FINEXIA

ANNUAL REPORT 2022

FINEXIA FINANCIAL GROUP LIMITED

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Finexia Financial Group Limited (ASX:FNX) provides this financial report of the consolidated entity (the "Group") consisting of Finexia Financial Group Limited and its controlled entities for the year ending 30 June 2022.

The Board of Finexia Financial Group is pleased to report the Group's financial performance for the year FY22 continued to be strong, building on the previous year (FY21) and resulting in a net profit after tax of A$3.29M (2021: A$1.26M), maintaining the Group's upwards earnings trajectory.
The key performance highlights:

⇒ **Net Profit Before Tax (NPBT) of A$3.84M for the 12-months to 30 June 2022, a 252% increase on the previous year (2021 - A$1.09M)**

⇒ **Gross Revenue for the year A$10.51M growing by 78% from the previous year (2021 – A$5.91M)**

⇒ **Net Assets expanded to A$8.84M a 71% increase from the previous year (2021 – A$5.16M)**

The result is a product of the strategic transformation program the Group committed to in 2021, a roadmap towards earnings sustainability through the Group's business verticals of Asset & Funds Management, Private Credit and Equity Markets. A sharpened focus on these core activities has been designed to provide greater earnings certainty and visibility with the resultant being growth in the Group's recurring revenue line.

Pleasingly, the Group achieved a strategic and operational milestone during the year, with the launch of its flagship wholesale managed fund, Finexia Direct Accommodation Income Fund. The Fund was successfully launched in September 2021 with Finexia anchoring the Fund alongside its investors. To date, the Fund has performed to expectations, and to this point, Finexia remains committed to its investment in the domestic tourism and leisure markets.

During the period and for the first time, the Group published to the market, profit and revenue forecasts which we are pleased to report were achieved in the period. It is the Group's intention to continue keeping the market apprised of its ongoing performance through profit guidance, consistent with a commitment to greater ongoing engagement with our investors and the broader investment community.

Despite significant headwinds facing global capital markets, the Board remain confident Finexia can continue its current earnings growth profile in 2023. A more detailed outlook will be provided to the market in the September 2022 quarter, which will include commentary on the three key thematics of the Group's Asset Management division, namely, Domestic Holiday and Leisure, Childcare and Infrastructure. In addition, the Board intends to revise Finexia's dividend policy, with aim of establishing a distribution program reflective of the Group's cash earnings going forward.

We would like to acknowledge the contribution of our people for their shared vision, hard work and commitment in making this result possible. Furthermore, Finexia would like to extend the gratitude to our clients and investors for their continuing support and loyalty.

Yours sincerely,

Neil Sheather
Executive Chairman and Director

Sydney, 26 August 2022

Your directors present their report together with the consolidated financial statements of the Group comprising of Finexia Financial Group Limited (the 'Company') and its subsidiaries for the financial year ended 30 June 2022 and the auditor's report thereon.

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report unless otherwise indicated:

DIRECTORS	Mr. Neil Sheather (appointed 10 November 2014)
	Mr. Jean Marc Li Kam Tin (appointed 23 March 2020)
	Mr. Patrick Bell (appointed 1 October 2020)

PRINCIPAL ACTIVITIES

The Group is a diversified financial services firm with operations in Australia. The Group provides financial services centered on Private Credit, Funds & Asset Management and Equities Markets to retail, wholesale, and corporate clients.

The Group's key objective is to create and grow the wealth for all stakeholders, including our clients and shareholders. We seek to meet these objectives by delivering tailored financial solutions in an efficient, transparent and customer focused approach. A key target for the Group in achieving its stated aims in the coming twelve months is to expand its client base and improve its customer retention, through geographical expansion and key personnel appointments.

FINANCIAL REVIEW

The net profit after tax for the year ended 30 June 2022 was $3,290,442 (2021: $1,268,746).

The Group's revenues from core operations were $10,506,275, a significant increase compared to the previous year (2020: $5,905,379).

The fair value loss in financial assets for the financial year was $238,918 (2021: gain of $142,621).

DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs.

LIKELY DEVELOPMENTS

The Group continues to evaluate various opportunities to expand the revenue and earnings base through adding more advisers and advisory groups.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There was no other matter or circumstance that has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

INFORMATION ON DIRECTORS

CURRENT

MR. NEIL SHEATHER *Executive chairman and director* Age 52
Experience and expertise

Mr. Sheather has held senior positions in the stockbroking industry for over 20 years, including directorships, responsible executive and management roles. He has also more recently held portfolio management responsibilities. He has supplemented these roles with a Graduate Diploma of Applied Finance and a Masters of Business Administration from Newcastle University.

Mr. Sheather has run the Australian operations on behalf of the Group since inception and has been instrumental in re-structuring the financial outcomes of those operations.

Other current directorships

Company	Date Appointed	Date Ceased
XPD Soccer Gear	28 March 2018	Continuing

Former directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	6,301,386
Options over ordinary shares	-

INFORMATION ON DIRECTORS (CONTINUED)

MR. PATRICK BELL *Executive director Age 48*

Mr Bell is an experienced corporate finance executive with over twenty years of experience in the financial services industry.

He has a wealth of experience in corporate lending and has led senior roles at one of the major banking institutions in Australia for over ten years. Mr Bell has a Bachelor of Business, a Masters in Business Administration from Monash University and a Diploma of Finance and Mortgage Broking.

Mr Bell is a principal of the recently acquired commercial lending business, Creative Capital. He brings with him extensive banking industry experience and knowledge in the commercial financing sector. His focus has been on managing complex lending transactions across a range of industries including property construction and development, childcare and tourism.

Other current directorships
None

Former directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	5,463,480
Options over ordinary shares	-

MR. JEAN MARC LI KAM TIN *Non- Executive director Age 45*

Jean Marc Li is a qualified chartered accountant, registered tax practitioner and a fellow member of the Tax Institute of Australia.

He has a Masters in Business Administration (Finance), a Masters of Professional Accounting, both from Griffith University and recently completed an entrepreneurship course from Harvard University.

Jean Marc Li started his career at KPMG in the audit and assurance division. He has also worked as Group Accountant, Financial Reporting Manager and Financial Controller for several ASX listed companies.

