Australian Bond Exchange Holdings Limited

ABN 11 629 543 193

Consolidated Financial Statements

For the Year Ended 30 June 2021

Australian Bond Exchange Holdings Limited
ABN 11 629 543 193

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For the Year Ended 30 June 2021

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Directors' Report
30 June 2021

The directors present their report, together with the financial statements of the Group, being Australian Bond Exchange Holdings Limited ("the Company") and its controlled entities, for the financial year ended 30 June 2021.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Allan Farrar	Non-Executive Chairman	Appointed 22 October 2018
Bradley McCosker	Managing Director	Appointed 22 October 2018
Michael Vanderdonk	Director	Appointed 22 October 2018
Mark Dorney	Non-Executive Director	Appointed 18 December 2020 Resigned 12 July 2021

Directors have been in office during the whole of the financial year until the date of this report, unless otherwise stated.

Company Secretary

The following persons held the position of Company Secretary during the financial year and remain in office unless otherwise stated:

Peter Foltman was appointed Company Secretary on 11 February 2019.

Board and Board Committee Meetings and Attendance

The number of meetings of the Board of Directors (the Board) and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend, during the financial year, is summarised in the table below. CAR Committee refers to the Compliance Audit & Risk Committee.

No. of meetings	Board Meetings * 7	CAR Committee Meetings * 4
Allan Farrar	7/7	4/4
Bradley McCosker	7/7	4/4
Michael Vanderdonk	7/7	n/a
Mark Dorney	2/2	n/a

* Number of meetings attended by the member / total number of meetings eligible to attend as a member.
(n/a) Not a member of CAR Committee.

Principal activities

Australian Bond Exchange Holdings Limited (“ABEH”) is the parent company of various controlled entities ("ABE Group"). The main operating entity is Australian Bond Exchange Pty Ltd (“ABEPL”) which provides fixed income advice and dealing services in corporate and government bonds. The principal activities of the ABE Group during the financial year was the development of a bond trading and settlement system and method, and operating as a specialist fixed income dealer and broker. ABEPL owns and operates the fixed income portal www.bondexchange.com.au.

ABEPL holds Australian Financial Services License No. 484453 issued by the Australian Securities and Investments Commission (“ASIC”) to provide financial product advice and deal in basic deposit products, deposit products other than basic deposit products, debentures, stocks or bonds issued by a government, managed investment schemes, and securities and also to provide custodial or depository services to wholesale and retail clients.

2. Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to $ 345,579 (2020: loss of $ 1,021,755).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of operations

During the 2021 financial year, the Group continued business as a specialist fixed income adviser and dealer in Australia. The Groups strategy for the 2021 financial year was to further develop its customer discovery activities, build out the trading platform and protect the intellectual property involved in those activities.

With the emergence of COVID-19, the Group has quickly adapted to the changing environment in relation to the impact on its staff, customers and business activities and continues to operate on a reduced presence. COVID-19 has impacted some parts of the business and has resulted in its growth rate being less than would have been otherwise.

Operations were largely unaffected, with all data available on the cloud, and those working from home had, in most cases, all the same access as if they were in the office. Daily zoom meetings were established with the entire team which allowed management to maintain oversight of staff activities regardless of location.

Financial Position

The net assets of the Group at 30 June 2021 are $1,726,421 (2020: $2,263,150).

The Directors believe that the Group is in a stable financial position to expand and grow its current operations.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events after the reporting date

Singapore entity

The result of negotiations with a significant counterparty was a requirement to establish a Singapore domiciled subsidiary A presence in Singapore is expected to result in significant contribution to the Group over time. The subsidiary, ABE Capital Markets Pte Ltd, was established on 26 July 2021.

Pre IPO Capital Raising

The Group is currently undergoing a Pre IPO raising ahead of an proposed ASX listing later in the year. At the date of this report the capital raising is proceeding as expected.

No other matters or circumstances have arisen since the end of the financial year which 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.

2. Operating results and review of operations for the year continued

Director information

Allan Farrar	Non-Executive Chairman
Qualifications	Diploma in Accountancy, Diploma of Financial Services, FAICD
Experience	Allan co-founded ABX in March 2015 and has been a director of each ABX company since incorporation. Allan has been involved in partner roles in professional accounting firms for the last 35 years. His last role in a professional accounting firm was Head of the Corporate Finance business of PKF in Sydney, from which he retired in 2016.
Special responsibilities	Chair of Board, Chair of the CAR Committee
Bradley McCosker	Managing Director
Qualifications	BEc, Master of Commerce
Experience	Bradley co-founded ABX in March 2015 and has been a director of each ABX company since incorporation. Bradley has over 25 years of experience in investment banking and in the financial markets. Bradley was the Americas Head of the Client Coverage Group for Deutsche Bank in New York before returning to Australia in 2010. He was also Senior Policy Adviser, Australian Prudential Regulatory Authority as well as Senior Manager for Risk Policy, ASX.
Special responsibilities	Chief Executive Officer, Member of the CAR Committee
Michael Vanderdonk	Director
Qualifications	BSc, GAICD
Experience	As a co-founder of ABX, Michael has overseen the technical and engineering design of the infrastructure and systems. He has over 25 years of experience in the Information Technology and Telecommunications industry, developing strategy and implementing business initiatives. Michael worked at EMC (now Dell EMC) Asia on infrastructure, Cloud based computing, big data, artificial intelligence and data science. Previous roles as CSC Australia, KPMG Consulting and Credit Suisse.
Special responsibilities	Chief Technology Officer
Mark Dorney	Non - Executive Director
Qualifications	B.Comm, LLB, FAICD
Experience	Mark is an investment banker whose previous roles include as Managing Director and Head of Corporate Finance & Capital Markets in Australia & New Zealand for CITIC CLSA Capital Markets. Mark was also Executive Director of Macquarie and CEO of Southern Cross Austereo and was Head of Equity Capital Markets for Australia and New Zealand at N.M. Rothschild & Sons. He is currently Chairman of Advance Australia, Managing Director of Chevalier Capital and a Director of the UNSW Foundation.

