDA)		**34,349**	**(327)**
Amortisation expense		-	(1,171)
Depreciation expense		(360)	(290)
Profit/(loss) before interest expense and tax		**33,989**	**(1,788)**
Finance costs		(142)	(325)
Profit/(loss) before tax		**33,847**	**(2,113)**
Income tax expense		(13,230)	(364)
Profit/(loss) for the period		**20,617**	**(2,477)**
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)		(328)	(1,095)
Total comprehensive profit/(loss) for the period		**20,289**	**(3,572)**
Profit (loss) attributable to:			
Equity holders of the parent		20,548	(2,539)
Non controlling interest		69	62
		20,617	**(2,477)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent		20,180	(3,635)
Non controlling interest		109	63
		20,289	**(3,572)**
Profit/(loss) per share:			
Basic (cents per share)		**8.2**	**(1.1)**
Diluted (cents per share)		**8.0**	**(1.1)**

Notes to the Financial Statements are included on pages 12 to 19

Condensed consolidated statement of financial position as at 30 April 2014

	Note	Consolidated 30 April 2014 $'000	31 October 2013 $'000
Current Assets			
Cash and cash equivalents		11,570	4,909
Trade and other receivables	2 (a)	25,762	21,846
Inventories		101	74
Current tax assets		352	4,272
		37,785	31,101
Assets classified as held for sale		-	7,754
Total Current Assets		37,785	38,855
Non-Current Assets			
Investment in associate	12	30,938	-
Property, plant and equipment		195	482
Deferred tax assets	11	1,500	10,325
Goodwill		3,778	3,523
Other receivables	2 (b)	5,134	-
Total Non-Current Assets		41,545	14,330
Total Assets		79,330	53,185
Current Liabilities			
Trade and other payables		8,958	8,678
Borrowings	7	3,000	3,000
Current tax payables		2,451	150
Provisions		1,175	1,265
Other	3	1,806	1,989
Total Current Liabilities		17,390	15,082
Non-Current Liabilities			
Provisions		771	749
Total Non-Current Liabilities		771	749
Total Liabilities		18,161	15,831
Net Assets		61,169	37,354
Equity			
Issued capital	8	110,060	106,695
Reserves	9	(4,151)	(4,090)
Accumulated losses		(44,903)	(65,451)
Parent entity interest		61,006	37,154
Non controlling interest		163	200
Total Equity		61,169	37,354

Notes to the Financial Statements are included on pages 12 to 19

Condensed consolidated statement of changes in equity for the half-year ended 30 April 2014

	Issued Capital $'000	Foreign Currency Translation Reserve $'000	Employee 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 2013	106,695	(6,563)	2,473	(65,451)	37,154	200	37,354
Profit/(loss) for the period	-	-	-	20,548	20,548	69	20,617
Exchange differences arising on translation of foreign operations	-	(368)	-	-	(368)	40	(328)
Total comprehensive income/(loss) for the period	-	(368)	-	20,548	20,180	109	20,289
Issue of new shares	3,365	-	-	-	3,365	-	3,365
Payment of dividends	-	-	-	-	-	(146)	(146)
Equity settled payments	-	-	307	-	307	-	307
Balance at 30 April 2014	110,060	(6,931)	2,780	(44,903)	61,006	163	61,169
Balance at 1 November 2012	90,770	(2,099)	2,017	(75,699)	14,989	85	15,074
Profit/(loss) for the period	-	-	-	(2,539)	(2,539)	62	(2,477)
Exchange differences arising on translation of foreign operations	-	(1,096)	-	-	(1,096)	1	(1,095)
Total comprehensive income/(loss) for the period	-	(1,096)	-	(2,539)	(3,635)	63	(3,572)
Issue of new shares	15,925	-	-	-	15,925	-	15,925
Equity settled payments	-	-	136	-	136	-	136
Balance at 30 April 2013	106,695	(3,195)	2,153	(78,238)	27,415	148	27,563