Other current directorships
None

Former directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	Nil
Options over ordinary shares	Nil

COMPANY SECRETARY

Mr. Neil Sheather

MEETING OF DIRECTORS

The number of meetings of the Company's Board of Directors held in the 12 months to 30 June 2022 and the number of meetings attended by each Director were:

	Directors Meetings	
	Eligible	**Attended**
Neil Sheather	1	1
Patrick Bell	1	1
Jean Marc Li Kam Tin	1	1

SHARES UNDER OPTION

No options have been granted since the end of the previous financial year (2021: nil). At the date of this report, the Company did not have any listed class options over unissued ordinary shares. There were no shares issued on the exercise of options during the financial year.

REMUNERATION REPORT (AUDITED)
This report outlays the remuneration arrangements in place for the Directors of Finexia Financial Group Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The following were key management personnel of the Group at any time during the year and unless otherwise indicated were key management personnel for the year:

Managing Director and Executive Chairman:	Mr. Neil Sheather
Executive Director	Mr. Patrick Bell
Non-Executive Director	Mr. Jean Marc Li Kam Tin

Remuneration philosophy – (Audited)
The Board reviews the remuneration packages applicable to the executive and non-executive Directors on at least an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties, responsibilities, and level of performance and that the remuneration is competitive in attracting, retaining, and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary, although no such independent advice was sought during the financial year.

Remuneration committee – (Audited)
The Group does not have a formally constituted remuneration committee of the Board. The Directors consider that the Group is not currently of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee. The Board assesses the appropriateness of the nature and amount of remuneration of Directors and its senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and management team.

Remuneration policy objective and structure – (Audited)

Objective
The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The present limit of approved aggregate remuneration is $400,000 per year.

The Board reviews the remuneration packages applicable to the non-executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process. It has been agreed that all non-executive Directors will be paid a fee of $3,000 per month, with the Chairman paid a fee of $5,000 per month. Non-executive Directors may also be remunerated for additional services performed at the request of the Board.

Executive Directors remuneration – (Audited)

Objective
The Group aims to reward the Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Group so as to:

- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

REMUNERATION REPORT (AUDITED) (CONT'D)

Service agreements – *(Audited)*

Mr. Sheather has a formal employment agreement which came into effect from 29 June 2015, the trigger being the Company's ASX reinstatement. The current agreement provides for monthly remuneration of $20,000 per month, for which he provides management, Responsible Officer and Director services. The agreement is reviewed annually and has allowances for variable based performance increases to salary, payable on an annual basis.

Mr. Patrick Bell has a formal employment agreement which came into effect from 1 October 2020. Mr. Bell was appointed as Director on 1 October 2020. The agreement provides for monthly remuneration of $15,000 per month, for which he provides management services. An additional fee of $3,000 per month is paid for his director services to the Company.

The following tables outlines the remuneration arrangements in place for the Directors and key management personnel (KMP) of the Group both in 2021 and the prior year.

(a) Details of remuneration – (Audited)

2021	**Short-term**			**Long-term**		
Name	**Director Fees and Salaries**	**Consulting Fees**	**Cash Bonus**	**Super-annuation**	**Total**	**Options as Percentage of Remuneration**
	$	**$**	**$**	**$**	**$**	**%**
Directors						
N Sheather	218,182	-	-	-	218,182	0%
J M Li	36,000	-	-	-	36,000	0%
P. Bell[2]	164,700	-	-	12,825	177,525	0%
D Ryan[1]	125,242	-	-	8,233	133,475	0%
Total	**544,124**	**-**	-	**21,058**	**565,182**	

2022	**Short-term**			**Long-term**		
Name	**Director Fees and Salaries**	**Consulting Fees**	**Cash Bonus**	**Super-annuation**	**Total**	**Options as Percentage of Remuneration**
	$	**$**	**$**	**$**	**$**	**%**
Directors						
N Sheather	238,181	-	18,181	18,000	274,362	0%
JM Li	36,000	-	-	-	36,000	0%
P Bell	321,479	-	80,000	32,147	433,626	0%
Total	**595,660**	**-**	**98,181**	**50,147**	**743,988**	

[1] Resigned during the year.
[2] Appointed during the year.

REMUNERATION REPORT (AUDITED) (CONT'D)

(b) Listed option-holdings of Key Management Personnel – (Audited)

The movement during the reporting period, by number of options over ordinary shares in the Company held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

2021 **Name**	**Opening Balance 1 July 2019**	**Additions/ (option expired)**	**Other***	**Closing Balance 30 June 2020**
KMP				
Options over ordinary shares	-	-	-	-
N Sheather	-	-	-	-
P. Bell[1]	-	-	-	-
J Li	-	-	-	-
D Ryan[2]	-	-	-	-
Total	-	-	-	-

[1] Resigned during the year.
[2] Appointed during the year.

2022 **Name**	**Opening Balance 1 July 2020**	**Additions/ (option expired)**	**Other***	**Closing Balance 30 June 2021**
KMP				
Options over ordinary shares				
N Sheather	-	-	-	-
P. Bell[1]	-	-	-	-
J Li	-	-	-	-
Total	-	-	-	-

[1] Resigned during the year.
[2] Appointed during the year.

There were no options issued to Directors during the year or previous years by way of remuneration.

(c) Shareholdings of Key Management Personnel – (Audited)

The movement during the reporting period in the number of ordinary shares in Finexia Financial Group Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2021 **Name**	**Opening Balance 1 July 2020**	**Purchased**	**Other***	**Closing Balance 30 June 2021**
KMP				
Ordinary shares				
N Sheather	5,636,155	665,231	-	6,301,386
J Li	-	-	-	-
P Bell*	-	-	3,333,333	3,333,333
D Ryan	-	-	-	-
Total	5,636,155	665,231	3,333,333	9,634,719

* Other changes represent shares held at the time the Director commenced or ceased to be a director of the Company.

2022 **Name**	**Opening Balance 1 July 2021**	**Purchased**	**Other***	**Closing Balance 30 June 2022**
KMP				
Ordinary shares				
N Sheather	6,301,386	-	-	6,301,386
J Li	-	-	-	-
P Bell*	3,333,333	2,130,147	-	5,463,480
Total	9,634,719	2,130,147	-	11,764,866

* Other changes represent shares held at the time the Director commenced or ceased to be a director of the Company.

(d) Share based compensation – (Audited)

The Company has not granted any options over unissued ordinary shares or ordinary fully paid shares during or since the end of the financial year to any Directors or officers as part of their remuneration (2021: Nil).