2. Operating results and review of operations for the year continued

Future developments and results

The only other likely developments in the operations of the Group at the date of this report involve a potential Initial Public Offering by the Group.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Options and employee share schemes

Options granted or outstanding

On 21 December 2020 under an Option Deed which was amended and restated on 13 April 2021, an option to subscribe for 7,417,142 new ordinary shares in the Company was granted to Mark Dorney (former Director). One of the key conditions for the exercise of that option stipulated that if the Company has not raised a minimum of $5 Million in new capital (Initial Capital Raising) in the Company by 30 June 2021, the option lapses with effect from 1 July 2021 and the Grantee forfeits the 7,417,142 Option Shares. This condition was not met in accordance with the option deed by 30 June 2021 and the option was deemed to have been forfeited.

Employee Loan Funded Share Plan (ELFSP)

The Board has determined no shares will be committed for issue under the Employee Loan Funded Share Plan until after the Company’s shares are quoted on a recognised Securities exchange.

Auditor

There are no former partners or Directors of the Company’s auditors or former auditors, who are, or were at any time during the financial year, an officer of the Company.

Beneficial Interests in the Shares of the Company and Related Bodies Corporate

As at the date of this report, the beneficial interests of the Directors and their associates in the shares of Australian Bond Exchange Holdings Limited were:

Shareholder/Related Party (Director)	Number of Ordinary Shares
Fieldrock Pty Limited (Bradley McCosker)	51,919,996
Toach Pty Limited (Michael Vanderdonk)	7,417,142
Anex Industrial Corporation Pty Ltd/Allan Farrar (Allan Farrar)	7,501,475

Transactions with Key Management Personnel

The transactions with Key Management Personnel are further detailed in Note 20 and Note 26.

Indemnification and insurance of officers and auditors

During the financial year ABEH entered into agreements under a policy of insurance which includes indemnification of all Directors of the Company named in this report and current officers of the Company against all liabilities to persons (other than the Company), which arise out of the performance of their normal duties as a Director or an officer.

The premium paid for this insurance was $67,000.

Under ABEH's Constitution, ABEH indemnifies all past and present Directors and Secretaries of ABEH (including at this time the Directors named in this report and the Secretaries), against certain liabilities and costs incurred by them in their respective capacities. The indemnity covers the following liabilities and legal costs:

(a) any liability incurred by the person in that capacity (except a liability for legal costs);
(b) legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity; and
(c) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company or a subsidiary, if that expenditure has been approved in accordance with the Company's policy,

except to the extent that:

(d) the Company is forbidden by law to indemnify the person against the liability or legal costs; or
(e) an indemnity by the Company of the person against the liability or legal costs, if given, would be made void by law.

ABEH has also entered into a Deed of Access, Indemnity, Insurance and Disclosure (Deed) with each of the Directors and Secretaries. Under the Deed, ABEH agrees to indemnify the Directors and Secretaries against:

(a) all liabilities incurred by the Director or Secretary as an Officer of ABEH and each Subsidiary; and all legal costs and other costs and expenses that arise as a consequence of being or of having been an Officer of ABEH or a Subsidiary

No indemnification has been obtained for the auditors of the Company.

Proceedings on behalf of company

No leave or proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year

Auditor's independence declaration

The auditors independence declaration is in accordance with Section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 7 of this financial report.

Directors' Report
30 June 2021

Non-Audit Services

Details of the amounts paid or payable to the auditor (Kreston Stanley Williamson) for audit and non-audit services during the year are disclosed in Note 21 Remuneration of auditors.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* . The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the CAR Committee and the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the external auditors and its related practices for non-audit services provided during the year ended 30 June 2021:

	2021	2020
	$	$
Preparation of Investigating Accountant's Report	-	18,512

Signed in accordance with a resolution of the Board of Directors:

Director: ....
Bradley McCosker

Director: ....
Allan Farrar

Dated this 3rd day of September 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act to the Directors of Australian Bond Exchange Holdings Limited

As lead auditor of Australian Bond Exchange Holdings Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Bond Exchange Holdings Limited and the entities it controlled during the year.

Michael Goodrick

Michael Goodrick

Partner

Kreston Stanley Williamson

Sydney

3 September 2021

CHARTERED ACCOUNTANTS™ AUSTRALIA + NEW ZEALAND
MEMBER OF THE FORUM OF FIRMS

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Partners **MA Goodrick** > **DM O'Malley** > **BR Barter** > **Q Tat** > **K Thakkar**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 Restated * $
Revenue	4	**4,031,342**	2,137,196
Other income	4	**624,315**	295,454
Employee benefits expense		**(1,450,414)**	(1,026,736)
Brokerage costs		**(2,581,671)**	(1,387,886)
Depreciation and amortisation expense		**(44,964)**	(3,634)
Other expenses	5	**(924,187)**	(1,036,149)
Loss before income tax		**(345,579)**	(1,021,755)
Income tax expense	6	**-**	-
Loss for the year		**(345,579)**	(1,021,755)
Other comprehensive income, net of income tax		**-**	-
Total comprehensive income for the year		**(345,579)**	(1,021,755)
Loss attributable to:			
Members of the parent entity		**(345,579)**	(1,021,755)
Non-controlling interest		**-**	-
		(345,579)	(1,021,755)
Total comprehensive income attributable to:			
Members of the parent entity		**(345,579)**	(1,021,755)
Non-controlling interest		**-**	-
		(345,579)	(1,021,755)
Earnings per share			
From continuing operations:			
Basic earnings per share (cents)	28	(0.43)	(1.26)
Diluted earnings per share (cents)	28	(0.43)	(1.26)

* See note 2(t) for details regarding the restatement as a result of prior period adjustment