Notes to the Financial Statements are included on pages 12 to 19

Condensed consolidated statement of cash flows for the half-year ended 30 April 2014

	Consolidated	
	Half-Year Ended 30 April 2014 $'000	Half-Year Ended 30 April 2013 $'000
Cash Flows from Operating Activities		
Receipts from customers	12,747	10,685
Payments to suppliers and employees	(18,948)	(16,641)
Refund of research & development tax credits	2,738	-
Interest and other costs of finance paid	(142)	(468)
Income tax paid	(430)	(163)
Net cash used in operating activities	(4,035)	(6,587)
Cash Flows From Investing Activities		
Proceeds from HomeSend business divestment	8,241	-
Interest received	11	7
Payment for property, plant and equipment	(46)	(14)
Software development costs	(860)	(856)
Net cash from/(used in) investing activities	7,346	(863)
Cash Flows From Financing Activities		
Proceeds from issue of shares	3,375	16,802
Payment for share issue costs	(10)	(877)
Repayment of loan	-	(7,200)
Dividend paid by controlled entity to non-controlling interest	(146)	-
Net cash from financing activities	3,219	8,725
Net Increase In Cash and Cash Equivalents	6,530	1,275
Cash At The Beginning Of The Period	4,909	3,794
Effects of exchange rate changes on the balance of cash held in foreign currencies	131	18
Cash and Cash Equivalents At The End Of The Period	11,570	5,087

Notes to the Financial Statements are included on pages 12 to 19

Notes to the 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 Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report 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 2013 annual financial report for the financial year ended 31 October 2013, 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.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

1. Significant accounting policies (continued)

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group. The adoption of AASB 10 did not have any impact on the disclosures or on the amounts recognised in the half-year report.

Impact of the application of AASB 11

AASB 11 replaces AASB 131 'Interests in Joint Ventures' and the guidance contained in a related interpretation, Interpretation 113 'Jointly Controlled Entities – Non-Monetary Contributions by Venturers', has been incorporated in AASB 128 (as revised in 2011). AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, AASB 131 'Interests in Joint Ventures' contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under AASB 131 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expense incurred jointly). Each joint operation accounts for the assets and, liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The adoption of AASB 11 did not have any impact on the disclosures or on the amounts recognised in the half-year report.

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The adoption of AASB 12 did not have any material impact on the disclosures or on the amounts recognised in the half-year report.

1. Significant accounting policies (continued)

Impact of the application of AASB 13
The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 ‘Share-based Payment’, leasing transactions that are within the scope of AASB 117 ‘Leases’, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2013 comparative period, and the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 119
In the current year, the Group has applied AASB 119 (as revised in 2011) ‘Employee Benefits’ and the related consequential amendments for the first time. The application of AASB 119 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 127, 2012-5 and 2012-10
The Group has applied the above standards and amendments for the first time in the current year. The adoption of these standards and amendments did not have any impact on the disclosures or on the amounts recognised in the half-year report.

The adoption of all the new and revised standards and interpretations has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior half years.

2. Trade and other receivables

	30 April 2014 $'000	31 October 2013 $'000
(a) Current		
Trade receivables	12,939	8,049
Work in progress	9,846	10,400
Other receivables	1,042	851
Deposits and prepayments	1,935	2,546
Total current trade and other receivables	25,762	21,846
(b) Non-current		
Deferred sales proceeds	5,134	-
Total other receivables	5,134	-

Deferred sales proceeds, which relate to the sale of HomeSend to the associate company HomeSend SRCL, are held in escrow and are subject to indemnification provisions within the transaction agreement. The funds are due to be paid to the Company on 3 April 2016, two years after the transaction agreement date.

3. Other Current Liabilities

	30 April 2014 $'000	31 October 2013 $'000
Deferred income	1,806	1,989

4. Dividends

	Half Year ended 30 April 2014		Half Year Ended 30 April 2013	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Recognised amounts				
Final dividend paid in respect of prior financial year	-	-	-	-

5. 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.