There were no shares granted during the reporting period as compensation (2021: Nil).

(e) Other transactions and balances with Key Management Personnel – (Audited)

There were no director fees payable as at balance date (2021: Nil).

There were no other transactions or balances with key management personnel, other than as reported within this report (2021: Nil).

Shares Issued as a Result of Exercise of Options – (Audited)

No shares of Finexia Financial Group Limited were issued during or since the end of the financial year ended 30 June 2022 as a result of the exercise of an option (2021: Nil).

Voting at the 2021 Annual General Meeting – (Audited)

At the 2021 AGM, over 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021.

Consequences of performance on shareholder wealth – (Audited)

In considering the Group's performance and benefits for shareholder wealth, the Board of Directors have regard to the following indices in respect of the current financial year and the previous four financial years[1]:

	2022	2021	2020	2019	2018
Profit/(loss)[2] attributable to owners of the Company ($)	3,290,442	1,268,746	(602,711)	(1,071,940)	215,711
Dividends paid (cents)	Nil	Nil	Nil	Nil	Nil
Change in share price ($ /share)	Nil	0.001	(0.006)	(0.001)	0.007

[1] The Group commenced financial services trading operations during the financial year ended 30 June 2015, and on 29 June 2015, was reinstated to trading on the ASX.
[2] Profit or loss amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

The overall level of key management personnel's compensation is assessed on existing remuneration agreements, level of underlying revenues provided by the KMP and financial performance of the Group.

End of Remuneration Report (audited)

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's Constitution requires it to indemnify directors and officers of any entity within the Group against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement.

The Directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium paid was $239,362 and relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings other than as disclosed within this report.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for audit services provided by the auditor (Mazars Audit (QLD) of the Company, its related practices and non-related audit firms. There were no non-audit services provided by the auditor during the year.

	2022	**2021**
	$	**$**
(a) Audit services		
Mazars Assurance Pty Ltd		
- Audit and review of financial reports	**75,737**	**59,560**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14, and forms part of the directors' report for the financial year ended 30 June 2022.

This report is made in accordance with a resolution of directors.

Neil Sheather
Chairman

Sydney, 26 August 2022

mazars

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Auditor’s independence declaration to the Members of Finexia Financial Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

MAZARS ASSURANCE PTY LTD
AUTHORISED AUDIT COMPANY: 338599

M. J. Green
Director
Brisbane, 26 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	CONSOLIDATED 2022 $	2021 $
Continuing Operations			
Revenue			
Rendering of services	3	**5,729,107**	2,884,463
Gain on sale of investment		**506,523**	52,243
Gain on sale of property, plant and equipment		**-**	510
Interest income		**3,549,519**	2,072,849
Property rental income		**150,818**	75,364
Government assistance – Covid 19		**-**	171,706
Other income		**531,808**	648,244
Recovery of previously defaulted loan assets		**38,500**	-
		10,506,275	5,905,379
Expenses			
Product commissions		**(618,593)**	(407,964)
Audit fees		**(75,737)**	(59,560)
Corporate and professional expenses		**(1,937,942)**	(1,255,201)
Change in fair value of equity investments at fair value through profit or loss		**(238,918)**	142,621
Impairment of receivables		**-**	(456,244)
Depreciation and amortisation	4	**(306,687)**	(270,572)
Employee expenses		**(1,342,579)**	(1,067,284)
Interest and finance expenses	4	**(2,147,951)**	(1,187,568)
Other expenses		**(1,964)**	(249,861)
PROFIT/(LOSS) BEFORE INCOME TAX		**3,835,904**	1,093,746
Income tax benefit/(expense)	5	**(545,462)**	175,000
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		**3,290,442**	1,268,746
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**3,290,442**	1,268,746
PROFIT/(LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		**3,290,442**	1,268,746
NON-CONTROLLING INTEREST		**-**	-
		3,290,442	1,268,746

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

	NOTE	CONSOLIDATED 2022	2021
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		**3,290,442**	1,268,746
NON-CONTROLLING INTEREST		**-**	-
		3,290,442	1,268,746
(LOSS)/EARNINGS PER SHARE			
Basic and diluted (cents)	17	**2.06**	0.85
Basic and diluted (cents) – continuing operations	17	**2.06**	0.85

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

FINEXIA FINANCIAL GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	CONSOLIDATED 2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**2,721,187**	1,464,526
Trade and other receivables	7	**1,525,906**	2,094,250
Financial assets	8	**10,880,751**	3,026,182
Loan assets	9	**34,508,405**	14,119,292
Prepayments or other assets		**307,577**	13,297
TOTAL CURRENT ASSETS		**49,943,826**	20,717,547
NON-CURRENT ASSETS			
Trade and other receivables	7	**40,000**	40,500
Intangibles	11	**477,000**	626,500
Goodwill	11	**1,365,039**	1,365,039
Property, plant and equipment	12	**1,254,292**	1,411,480
TOTAL NON-CURRENT ASSETS		**3,136,331**	3,443,519
TOTAL ASSETS		**53,080,157**	24,161,066
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**956,593**	1,134,718
Employee provisions		**52,189**	29,336
Leases	10	**135,855**	114,793
Contract liabilities		**1,159,151**	186,823
Current tax liabilities		**475,205**	384,884
Loans and borrowings	14	**30,647,296**	11,175,231
TOTAL CURRENT LIABILITIES		**33,426,289**	13,025,785
NON-CURRENT LIABILITIES			
Loans and borrowings	14	**10,641,032**	5,735,000
Leases	10	**102,508**	238,363
Deferred tax liabilities	5	**74,541**	-
TOTAL NON-CURRENT LIABILITIES		**10,818,081**	5,973,363
TOTAL LIABILITIES		**44,244,370**	18,999,148
NET ASSETS		**8,835,787**	5,161,918

	NOTE	CONSOLIDATED 2022 $	2021 $
EQUITY			
Issued capital	15	**9,973,368**	9,589,941
Accumulated losses	16	**(1,137,581)**	(4,428,023)
Total equity attributable to equity holders of the Company		**8,835,787**	5,161,918
Non-controlling interest		**-**	-
TOTAL EQUITY		**8,835,787**	5,161,918