Australian Bond Exchange Holdings Limited

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Consolidated Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 Restated * $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**1,440,661**	1,970,379
Trade and other receivables	8	**945,945**	411,793
Financial assets	13	**552,975**	-
Other assets	11	**217,626**	136,718
TOTAL CURRENT ASSETS		**3,157,207**	2,518,890
NON-CURRENT ASSETS			
Property, plant and equipment	9	**9,091**	8,071
Intangible assets	10	**1,151,118**	773,507
TOTAL NON-CURRENT ASSETS		**1,160,209**	781,578
TOTAL ASSETS		**4,317,416**	3,300,468
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**1,999,162**	511,950
Employee benefits	26	**591,833**	525,368
TOTAL CURRENT LIABILITIES		**2,590,995**	1,037,318
NON-CURRENT LIABILITIES		**-**	-
TOTAL LIABILITIES		**2,590,995**	1,037,318
NET ASSETS		**1,726,421**	2,263,150
EQUITY			
Issued capital	14	**6,808,844**	6,999,994
Accumulated losses		**(5,082,423)**	(4,736,844)
Total equity attributable to equity holders of the company		**1,726,421**	2,263,150
TOTAL EQUITY		**1,726,421**	2,263,150

* See note 2(t) for details regarding the restatement as a result of prior period adjustment

The accompanying notes form part of these financial statements.

Australian Bond Exchange Holdings Limited
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Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021

2021

	Note	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2020 as originally presented		6,842,383	(4,579,233)	2,263,150
Prior period adjustment	2(t)	157,611	(157,611)	-
Restated Balance at 1 July 2020		6,999,994	(4,736,844)	2,263,150
Loss attributable to members of the parent entity		-	(345,579)	(345,579)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(345,579)	(345,579)
Transactions with owners in their capacity as owners				
Capital raising costs		(191,150)	-	(191,150)
Balance at 30 June 2021		6,808,844	(5,082,423)	1,726,421

2020

	Note	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2019		5,240,144	(3,715,089)	1,525,055
Loss attributable to members of the parent entity (restated)*		-	(1,021,755)	(1,021,755)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(1,021,755)	(1,021,755)
Transactions with owners in their capacity as owners				
Shares issued to Noteholders	14	1,666,667	-	1,666,667
Capital raising costs (restated)*		93,183	-	93,183
Restated Balance at 30 June 2020 *		6,999,994	(4,736,844)	2,263,150

* See note 2(t) for details regarding the restatement as a result of prior period adjustment

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**69,369,525**	53,033,906
Payments to suppliers and employees		**(69,648,719)**	(53,843,469)
Interest received		**16,069**	13,663
Interest paid		**(6,549)**	-
Grants received		**324,702**	54,290
Net cash provided by/(used in) operating activities	25	**55,028**	(741,610)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for intangible assets		**(418,741)**	(242,959)
Purchase of property, plant and equipment		**(4,854)**	(4,275)
Net cash provided by/(used in) investing activities		**(423,595)**	(247,234)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of transaction costs		**(161,151)**	(72,828)
Net cash provided by/(used in) operating activities		**(161,151)**	(72,828)
Net increase/(decrease) in cash and cash equivalents held		**(529,718)**	(1,061,672)
Cash and cash equivalents at beginning of year		**1,970,379**	3,032,051
Cash and cash equivalents at end of financial year	7	**1,440,661**	1,970,379

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2021

The consolidated financial report covers Australian Bond Exchange Holdings Limited ("ABEH" or 'The Company') and its controlled entities ('the Group'). Australian Bond Exchange Holdings Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001* .

These financial statements comply with International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity’s financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 22 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

2 Summary of Significant Accounting Policies continued

(b) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax Consolidation

ABEH and its wholly owned subsidiaries elected to form a tax consolidated group on 1 July 2018.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These amounts are measured using the 'stand-alone-taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity. Refer to Note 29.

2 Summary of Significant Accounting Policies continued

(c) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Specific revenue streams

The Group recognises revenue from the following major sources:

Securities trading income

The Group operates as a fixed income dealer trading in bonds whereby the Group (trading as principal) sells bonds to, or buys from, its clients and the fixed income market. Securities trading income or loss is recognised on the trade date as earned being when performance obligations are met.

Net fees on securities trading

Net fees on securities trading represents revenue from securities trades net of any fees attributable to the party acting, on behalf of the Group, as Principal in the arrangement. Net fees on securities trading are recognised on the trade date as earned being when performance obligations are met.

Commission income

The Group facilitates the investment by its clients direct into bonds. Revenue from bonds is received in the form of brokerage commission. Commissions are recognised on trade date of a brokerage transaction, being the date the performance obligation is satisfied.

Arrangement fees

The Group arranges the primary issue of bonds and bespoke financial facilities for corporate and other issuers. Revenue for arranging corporate bonds and financing facilities can be generated as an arrangement fee on issuance of a bond or establishment of a financing facility and as an ongoing management fee. The arrangement fee on issuance of the bond is recognised on the issuance date as that is the completion of the most significant act. The arrangement fee on a financing facility is recognised when the Group has completed its obligations to establish the facility.

Other income

Other income includes any revenue from operating activities other than those described above and arising from activities incidental to the principal business activities of the Group. Other income is recognised on an accruals basis when the Group is entitled to it. Coupon income for bonds held for sale is recognised as other income when the right to receive payment is established.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

2 Summary of Significant Accounting Policies continued

(c) Revenue and other income

Financial assets and liabilities held at fair value through profit or loss.

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are recognised as an expense in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets and financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments held at fair value through profit or loss' in the period in which they arise.

Finance income

Finance income received by the Group is for interest on bank deposits. Interest income for bank deposits is recognised when earned.

(d) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

2 Summary of Significant Accounting Policies continued

(d) Leases

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or the remeasurement is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Computer Equipment	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

2 Summary of Significant Accounting Policies continued

(h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at FVTPL. Net gains or losses, including any interest or coupon income are recognised in profit or loss. The Group's financial assets measured at FVTPL comprise corporate bonds in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

2 Summary of Significant Accounting Policies continued

(h) Financial instruments

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision.