6. Issuances, repurchases and repayment of securities

During the current period the company issued a total of 4,500,000 shares (2013: 52,198,291), raising a total of $3.365 million net of expenses (2013: $15.925 million).

The fundraising was by way of a broker managed placement of shares to Australian investors at an issue price of $0.75 per share.

7. Borrowings

	30 April 2014 $'000	31 October 2013 $'000
Secured		
Loans	3,000	3,000
	3,000	3,000

Current borrowings at 30 April 2014 represent a $3 million loan from National Australia Bank which was drawn down in full in June 2013. The bank loan is interest bearing and is secured by way of a fixed and floating charge over the total assets of the Group. The loan facility is due for repayment on 30 June 2014.

8. Issued Capital

	30 April 2014 $'000	31 October 2013 $'000
253,545,997 fully paid ordinary shares (31 October 2013: 249,045,997)	110,060	106,695

	30 April 2014		31 October 2013	
	No. '000	$'000	No. '000	$'000
Fully Paid Ordinary Shares				
Balance at the beginning of the financial period	249,046	106,695	196,848	90,770
Shares issued in the period	4,500	3,375	52,198	16,802
Costs of share issue	-	(10)	-	(877)
Balance at the end of the financial period	253,546	110,060	249,046	106,695

9. Reserves

	30 April 2014 $'000	31 October 2013 $'000
Employee equity-settled benefit	2,780	2,473
Foreign currency translation	(6,931)	(6,563)
	(4,151)	(4,090)

10. Financial Instruments

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

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

The Group does not have any financial assets or financial liabilities that are measured at fair value on a recurring basis.

10.2 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 consolidated financial statements approximate their fair values:

	30 April 2014 $'000	31 October 2013 $'000
Financial assets		
Trade and other receivables (current and non-current	30,896	21,846
Cash and cash equivalents	11,570	4,909
Financial liabilities		
Trade and other payables	8,958	8,143
Borrowings	3,000	3,000

11. Disposal of HomeSend business

On 19 December 2013 the Group announced the sale of its international mobile money transfer business, HomeSend to a newly formed entity, HomeSend SRCL, which is a joint venture between eServGlobal, MasterCard and BICS.

The transaction was subject to certain conditions precedent and was subsequently completed on 3 April 2014.

		30 April 2014 $'000
(a)	***Consideration received***	
	Cash consideration received	8,205
	Deferred sales proceeds (refer note 2(b))	5,134
	Total consideration received	13,339
(b)	***Gain on disposal of business***	
	Consideration received (a)	13,339
	Plus: fair value of investment retained	31,125
	Less: business net assets disposed	(8,700)
	Less: disposal related costs	(1,899)
	Gain on disposal	33,865
	Net assets disposed comprise of:	
	Allocated goodwill	3,540
	Intangible assets (capitalised R&D expenditure)	5,160
	Net assets disposed of	8,700

The Group recognised an income tax expense of $12.837 million on the disposal of the HomeSend business. The current tax liability in relation to the disposal of business is net of utilisation of deferred tax asset relating to accumulated tax losses of $7.038 million which was recognised during the 31 October 2013 financial year.

12. 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 2014	**31 October 2013**
Homesend SRCL (i)	Provision of international mobile money services	Brussels, Belgium	35%	N/A

(i) 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.

Reconciliation of the carrying amount of the investment in associate:

	30 April 2014 $000
Initial recognition of investment in associate	31,125
Share of current period loss of the associate	(270)
Effects of foreign currency exchange movements	83
Carrying value of investment	**30,938**

13. Subsequent events

There has not been any matter or circumstance, other than those referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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

Net tangible assets per security	Current period	31October 2013
Net tangible assets per security	22.6 cents	10.5 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