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

CONSOLIDATED	ISSUED CAPITAL $	ACCUMULATED LOSSES $	NON-CONTROLLING INTERESTS $	TOTAL $
BALANCE AT 1 JULY 2020	8,989,941	(5,416,875)	(242,193)	3,330,873
Profit attributable to members of the parent entity	-	1,268,746	-	1,268,746
Total comprehensive income for the year, net of tax	-	1,268,746	-	1,268,746
Transactions with owners of the Company recognised directly in equity				
Issue of shares	600,000	-	-	600,000
Changes in ownership interests in subsidiaries		(279,894)	242,193	(37,701)
BALANCE AS AT 30 JUNE 2021	9,589,941	(4,428,023)	-	5,161,918

CONSOLIDATED	ISSUED CAPITAL $	ACCUMULATED LOSSES $	NON-CONTROLLING INTERESTS $	TOTAL $
BALANCE AT 1 JULY 2021	**9,589,941**	**(4,428,023)**	**-**	**5,161,918**
Profit attributable to members of the parent entity	**-**	**3,290,442**	**-**	**3,290,442**
Total comprehensive income for the year, net of tax	**-**	**3,290,442**	**-**	**3,290,442**
Transactions with owners of the Company recognised directly in equity				
Issue of shares	**383,427**	**-**	**-**	**383,427**
BALANCE AS AT 30 JUNE 2022	**9,973,368**	**(1,137,581)**	**-**	**8,835,787**

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

	NOTE	CONSOLIDATED 2022 $	2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**6,409,571**	2,740,867
Payments to suppliers and employees		**(4,422,581)**	(3,702,020)
Distribution received		**609,006**	-
Interest income		**4,521,847**	2,426,383
Interest and other finance costs		**(2,120,994)**	(1,115,028)
Income tax paid		**(380,600)**	-
Net cash (used)/provided in operating activities	25	**4,616,249**	350,202
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		**-**	(48,428)
Payments for listed equities		**-**	(80,375)
Payment for subsidiaries, net of cash acquired		**-**	(57,745)
Payment for investments		**(7,586,964)**	(998,168)
Loans issued to third parties		**(20,389,113)**	(10,699,036)
Loans repayment by third parties		**24,487,340**	12,004,705
Proceeds from sale of other investments		**-**	832,996
Net cash (used)/provided by investing activities		**(3,488,737)**	953,949
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loan		**(254,278)**	(213,317)
Issue of shares		**383,427**	-
Net cash (used)/provided in financing activities		**129,149**	(213,317)
Net (decrease)/increase in cash held		**1,256,661**	1,090,834
Cash at beginning of year		**1,464,526**	373,692
Net foreign exchange differences		**-**	-
Cash and cash equivalents at end of year	6	**2,721,187**	1,464,526
Cash and cash equivalents held by continuing operations		**2,721,187**	1,464,526

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The consolidated general purpose financial statements for Finexia Financial Group Limited (the 'Company') and its subsidiaries (the 'Group') have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). These financial statements have been prepared on an accruals basis on historical cost convention, except for the following items in the Consolidated Statement of Financial Position:

- Financial Investments – Equity based financial assets measured at fair value through profit or loss are measured at fair value.

Finexia Financial Group Limited is a for-profit entity for the purpose of preparing the financial statements. Its principal activity is the provision of broking, investment management and corporate services within the financial services sector in Australia.

Finexia Financial Group Limited is the Group's Ultimate Parent Company, and is a Public Company incorporated and domiciled in Australia.

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a degree of judgement or complexity, or areas where assumptions and estimates have been made in the preparation of the financial statements are disclosed in Note 2.

SUMMARY ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries as of 30 June 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(b) Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(c) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker(s) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition

The Group recognises revenue based on the assessment and allocation of transaction prices to performance obligations and the satisfaction of those performance obligations.

Revenue is recognised for the major business activities as follows:

(i) Rendering of services
Revenue arising from brokerage, commissions, fee income and corporate finance transactions are recognised by the Group on an accruals basis as and when performance obligations have been satisfied, which is usually the trade date of the transaction. Provision is made for uncollectible debts arising from such services.

(ii) Interest income
Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(iii) Dividend income
Dividends are bought to account as revenue when the right to receive the payment is established.

(iv) *Education and administration income*
Revenue arising from education agreements and administration services are recognised by the Group on an accruals basis as and when services have been provided, which is deemed to be the trade date of the transaction. Provision is made for uncollectible debts arising from such services.

(e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax base of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

At inception of a contract, the Group considers the contract for existence of a lease arrangement, being a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the event that the contract is considered to constitute a lease agreement the following accounting is applied:

Right of Use Assets
At the lease commencement, the Group recognised a right-of-use asset and associated lease liability for the lease term, including any extension periods where the Group considers 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 the lease liability, initial directors, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. 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.

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

(g) Impairment of assets

Goodwill and 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 might be impaired. Other assets are reviewed 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the expected credit loss is recognised in profit or loss within other expenses. When a trade receivable for which an expected credit loss allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Property, plant and equipment

Properties, office, IT and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Properties, office, IT other equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of properties, office, IT and other equipment. The following useful lives are applied:

- Properties: 25-50 years
- Office and IT equipment: 2-5 years
- Other equipment: 3-12 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

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

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Interest income is recognised in profit or loss and is included in the "interest income" line item.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Financial assets at FVTPL

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:
• Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

– the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is more than 90 days past due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
• it has been acquired principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument. A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for- trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Intangible assets

Recognition of intangible assets

Financial markets trading rights and licenses are capitalised on the basis of the costs incurred to acquire. These licences have an indefinite life and as such and not amortised but are subject to annual impairment testing.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(q) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(r) Assets held for sale and discontinued operations

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

(s) Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(t) New Accounting Standards for Application in Future Periods

The Company has adopted all standards which became effective for the first time at 30 June 2022. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(u) New and revised Accounting Standards in Issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 17 *Insurance Contracts*
AASB 2014-10 (amendments) - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
AASB 2020-1 and AASB 2020-6 (amendments) - *Classification of Liabilities as Current or Non-current*
AASB 2020-3 (amendments) - *Annual improvements 2018-2020 and Other Amendments*
AASB 2021-2 (amendments) – *Disclosure of accounting policies and definition of accounting estimates*
AASB 2021-5 (amendments) – *Deferred tax related to assets and liabilities arising from a single transaction*
AASB 2022-1 (amendments) – *Initial application of AASB17 and AASB 9 – Comparative information*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

i) Intangible assets

The fair value of customer relationships acquired in a business combination is based on the multi-period excess earnings method whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

ii) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of all cash generating units have been determines based on value-in-use calculations reported in continuing operations. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iii) Unrecognised deferred tax asset

Recognised and unreccognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

iv) Classification of borrowings

The Group has entered into borrowing agreements for the provision of funding facilities. The borrowing facilities are documented in borrowing facility agreements, the interpretation of which is key to the classification of borrowings as either current or non-current. The Group has exercised judgement in the interpretation of the terms and conditions of the borrowing facility agreements in determining the classification of debt as current or non-current.