To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision incorporates forward looking information.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and borrowings.

(i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

2 Summary of Significant Accounting Policies continued

(i) Impairment of non-financial assets

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

The Statement of Cash Flows is prepared on the basis of the following basis:

- Where a Group acts as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded gross and in line with the revenue recognition policy for *Securities trading income* as described in Note 2(c);

- Where the Group does not act as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded net and in line with the revenue recognition policy for *Net fees on securities trading* as described in Note 2(c).

(k) Trade and other receivables

Trade receivables include amounts due from securities trading activities performed in the ordinary course of business and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are normally collected within two days of the trade date and are classified as current assets.

Other operating receivables include amounts due from customers for services performed in the ordinary course of business. Other operating receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other operating receivables are classified as non-current assets.

Other receivables are initially recognised at cost. Other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(l) Dividends

The practice of the Group is to make payment within three days of declaring a dividend and therefore a provision would only be made if the dividend was declared prior to the end of the reporting period but not distributed at the end of the reporting period.

(m) Intangible Assets

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks are carried at cost less accumulated amortisation and impairment losses.

2 Summary of Significant Accounting Policies continued

(m) Intangible Assets

Software and software development costs

Software is stated at historical cost less amortisation. In the event the carrying amount of computer software is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in the statement of profit or loss and other comprehensive income. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Costs associated with maintaining software programs are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:
- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software development costs include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The amortisable amount of all software is amortised over the asset's useful life to the Group commencing from the time the asset is available for use, based on depreciation rates that are determined once development is completed and useful lives have been appropriately assessed.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Software development costs	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

2 Summary of Significant Accounting Policies continued

(m) Intangible Assets

Impairment

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.
Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Group has in place a variable remuneration plan whereby eligible employees are paid a variable component of salary according to specified performance targets, and if compliant with the Group's core values and principles. The liability for the variable remuneration plan is expected to be wholly settled within one month after the end of the period in which the employee renders the related service and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the expected future wage and salary levels, expected employment departures and periods of service. Expected future payments are discounted using the Australian corporate bond discount rate curve as at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees under the Group's Employee Loan Funded Share Plan ("ELFSP"). There was no issue under the employee share plan during the reporting period. Under the ELFSP, shares issued by the Group to employees with a nonrecourse loan may vest immediately on issue date. On this date, the fair value of the share-based payment is recognised as a share-based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the share-based payment arrangement.

2 Summary of Significant Accounting Policies continued

(n) Employee benefits

(iv) Bonuses

The Group may pay a discretionary bonus to eligible employees based on the Group's financial performance for the financial year and the performance of the individual over that same period. The liability for bonus payments is recognised as an employment benefit expense when the Group has an obligation to make such a payment and only when a reliable estimate of the obligation can be made.
The Group recognises a liability and expense for bonuses based in accordance with the plan formula and attributes the benefit on a straight-line basis for the relevant service period from the date when service by the employee first leads to benefits until the date when further service by the employee will lead to no material amount of further benefits.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Trade and other payables

Trade payables represent the liabilities outstanding at the end of the reporting period for securities trading activities performed in the ordinary course of business during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within two working days of recognition of the liability. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Sundry payables and accrued expenses represent the liabilities at the end of the reporting period for unbilled amounts for goods and services provided by suppliers and authorities and are expected to be paid within 12 months.

Other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies continued

(r) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(s) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The below summarises those future requirements, and their impact on the Group where the standard is relevant:

AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This amendment applies to financial years commencing on or after 1 January 2023. The Group is expected to adopt this standard for the annual reporting period ending 30 June 2024. The directors have determined the impact of the adoption of the above standard does not have a material impact on the financial statements.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [amends AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

This Standard amends a number of standards as follows:
AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to a entity's financial statements;
AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments apply to financial years commencing on or after 1 January 2023. The Group is expected to adopt this standard for the annual reporting period ending 30 June 2024. The directors have determined there will be no impact on the financial statements. The impact is merely to reduce the quantum of accounting policies disclosures to focus on key decision areas and material policies only.

(t) Prior period adjustment

During the 2021 financial year, Management identified that capital raising costs which were capitalised in financial years 2019 ($93,183) and 2020 ($64,428) totalling $157,611 should have been expensed to the profit or loss and other comprehensive income at the point when it was determined that that equity raising those costs relate to was no longer proceeding. Events had taken place to confirm the equity raising was not going to proceed in the 2020 financial year.

2 Summary of Significant Accounting Policies continued

(t) Prior period adjustment

The effects of this determination have led to a prior period adjustment whereby capital raising costs previously recognised in equity of $157,611 are expensed in the profit or loss and other comprehensive income for the year ended 30 June 2020.

The capital raising efforts during 2021 are deemed to be a new equity transaction in accordance with the Accounting Standards.

The effects of the prior period adjustment has been recognised by restating each of the affected financial statement line items for the prior period as follows:

Balance Sheet (extract)	30-Jun 2020 $	Increase/ (decrease) $	30-Jun 2020 (Restated) $
Issued capital	6,842,383	157,611	6,999,994
Accumulated losses	(4,579,233)	(157,611)	(4,736,844)
TOTAL EQUITY	**2,263,150**	**-**	**2,263,150**

Statement of profit or loss (extract)	2020 $	Profit Increase/ (decrease) $	2020 (Restated) $
Other expenses	(878,538)	(157,611)	(1,036,149)
Loss before income tax	**(864,144)**	**(157,611)**	**(1,021,755)**
Income tax expense	-	-	-
Loss for the year	**(864,144)**	**(157,611)**	**(1,021,755)**
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the year	**(864,144)**	**(157,611)**	**(1,021,755)**
Loss attributable to: Members of the parent entity	**(864,144)**	**(157,611)**	**(1,021,755)**
Total comprehensive income attributable to: Members of the parent entity	**(864,144)**	**(157,611)**	**(1,021,755)**

3 Critical Accounting Estimates and Judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving significant estimates and judgements are:

(a) Software development costs

Costs that are directly associated with the development of software are recognised as a intangible asset when certain criteria are met. This capitalisation of costs is based on Management's judgement that the technological and economic feasibility of the underlying project is established.