3. RENDERING SERVICES INCOME

The group derives the following types of services income:

	CONTINUING OPERATIONS		TOTAL	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Trading commissions	**3,716,004**	1,954,083	**3,716,004**	1,954,083
Corporate transaction fees	**85,607**	114,452	**85,607**	114,452
Education and administration services	**133,772**	163,933	**133,772**	163,933
Trail and upfront income	**904,718**	651,995	**904,718**	651,995
Establishment fees	**280,000**	-	**280,000**	-
Distribution income	**609,006**	-	**609,006**	-
	5,729,107	2,884,463	**5,729,107**	2,884,463

4. EXPENSES

Profit/(Loss) before income tax includes the following specific expenses:

	CONSOLIDATED	
	2022	**2021**
	$	**$**
Depreciation and Amortisation		
Depreciation – Property, plant and equipment	**27,837**	28,498
Amortisation – Right of use assets	**129,350**	92,574
Amortisation – Intangible assets	**149,500**	149,500
	306,687	270,572
Finance Cost		
Interest and finance expenses	**207,781**	140,220
Interest – Leases	**30,243**	15,727
Interest – Mortgage loans	**1,909,927**	1,031,621
	2,147,951	1,187,568

5. INCOME TAX

	CONSOLIDATED	
	2022	**2021**
	$	**$**
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Group at 25% (2021: 26%) and the reported tax expense in profit or loss are as follows:		
(a) Tax expense comprises:		
Current income tax:		
Current income tax charge	**470,921**	-
Deferred tax		
Deferred income tax relating to origination and reversal of temporary differences:	**74,541**	-
Income tax expense reported in the statement of profit or loss	**545,462**	-
(b) ***Accounting profit/(loss) before tax***	**3,835,904**	1,093,746
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021 – 26%)	**958,976**	284,374
Non-deductible expenditure/non-assessable income	**-**	(44,644)
Movement in unrecognized deferred tax balances due to change in tax rate	**2,897**	93,004
Deferred tax not recognised	**-**	(507,734)
Tax losses recognised that were previously unrecognised	**(535,079)**	-
Deferred tax balances recognised that were previously unrecognised	**128,137**	-
Prior period under/over provision	**(9,469)**	-
Income tax (benefit)/expense	**(545,462)**	(175,000)
(c) ***Recognised Deferred Tax Balances***		
Deferred tax asset	**44,709**	-
Deferred tax liability	**(119,250)**	-
	(74,541)	-
(d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset - losses	**-**	570,218
Unrecognised deferred tax asset/(liabilities) - other	**-**	(147,236)
	-	422,982

5. INCOME TAX (CONTINUED)

(e) Deferred Tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

2022 Consolidated Group	Opening Balance	Recognised in Profit or Loss	Prior period under/over	Prior period unrecognised deferred tax brought into account	Closing Balance
	$	$	$	$	$
Deferred Tax liability					
Intangible Assets	(156,625)	37,375	-	-	(119,250)
Unrecognised DTL's – not brought to account	156,625	-	-	(156,625)	-
	-	37,375	-	(156,625)	(119,250)
Deferred Tax assets					
Trade & other receivables	-	-	-	-	-
Accruals and provisions	7,334	6,010	19,099	-	32,443
Capital raising costs	-	-	-	-	-
Right of use assets and lease liabilities	2,055	3,639	-	-	5,694
Unused tax losses	570,218	(535,079)	(28,567)	-	6,572
Unrecognised deferred tax assets – not brought to account	(579,607)	-	-	579,607	-
	-	(525,430)	(9,468)	579,607	44,709
Net DTA/(DTL)					74,541

2021 Consolidated Group	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Prior period unrecognised deferred tax brought into account	Closing Balance
	$	$	$	$	$
Deferred Tax liability					
Intangible Assets	-	18,375	(175,000)	-	(156,625)
Unrecognised DTL's – not brought to account	-	156,625	-	-	156,625
	-	175,000	(175,000)	-	-
Deferred Tax assets					
Trade & other receivables	-	-	-	-	-
Accruals and provisions	30,601	(23,267)	-	-	7,334
Capital raising costs	1,375	(1,375)	-	-	-
Right of use assets and lease liabilities	2,997	(942)	-	-	2,055
Unused tax losses	895,744	(325,526)	-	-	570,218
Unrecognised deferred tax assets – not brought to account	(930,717)	351,110	-	-	(579,607)
	-	-	-	-	-
Net DTA/(DTL)					-

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can utilize these benefits.

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2022	**2021**
	$	**$**
Cash at Bank (i)	**2,721,187**	1,464,526
Total cash and cash equivalents	**2,721,187**	1,464,526

(i) Reconciliation to cash and cash equivalents at the end of the financial year:

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows

Balances as above	**2,721,187**	1,464,526
Balances per statement of cash flows	**2,721,187**	1,464,526

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2022	**2021**
	$	**$**
Current		
Trade receivables (i)	**1,327,854**	162,141
Contract assets (accrued income)	**42,650**	519,539
Other	**155,402**	1,412,570
	1,525,906	2,094,250
Non-current		
Deposits	**40,000**	40,500
	40,000	40,500

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(iii) Impairment and risk exposure

All of the Group's receivables have been reviewed for indicators of impairment. Information about the impairment of receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 18.

8. FINANCIAL ASSETS

Financial assets are classified at fair value through profit or loss as are all equity instruments held for trading. The investments comprised primarily of listed companies on the ASX and Malaysian Stock Exchange.

	CONSOLIDATED	
	2022	**2021**
	$	**$**
Current		
Financial assets at fair value through profit or loss (level 1)		
ASX Listed equity securities *(i) (ii)*	**338,225**	28,952
Listed equity securities portfolio *(i) (ii)*	**2,688,258**	2,847,130
	3,026,483	2,876,082
Financial assets held at cost		
Investment in unlisted companies *(iii)*	**100**	100
Convertible notes in unlisted company *(iii)*	**-**	150,000
Investment in Crypto Collective Fund *(iv)*	**19,858**	-
Investment in Finexia Direct Accommodation Income Fund *(v)*	**7,834,310**	-
	7,854,268	150,100
	10,880,751	3,026,182

(i) Classification of financial assets at fair value through profit or loss
The Group classifies equity based financial assets at fair value through profit or loss if they are acquired principally for trading (i.e. selling in short-term). They are presented as current assets as they can be easily converted into cash in less than 12 months.

(ii) Amounts recognised in profit or loss
Changes in the fair values of financial assets at fair value has been recorded through the profit or loss, and represent a loss of $238,918 for the year (2021: gain of $142,621).

(iii) Investment in unlisted entity
The Group holds converting notes in an unlisted company. These notes will convert to equity in the event of an IPO at the lower of either the IPO price or any previous capital raising price. Due to the fact that the issuing company is not listed, it is in the start-up stages and a reliable fair value estimate can not be made at 30 June 2022 the converting notes have been valued at cost.

(iv) Investment in Finexia Crypto Collective Fund
The Group holds direct investment in Finexia Crypto Collective Fund. The retail fund was launched on 27 May 2022 and is an investment that aims to provide investors with the potential to benefit from the growth of a basket of Cryptocurrencies using a proprietary methodology. Due to the fact that the issuing fund is not listed and is in the start-up stage. A reliable fair value estimate cannot be made at 30 June 2022 the investment has been valued at cost.

(v) Investment in Finexia Direct Accommodation Income Fund
The Group holds direct investment in Finexia Direct Accommodation Fund. The wholesale fund was launched on 9 August 2021 and is an investment that aims to offer to sophisticated investors direct exposure to a portfolio of accommodation businesses located in key Queensland markets. The fund has been returning to investors between 8 to 12% p.a. via a monthly cash distribution. The fair value of the investment has been based on the unaudited positive net assets of the fund as at 30 June 2022.

9. LOAN ASSETS

	CONSOLIDATED	
	2022	**2021**
	$	$
Current assets		
Mortgage assets – unsecured (1)	**24,312,202**	14,119,292
Loan: Dragonfly Biosciences Ltd - unsecured (2)	**196,203**	-
Loan – Joe Holdings (M) Investment Limited - secured (3)	**10,000,000**	-
	34,508,405	14,119,292

(1) The Group provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. The Group receives various fees on establishment and a net margin income. The interest rates are between 4% to 20% and the loans terms are between 12 to 24 months. Generally, the Group takes security, such as in the form of registered mortgages and security interest over assets to support the loan assets.

(2) Finexia Securities Ltd has provided a loan facility to a third party, Dragonfly Biosciences Ltd over a term of 6 months, at 10% and is unsecured.

(3) Finexia Securities Ltd has provided a loan facility to a third party, Joe Holding (M) investment Ltd over a term of 24 months, at 4.95%, secured by a portfolio of listed securities listed on a recognised stock exchange.

10. LEASES

(i) Amounts recognised in the balance sheet

	CONSOLIDATED	
	2022	2021
	$	$
Right-of-use assets*		
Lease – office rental	**215,585**	344,935
	215,585	344,935

*included in the line item "Property, plant and equipment" in the statement of financial position.

	2022	2021
Lease liabilities		
Current	**135,855**	114,793
Non-current	**102,508**	238,363
	238,363	353,156
Depreciation charge of right-of-use assets		
Lease – rental premises	**129,350**	92,574
	129,350	92,574
Interest expense for leases		
Interest expense	**30,243**	15,727
	30,243	15,727

The total cash outflow for leases for the period was $145,036 (2021 - $110,978).

10. LEASES (CONTINUED)

(ii) The Group's leasing activities and how these are accounted for:

The Group leases an office in Sydney. During the year the lease expired, the entity moved offices to a new location and a new lease was signed for a 3-year lease term.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and other small items.

11. INTANGIBLE ASSETS AND GOODWILL

A. Reconciliation of carrying amount

2022	**Goodwill**	**Customer list**	**Trail book**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2021	**1,365,039**	**66,500**	**560,000**	**1,991,539**
Acquisition through business combinations	**-**	**-**	**-**	**-**
Amortisation	**-**	**(9,500)**	**(140,000)**	**(149,500)**
Impairment loss	**-**	**-**	**-**	**-**
Balance at 30 June 2022	**1,365,039**	**57,000**	**420,000**	**1,842,039**

2021	**Goodwill**	**Customer list**	**Trail book**	**Total**
	$	$	$	$
Balance at 1 July 2020	241,429	76,000	-	317,429
Acquisition through business combinations	1,123,610	(9,500)	700,000	1,823,610
Amortisation	-	-	(140,000)	(149,500)
Impairment loss	-	-	-	-
Balance at 30 June 2021	1,365,039	66,500	560,000	1,991,539

B. Amortisation

The amortisation of the customer list is over 10 years and is allocated to profit or loss.

Useful life Based on an assessment of the history of customer relationships.

Brokerage commissions and SMSF administration fees have historically been derived from recurring customers, which was noted is in a consistent customer base.

Management has determined an average customer life of 10 years as reasonable for the valuation of customer relationships.

C. Impairment test

Impairment testing for Cash Generating Unit (CGU) containing goodwill for Finexia Plus (previously known as Smart Money Company)

For the purposes of impairment testing, goodwill has been allocated to Finexia Plus

The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.

11. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

C. Impairment test (continued)

The key assumptions used in the estimation of the recoverable amount are set below.

The values assigned to the key assumptions have been taken from an independent report.

- Discounted rate 12%
- Terminal value growth rate 2%

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the expert valuation of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The key assumptions used in the cash flow forecast that are sensitive are as follows:

Valuation variable	**Assumption**
Future revenue	Actual revenue based on the 2022 financial year.
EBIT Margin	Normalised EBIT margin of 42% based on an assessment of the average normalised EBIT margin for FY22. Although the SMSF administration and brokerage revenues were accounted for in separate legal entities, the costs of the operations were not accounted for separately. As such, we have assessed the future cash flows from these customer relationships at a combined Group level.
Discount Rate	At acquisition date, a discount rate range of 15.0% to 20.0% as appropriate for the valuation of customer relationships. A discount rate of 12.0% has been assumed.