Once the project has become available for use, Management determine the amortisation rate based on the useful life of the underlying projects which represents the expected time period economic benefits will flow through to the Group.

Refer to Note 2(m) for further details of the Group's policy.

(b) Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

3 Critical Accounting Estimates and Judgments continued

(c) Impact of Coronavirus (COVID-19)

Background

The spread of novel coronavirus (COVID-19), a respiratory illness caused by a new virus, was declared a public health emergency by the World Health Organisation in January 2020 and upgraded to a global pandemic in March 2020. This pandemic has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility.

Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Group has considered the effects of these events based on the information at the date of issuing this financial report and potential effects of business and other market volatility in preparing its financial statements.

Impact and considerations for the financial statements / report of the Group

The Group considers that, whilst there has been a reduction in the expected level of business, the financial position and performance of the Group will not, in the longer term, be significantly or materially impacted by COVID-19 when considering the nature of the Group's operations, customer and supplier base, and levels of activity to date. In particular:

- The Group has considered the appropriateness of the carrying value of intangible assets, the need to assess the financial position of any clients and the carrying value of any financial assets reflected in the financial statements. Our review of these factors did not identify any material indicators of impairment to the carrying value of assets.

- The Group has prepared projected cash flow information for the ensuing twelve months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19

- The Directors and management reviewed forecasts and sensitivities, in response to examination of ongoing data analysis and considers it likely that there will be limited impact but continue to monitor ongoing developments

- The Directors have remained focused on the Group's liquidity, and expect to manage business operations in the forecast period whilst maintaining adequate liquidity through the execution of:
  - new financing options proposed to the Group, if required; and
  - Deferral or suspension of non-critical or discretionary operating and capital expenditure

- The Group has considered whether there has been any change to customer base risk profiles but has formed the view that there has been relatively little change but note that due to the uncertainty in the financial markets there has been some change in customer behaviour to which management continues to respond

- The Group has also considered whether COVID-19 has changed the risk profiles of the companies which our clients invest and consider it likely that there may be some special resolutions preferred to change or adjust bond covenants to allow these companies to continue to trade without breaching these covenants. We continue to investigate and examine these changes in the best interests of our clients.

3 Critical Accounting Estimates and Judgments continued

(a) Impact of Coronavirus (COVID-19) continued

As part of assessing any material financial impact to these financial statements, management has also prepared deliberately prudent cash flow models for the purposes of its going concern and impairment assessments.
The Directors and Management have concluded based on these assessments that the going concern basis is appropriate and there are no indicators of impairment to the Group's assets.

Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of the Group’s assets and liabilities may arise in the future.

Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

4 Revenue and Other Income

Revenue from continuing operations - contracts with customers		**2021** **$**	**2020** **$**
Revenue from contracts with customers has been disaggregated as follows:			
Type of contract			
- Securities trading income		**287,248**	201,468
- Net fees on securities trading	(a)	**3,412,445**	1,793,659
- Arrangement fees		**184,500**	-
- Commission income		**147,149**	142,069
		4,031,342	2,137,196
Other Income			
- Interest received		**5,717**	13,663
- Other income		**15,318**	13,861
- R&D refundable tax rebate		**298,436**	193,782
- Cash flow boost grant income		**123,644**	29,148
- Job keeper grant income		**181,200**	45,000
		624,315	295,454
Total Revenue and Other Income	(b)	**4,655,657**	2,432,650

(a) Gross fees from securities trading was $4,056,300 (2020: $2,328,675) for the period. Fees attributed to the principal of the arrangement acting on behalf of the Group was $643,855 (2020: $535,016), leaving Net fees on securities trading of $3,412,445 (2020: $1,793,659).

(b) Total Gross Revenue and Other Income when including gross fees from securities trading per (a) above is $5,299,512 (2020: $2,967,666).

(c) All revenue from contracts with customers is recognised at a point in time, when the performance obligation is satisfied.

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Results for the year

The result for the year includes the following specific expenses:

	2021 $	2020 $
Other expenses:		
Rent expense	140,243	111,665
Advertising	125,440	65,614
Administration and management fees	35,607	106,258
Legal and professional fees	60,552	213,405
Insurance	98,548	84,805
Accounting fees	83,665	150,700
Research fees	37,500	-
Information technology related expenses	273,050	200,720

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2021 $	2020 $
Current tax expense		
Local income tax - current period	-	-
Deferred tax expense/(benefit)	-	-
Income tax expense/(benefit)	**-**	-

(b) Reconciliation of income tax to accounting loss:

	2021 $	2020 $
Loss	**(345,579)**	(1,021,755)
Tax	**26.00%**	27.50%
	(89,851)	**(280,983)**
Add:		
Tax effect of Non Deductible Expenses:		
- R&D Expenses	178,376	122,262
- Non-deductible fines	-	733
	88,525	(157,988)
Less:		
Tax effect of Non-Assessable Income:		
- Other income (refundable R&D tax offset)	77,593	53,184
- Other income (Grant income cash flow boost)	32,147	8,016
Tax losses not recognised	(21,215)	(219,188)
Income tax expense	**-**	-
Weighted average effective tax rate	-	-

Notes to the Financial Statements
For the Year Ended 30 June 2021

7 Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank and in hand	**1,440,661**	1,970,379
	1,440,661	1,970,379

Cash and cash equivalents do not include the amount of $12,848,650 (June 2020: $398,197) held in client trust accounts at 30 June 2021.