Sensitivity analysis

The below table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2022	**2021**
Pre-tax discount rate	**51.0%**	37.0%
Budgeted EBIT margin	**15.0%**	21.0%

Impairment testing for Cash Generating Unit (CGU) containing goodwill for Creative Capital Group (CCG)

For the purposes of impairment testing, goodwill has been allocated to CCG.

The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set below.

The values assigned to the key assumptions have been taken from an independent report.

- Discounted rate 15%
- Terminal value growth rate 2%

11. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

C. Impairment test (continued)

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the expert valuation of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The key assumptions used in the cash flow forecast that are sensitive and are as follows:

Valuation variable	Assumption
Future revenue	Actual revenues based on the 2022 financial year.
EBIT Margin	Normalised EBIT margin of 40% based on an assessment of the average normalised EBIT margin for FY22.
Discount Rate	At acquisition date, a discount rate range of 15.0% to 20.0% as appropriate for the valuation of customer relationships. A discount rate of 15.0% has been assumed.

Sensitivity analysis

The below table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2022	**2021**
Pre-tax discount rate	**186.0%**	126.0%
Budgeted EBIT margin	**0.41%**	1.0%

12. PROPERTY, PLANT & EQUIPMENT

In the prior years, the Group acquired a property at 19/33 Elkhorn Avenue, Surfers Paradise, Queensland for a purchase price, inclusive of acquisition costs of $1,127,160. The building will be depreciated over a period of 40 years and now serves as the corporate head office for the Group.

	CONSOLIDATED	
	2022	2021
	$	$
Land and buildings		
At cost	**1,139,590**	1,139,590
Less accumulated depreciation	**(100,883)**	(73,382)
	1,038,707	1,066,208
Plant and equipment		
At cost	**13,646**	13,646
Less accumulated depreciation	**(13,646)**	(13,309)
	-	337
Right of use asset	**388,052**	388,052
At cost	**(172,467)**	(43,117)
Less accumulated depreciation	**215,585**	344,935
	1,254,292	1,411,480

The Group intends to sub-let a portion of the office space to earn rental income, however as this is not able to be sold or leased out separately as a finance lease it has not been classified as an investment property.

The property is also held as security against the loan and borrowings of $787,027 (2021 - $787,027).

	Land and Buildings	**Plant and Equipment**	**Right of use assets**	**Total**
	$	$	$	$
Balance at 1 July 2021	1,066,208	337	344,935	1,411,480
Additions	-	-	-	-
Depreciation	(27,501)	(337)	(129,350)	(157,188)
Less: Right of use asset adjustment	-	-	-	-
Balance at 30 June 2022	1,038,707	-	215,585	1,254,292

	Land and Buildings	**Plant and Equipment**	**Right of use assets**	**Total**
	$	$	$	$
Balance at 1 July 2020	1,093,708	1,335	61,284	1,156,327
Additions	-	-	388,052	388,052
Depreciation	(27,500)	(998)	(92,574)	(121,072)
Less: Right of use asset adjustment	-	-	(11,827)	(11,827)
Balance at 30 June 2021	1,066,208	337	344,935	1,411,480

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2022	2021
	$	$
Trade payables *(i) (ii)*	**399,714**	162,274
Deferred consideration from Creative acquisition	**260,807**	800,000
Other payables and accruals	**296,072**	172,444
	956,593	1,134,718

(i) Trade payables are unsecured and are usually paid within 30 days of recognition.

(ii) The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

14. LOANS AND BORROWINGS

	CONSOLIDATED	
	2022	2021
	$	$
Current liabilities		
Unsecured loans from third parties (1)	**45,000**	70,000
Unsecured loans from banking institutions(2)	**45,686**	86,000
Unsecured loans – Cash deposit agreement(3)	**16,063,174**	-
Secured loans – mortgages (5)	**14,493,436**	11,019,231
	30,647,296	11,175,231
Non-current liabilities		
Unsecured loans from banking institutions (2)	**42,071**	86,000
Bank Guarantee	**100,000**	100,000
Secured loans – property (4)	**-**	-
Secured loans – mortgages (5)	**10,498,961**	5,549,000
	10,641,032	5,735,000

(1) The unsecured loans are from third parties and were consolidated with the Group on acquisition of Finexia Plus in June 2018. The loan has been paid in full in August 2022.

(2) On 18 June 2020, the Company obtained a loan from National Australia Bank for $200,000. The loan is unsecured for a term for three years at 4.50%.

(3) Cash deposit loan agreements have been entered with clients for the purpose of investing. The cash deposit agreement is between Finexia Securities Ltd and its clients. The loan is on call and has an interest rate of a minimum of 40 basis points above the RBA cash rate, is unsecured and the returns are not guaranteed.

(4) On 12 November 2018, the purchase of the commercial property was financed with an initial secured loan of $1,000,000. The loan incurred an interest rate at 10% per annum and was for a 6-month term, expiring in April 2019. On 1 July 2019, the Group extended the loan over a two-year term. The loan has been further extended to 30 September 2022.

The loan principal was reduced to $800,000 as at 31 December 2019. The interest rate was 10% and was for a two-year term, expiring on 1 July 2021. The lender has a first registered mortgage over the commercial property at 33 Elkhorn Avenue, Surfers Paradise, QLD 4217. The loan is via a subsidiary company of the Group, Creative Capital Pty Ltd. The loan is eliminated on consolation for accounting purposes.

(5) Creative Capital Group provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. Creative Capital receives various fees on establishment and a net margin income. The interest rates are between 8% to 20% and the loans terms are between 12 to 24 months. Generally, mortgage assets are pledged as collateral for loan liabilities.

15. ISSUED CAPITAL

	CONSOLIDATED			
	2022		2021	
	No. of shares.	**$**	No. of shares.	$
(a) Ordinary shares fully paid	**162,107,105**	**9,973,368**	153,586,517	9,589,941

(b) Movement in ordinary shares on issue

Opening balance	**153,586,517**	**9,589,941**	140,253,184	8,989,941
Add: Issue of shares	**8,520,588**	**383,427**	13,333,333	600,000
	162,107,105	**9,973,368**	153,586,517	9,589,941

(c) Fully Paid Ordinary Shares

Fully Paid Ordinary Shares - participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At a shareholder meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Shares under Option

There are no shares under option.