8 Trade and Other Receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables		**602,481**	177,839
Provision for impairment	(a)	**-**	-
		602,481	177,839
GST receivable		**45,028**	25,558
ATO Job Keeper receivable		**-**	15,000
R&D tax rebate receivable		**298,436**	193,396
Total current trade and other receivables		**945,945**	411,793

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The amounts are contractually due within two days of recognition of the receivable.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 is determined as follows, the expected credit losses incorporate forward looking information.

The receivable balance of $602,481 is current, with a nil expected credit loss provision.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience. Trade receivables are normally collected within two days and to date the company has not written off any receivable balances and all money owing has been fully recovered.

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

	2021 $	2020 $
PLANT AND EQUIPMENT		
Computer equipment at cost	**19,571**	14,717
Accumulated depreciation	**(10,480)**	(6,646)
Total computer equipment	**9,091**	8,071
Total property, plant and equipment	**9,091**	8,071

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment $	Total $
Year ended 30 June 2021		
Balance at the beginning of the year	**8,071**	8,071
Additions	**4,854**	4,854
Depreciation expense	**(3,834)**	(3,834)
Balance at the end of the year	**9,091**	9,091
Year ended 30 June 2020		
Balance at the beginning of the year	**7,430**	7,430
Additions	**4,275**	4,275
Depreciation expense	**(3,634)**	(3,634)
Balance at the end of the year	**8,071**	8,071

10 Intangible assets

	2021 $	2020 $
Software development costs	**1,190,048**	771,307
Accumulated amortisation	**(41,130)**	-
Total software development costs	**1,148,918**	771,307
Logo cost	**2,200**	2,200
Total Intangibles	**1,151,118**	773,507

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Intangible assets continued

(a) Movements in carrying amounts of intangible assets

	Logo $	Software Development costs $	Total $
Year ended 30 June 2021			
Balance at the beginning of the year	**2,200**	**771,307**	**773,507**
Additions	**-**	**418,741**	**418,741**
Amortisation expense	**-**	**(41,130)**	**(41,130)**
Closing value at 30 June 2021	**2,200**	**1,148,918**	**1,151,118**
Year ended 30 June 2020			
Balance at the beginning of the year	2,200	514,971	517,171
Additions	-	256,336	256,336
Closing value at 30 June 2020	2,200	771,307	773,507

11 Other Assets

	2021 $	2020 $
CURRENT		
Prepayments	**138,444**	112,833
Deposits	**35,248**	23,885
Other advances	**43,934**	-
	217,626	136,718

12 Trade and Other Payables

	2021 $	2020 $
CURRENT		
Trade payables	**1,822,455**	302,625
GST payable	**-**	-
Other payables	**176,707**	209,325
	1,999,162	511,950

Trade payables represent the liabilities outstanding at the end of the reporting period for securities trading activities performed in the ordinary course of business which remain unpaid at the reporting date and where the amounts are contractually due within two days of recognition of the liability.

Notes to the Financial Statements
For the Year Ended 30 June 2021

13 Financial Assets

Financial assets at fair value through profit or loss

	2021 $	2020 $
CURRENT		
Corporate bonds	**552,975**	-
Total	**552,975**	-

Fair Value Measurement

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for bonds are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active and transparent markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are traded in a less active and transparent market (for example, over-the-counter bonds and derivatives) is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All the Group's financial assets and liabilities at fair value through profit or loss have been recognised at level 2.

	Level 2 2021 $	2020 $
Financial assets		
Financial assets at fair value through profit or loss - corporate bonds	552,975	-
Total financial assets	**552,975**	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Issued Capital

	2021 $	2020 $
80,972,416 (2020: 80,972,416) Ordinary shares	**6,808,844**	6,999,994

(a) Movements in Carrying Amounts

	No.	$
Opening Balance at 1 July 2020	**80,972,416**	**6,999,994**
Movement		
Capital raising costs	-	(191,150)
Balance as at 30 June 2021	**80,972,416**	**6,808,844**

	No.	$
Opening Balance at 1 July 2019	**79,305,749**	**5,240,144**
Movement		
3 Jul 2019: Shares issued on conversion of converting notes - (1,000,000 notes at 40% discount to $1 share price)	1,666,667	1,666,667
Capital raising costs	-	93,183
Balance as at 30 June 2020	**80,972,416**	**6,999,994**

There has been no change to capital risk management policies during the year.

(b) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(c) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio if required, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board also monitors a range of financial metrics including return on capital employed and gearing ratios.

14 Issued Capital continued

(d) Options

On 21 December 2020 under an Option Deed which was amended and restated on 13 April 2021, an option to subscribe for 7,417,142 new ordinary shares in the Company was granted to Mark Dorney (former Director). One of the key conditions for the exercise of that option stipulated that if the Company has not raised a minimum of $5 Million in new capital (Initial Capital Raising) in the Company by 30 June 2021, the option lapses with effect from 1 July 2021 and the Grantee forfeits the 7,417,142 Option Shares. This condition was not met in accordance with the option deed by 30 June 2021 and the option was deemed to have been forfeited.

15 Contractual commitments

Future expenditure arising from contracts entered into as the end of the reporting period but not yet recognised as liabilities is as follows:

	2021 $	2020 $
Partnership agreements for research and marketing services	332,750	-

16 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, corporate bonds, trade and other receivable and payable and loans from related parties.

The totals for each category of financial instruments, measured as detailed in the accounting policies to these financial statements, are as follows:

	2021 $	2020 $
Cash and cash equivalents	**1,440,661**	1,970,379
Trade and other receivables	**945,945**	411,793
Financial assets at fair value through profit or loss	**552,975**	-
Total financial assets	**2,939,581**	2,382,172
Financial liabilities		
Trade and other payables	**(1,999,162)**	(511,950)
Total financial liabilities	**(1,999,162)**	(511,950)

Financial risk management policies

The Group's activities expose it to the following risk through its use of financial instruments: credit risk, liquidity risk and market risk consisting of foreign currency risk and price risk.

The Board of Directors has overall responsibility for establishing the Group's risk management framework. Risk management policies and systems are established to identify and assess the risks faced by the Group, set appropriate risk limits, to monitor risks and adherence to risk policies. Risk management policies are reviewed regularly to reflect changes in market conditions and activities undertaken by the Group.

The Board oversees how management monitors compliance with the Group's risk management policies and systems. The Group's Compliance function provides regular training to all employees with the aim of developing a disciplined risk management environment with each employee understanding their responsibilities.

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Financial Risk Management continued

Mitigation strategies for specific risks faced are described as follows:

Market risk

(i) Foreign exchange risk

The Group is exposed to foreign currency sensitivity due to supplier agreements denominated in USD.

To mitigate the Group's exposure to foreign currency risk, non-Australian dollar cash flows are monitored to ensure that they remain at an acceptable level.

The Group may enter into forward contracts to protect against foreign exchange risk where it is deemed that the risk of a depreciation in the Australian dollar warrants such an action.

The Group has not performed a sensitivity analysis relating to its exposure to foreign currency risk as the short-term exposure is limited.

(ii) Price risk

The Group is exposed to bond securities price risk. This risk is the potential for losses in earnings as a result of adverse market movements and arises from investments held by the Group and classified as financial assets at fair value through profit or loss.

To manage its price risk arising from exposure to bond securities, the Group may use futures contracts to reduce market risk on its portfolio. The performance of the Group's bond exposures and market risk are monitored on a regular basis. The trading and management of bond positions are separated by performance of those activities by independent departments within the Group.

	2021		2020	
	+5.00%	**-5.00%**	**+5.00%**	**-5.00%**
	$	**$**	**$**	**$**
Impact on post-tax profit	27,649	(27,649)	-	-
Impact on equity	27,649	(27,649)	-	-

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liabilities

	Not later than 1 month	
	2021	**2020**
	$	**$**
Trade and other payables	**1,999,162**	511,950
Total	**1,999,162**	511,950

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Financial Risk Management continued

Credit risk

The Group's credit risk arises from cash and cash equivalents, corporate bonds, deposits with banks and credit exposures to wholesale and retail customers, including outstanding receivables from unsettled transactions.

The Group has the following credit risks:

Cash at bank	**2021 $**	**2020 $**
AA	1,440,661	1,970,379
	1,440,661	**1,970,379**

Corporate bonds		
Not rated	552,975	-
Total	**552,975**	**-**

The following ageing analysis details the Group's trade and other receivables exposed to credit risk. Receivables that are past due are assessed for impairment and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

	2021 $	**2020 $**
Neither past due nor impaired	945,945	411,793
Past due but not impaired	-	-
Past due and impaired	-	-
Total	**945,945**	**411,793**

The Group's management considers that all the above financial assets are not impaired for the reporting date.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. Based on historic information on customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be of good credit quality.

The credit quality of financial assets can be assessed by reference to external credit ratings. These credit ratings are only available for cash assets and non-exchange traded derivative financial assets.

Notes to the Financial Statements
For the Year Ended 30 June 2021

17 Tax assets and liabilities

Current tax balances	2021 $	2020 $
Income tax payable	-	-
Current tax liabilities	-	-

Deferred tax balances

(a) Deferred tax assets

	Opening Balance	Charged to Income $	Charged directly to Equity $	Closing Balance $
Tax losses	183,019	245,405	-	428,424
Employee benefits	10,940	18,740	-	29,680
Accrued expenses	51,484	(31,553)	-	19,931
Capital raising costs	15,804	15,441	-	31,245
Set-off of deferred tax liabilities	(173,450)	(71,908)	-	(245,358)
Deferred tax assets not recognised	(87,797)	(176,125)	-	(263,922)
Balance at June 30, 2020	-	-	-	-
Tax losses	**428,424**	**118,933**	**-**	**547,357**
Employee benefits	**29,680**	**15,662**	**-**	**45,342**
Accrued expenses	**19,931**	**(7,140)**	**-**	**12,791**
Capital raising costs	**31,245**	**(2,850)**	**-**	**28,395**
Set-off of deferred tax liabilities	**(245,358)**	**(91,720)**	**-**	**(337,078)**
Deferred tax assets not recognised	**(263,922)**	**(32,885)**	**-**	**(296,807)**
Balance at June 30, 2021	**-**	**-**	**-**	**-**

(b) Deferred tax liabilities

	Opening Balance	Charged to Income $	Charged directly to Equity $	Closing Balance $
Property, plant and equipment	2,043	177	-	2,220
Prepaid Expenses	29,790	1,239	-	31,029
Intangible assets	141,617	70,492	-	212,109
Set-off of deferred tax liabilities	(173,450)	(71,908)	-	(245,358)
Balance at June 30, 2020	-	-	-	-
Property, plant and equipment	**2,220**	**144**	**-**	**2,364**
Prepaid Expenses	**31,029**	**4,966**	**-**	**35,995**
Intangible assets	**212,109**	**86,610**	**-**	**298,719**
Set-off of deferred tax liabilities	**(245,358)**	**(91,720)**	**-**	**(337,078)**
Balance at June 30, 2021	**-**	**-**	**-**	**-**

17 Tax assets and liabilities continued

(c) Tax losses

	2021 $	2020 $
Unused tax losses for which no deferred tax asset has been recognised	1,141,565	959,716
Potential tax benefit @ 26.0% (2020:27.5%)	296,807	263,922

No income tax benefit was recognised in respect of unused tax losses. This income tax benefit arising from tax losses will only be realised if:

i. the Group derives future assessable income of a nature and an amount sufficient to enable the Group to benefit from the deductions for the losses to be realised;
ii. the Group continues to comply with the conditions for deductibility imposed by tax legislation; maintains the continuity of ownership test and has carried on the same business since the tax loss was incurred; and
iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

The Group has adopted the small business tax rate for the Australian entities, being 26.0%. The Group meets the small business eligibility criteria set by the Australian Taxation Office being aggregated turnover below $25 million and 80% or less of assessable income is passive income. The Group has no capital tax losses available.

18 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or services;
- any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

The Group has one reportable segment, being the provision of fixed income advice and dealing in Corporate and Government Bonds.

19 Dividends

There were no dividends paid during the reporting period nor declared after the end of the reporting period.

20 Key Management Personnel Remuneration

The total key management personnel remuneration paid or payable for the year is shown below:

	2021	2020
	$	$
Short-term employee benefits	894,799	1,020,669
Post-employment benefits	85,005	96,966
Share-based payments	-	-
	979,804	**1,117,635**

Included in key management personnel remuneration is $171,716 (2020: $225,121) that has been capitalised as part of Development costs in Intangible assets for the year. Refer to Note 10.

21 Auditors' Remuneration

	2021	2020
	$	$
Remuneration of the auditor, Kreston Stanley Williamson, and its related practices for:		
- auditing or reviewing the financial statements	28,676	70,325
- other services	-	18,512
	28,676	**88,837**

Other services relate to advisory services in relation to the proposed initial public offering and listing of Australian Bond Exchange Holdings Limited on the Australian Stock Exchange (ASX).

22 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
Subsidiaries:			
Australian Bond Exchange Pty Ltd ("ABEPL")	Australia	100	100
ABE Settlements Pty Ltd	Australia	100	100
BX Provider Services Pty Ltd Australia **	Australia	100	100
ABX Operations Pty Ltd Australia **	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries
**These entities are subsidiaries of Australian Bond Exchange Pty Ltd

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions to access or use the assets and settle the liabilities of the Group.

23 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2021 (30 June 2020:None).

24 Related Parties

(a) The Group's main related parties are as follows:

(i) Key management personnel - Disclosures relating to key management personnel are set out in Notes 20 and 26

(ii) Subsidiaries - refer to Note 22.

(iii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

The following transactions occurred with related parties:

(i) The securities transactions with related parties represent the amounts that key management personnel and other related parties have paid or been paid for bonds they had purchased or sold as clients of the Group.

	2021 $	2020 $
Purchases	1,795,825	1,090,249
Sales	50,769	343,697

(ii) Brokerage paid or payable to related parties was $742,502 (2020: $ 413,441). These amounts are included in Brokerage costs in the statement of profit or loss and other comprehensive income.

(c) Loans to/from related parties

There were no loans to or from related parties during the year.

25 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021 $	2020 $
Loss for the year	(345,579)	(1,021,755)
Cash flows included in loss for the year attributable to financing activities	-	72,828
Non-cash flows in loss:		
- depreciation	3,834	3,634
- amortisation	41,130	-
- capital raising costs written off	-	84,783
Changes in operating assets and liabilities:		
- (increase)/decrease in trade and other receivables	(534,152)	261,188
- (increase)/decrease in other assets	(80,908)	(6,611)
- (increase)/decrease in financial assets	(552,975)	-
- increase/(decrease) in trade and other payables	1,457,213	(179,823)
- increase/(decrease) in employee benefits	66,465	44,146
Cashflows from operations	**55,028**	(741,610)

Notes to the Financial Statements

For the Year Ended 30 June 2021

26 Employee Benefits

	2021 $	2020 $
CURRENT		
Annual leave	**174,392**	107,927
Other employee benefits	**417,441**	417,441
	591,833	525,368

27 Events Occurring After the Reporting Date

Singapore entity

The result of negotiations with a significant counterparty was a requirement to establish a Singapore domiciled subsidiary A presence in Singapore is expected to result in significant contribution to the Group over time. The subsidiary, ABE Capital Markets Pte Ltd, was established on 26 July 2021.

Pre IPO Capital Raising

The Group is currently undergoing a Pre IPO raising ahead of an proposed ASX listing later in the year. At the date of this report the capital raising is proceeding as expected.

No other matters or circumstances have arisen since the end of the financial year which 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.

28 Earnings per Share

(a) Reconciliation of earnings to loss from continuing operations

	2021 $	2020 $
Loss from continuing operations	**(345,579)**	(1,021,755)

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**80,972,416**	80,972,416

29 Parent entity

The following information has been extracted from the books and records of the parent, Australian Bond Exchange Holdings Limited ("ABEH") and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Australian Bond Exchange Holdings Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the Financial Statements
For the Year Ended 30 June 2021

29 Parent entity continued

Tax consolidation legislation

ABEH and its wholly owned subsidiaries elected to form a tax consolidated group on 1 July 2018.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These amounts are measured using the 'stand-alone-taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

Statement of Financial Position	**2021** **$**	**2020** **$**
Assets		
Current assets	**1,836,321**	1,815,488
Non-current assets	**2,001,000**	2,001,000
Total Assets	**3,837,321**	3,816,488
Liabilities		
Current liabilities	**517,191**	224,849
Total Liabilities	**517,191**	224,849
Equity		
Issued capital	**6,608,843**	6,800,994
Retained earnings	**(3,288,713)**	(3,209,355)
Total Equity	**3,320,130**	3,591,639
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**(115,452)**	(215,906)
Total comprehensive income	**(115,452)**	(215,906)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

Contractual commitments

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

30 Statutory Information

The registered office of the company is:
RBW Accountants
Suite 501
83 York Street
Sydney NSW 2000

The principal place of business is:
Level 19
1 O'Connell Street
Sydney NSW 2000

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2021 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS);

   b. comply with the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   c. give a true and fair view of the financial position and performance of the Group;

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: .... Director: ....
Bradley McCosker Allan Farrar

Dated this 3rd day of September 2021

Independent Auditor's Report
To the Members of Australian Bond Exchange Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Bond Exchange Holdings Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

CHARTERED ACCOUNTANTS™ AUSTRALIA + NEW ZEALAND
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Partners **MA Goodrick** > **DM O'Malley** > **BR Barter** > **Q Tat** > **K Thakkar**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: *http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf*.

This description forms part of our auditor's report.

Kreston Stanley Williamson

Michael Goodrick
Partner

Sydney
3 September 2021