16. RESERVES AND ACCUMULATED LOSSES

	CONSOLIDATED	
	2021 **$**	2021 $
ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	**(4,428,023)**	(5,416,875)
Net profit/(loss) after tax attributable to members of the	**3,290,442**	1,268,746
Change in ownership of subsidiaries	**-**	(279,894)
Accumulated losses at the end of the financial year	**(1,137,581)**	(4,428,023)

17. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	30 JUNE 2022			30 JUNE 2021		
	CONTINUING OPERATIONS $	**DISCONTINUED OPERATION $**	**TOTAL $**	**CONTINUING OPERATIONS $**	**DISCONTINUED OPERATION $**	**TOTAL $**
Profit/(Loss) for the year	**3,290,442**	**-**	**3,290,442**	1,268,746	-	1,268,746

	2022 Number	2021 Number
Weighted average number of shares used as the denominator	**159,539,257**	149,723,567

18. FINANCIAL RISK MANAGEMENT

The Group's activities are or have been exposed to a variety of financial risk – market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Given the current size and scale of activities, risk management is overseen by the Board of Directors as a whole.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(a) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency sensitivity

Most of the Group's transactions are carried out in $AUD. Exposures to currency exchange rates arise from transaction specific to overseas activities are primarily denominated in US-Dollars ($USD). The Group ensures its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary for transaction specific cash-flows.

The following illustrates the sensitivity of profit and equity in regard to the Group's financial assets and financial liabilities and the $USD/$AUD exchange rate 'all other things being equal'.

It assumes a +/- 10% change for the $AUD/$USD exchange rate. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the reporting date.

Interest rate sensitivity

At 30 June 2022, the Group is exposed to changes in market interest rates of money market funds (cash and cash equivalents). The weighted average interest rates received cash and cash equivalents was 0.00% (2021: 0.00%).

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates (all are variable rate instruments). All other variables are held constant.

CONSOLIDATED

	Profit/(Loss) for the year		**Increase/(decrease) in Equity Reserves**	
	+1%	**-1%**	**+1%**	**-1%**
	$	**$**	**$**	**$**
Cash and cash equivalents				
30 June 2022	**27,212**	**(27,212)**	**-**	**-**
30 June 2021	22,926	(22,926)	-	-

Other price risk sensitivity

The Group is exposed to other price risk in respect of its listed equity securities, which are classified as financial assets at fair value through profit or loss.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

All of the Group's listed equity investments are listed on the Australian Stock Exchange and/or the Malaysian Stock Exchange. The following table illustrates the sensitivity of profit or loss and equity to a reasonably possible change in the valuation of the listed, derivative and managed funds investment portfolio of +/- 5%.

CONSOLIDATED

	Profit/(Loss) for the year		Increase/(decrease) in Equity Reserves	
	+5%	**-5%**	**+5%**	**-5%**
	$	**$**	**$**	**$**
Financials Assets				
30 June 2022	544,038	(544,038)	**-**	**-**
30 June 2021	151,309	(151,309)	-	-

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises in the normal course of conducting its business operations.

Management has a process in place to monitor its exposure to credit risk on an ongoing basis, with respect to selecting where to invest the Group's assets and, where applicable, that assessment takes into consideration market weightings, index membership, liquidity, volatility, dividend yield and/or industry sector.

The Group is exposed to this risk for various financial instruments and its maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022	2021
	$	$
Classes of financial assets		
Cash and cash equivalents	**2,721,187**	1,464,526
Trade and other receivables	**1,525,906**	2,094,250
Mortgage assets	**24,312,202**	14,119,292
Other loan assets	**10,196,203**	-
	38,755,498	17,678,068

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired are of good credit quality.

In respect of these trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The aging of trade and other receivables at the reporting date that were not impaired was as follows:

	2022	2021
	$	$
Neither past due nor impaired	**736,921**	162,141
Past due 1–30 days	**1,650**	-
Past due 31–90 days	**6,044**	-
Past due 91–120 days*	**624,054**	-
	1,368,668	162,141

*The Group has received positive assurances from its client that amounts that are past due 90 days are fully recoverable.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2022	2021
	$	$
Balance at 1 July	**-**	-
Impairment loss recognized	**-**	-
Reversal of impairment loss	**-**	-
Amounts written off	**-**	-
	-	-

The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its liquidity needs by monitoring fund investments and redemptions, scheduled debt servicing payments for long-term financial liabilities (if any) as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored on a periodical basis on a month to month and annual outlook basis.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised in the table below:

	2022		2021	
	CURRENT	**NON-CURRENT**	CURRENT	NON-CURRENT
	Within 12 months	**1 – 3 years**	Within 12 months	1 – 3 years
	$	**$**	$	$
Trade and other payables	**956,593**	**-**	1,134,718	-
Contract liabilities	**1,159,151**	**-**	186,823	
Loan and borrowings	**30,647,296**	**10,641,032**	11,175,231	5,735,000
Leases	**135,855**	**102,508**	114,793	238,363
	32,898,895	**10,743,540**	12,611,565	5,973,363

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern; and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors and assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may as part of its strategy adjust its dividend policy (if and when applicable), return capital to shareholders, issue new shares, and/or sell assets to reduce debt.

19. FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

	Level 1 (i)	Level 2	Level 3	TOTAL
2022	**$**	**$**	**$**	**$**
Classes of financial assets				
Listed equities	**338,225**	-	-	**338,225**
International listed equities portfolio	**2,688,258**	-	-	**2,688,258**
Finexia Direct Accommodation Income Fund	**-**	**7,834,310**	**-**	**7,834,310**
Investment in unlisted entities	**-**	**-**	**19,958**	**19,958**
	3,026,483	**7,834,310**	**19,958**	**10,880,751**

	Level 1 (i)	Level 2	Level 3	TOTAL
2021	**$**	**$**	**$**	**$**
Classes of financial assets				
Listed equities	28,952	-	-	28,952
International listed equities portfolio	2,847,130	-	-	2,847,130
Investment in unlisted entity	-	-	100	100
	2,876,082	-	100	2,876,182

The fair value of level 1 financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last closing price or unit (acquisition) strike price.

The fair value movement for the year is a net fair value loss of $238,918 (2021: gain of $142,621).

19. FAIR VALUE MEASUREMENT – (CONTINUED)

(i) The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(ii) There have been no transfers between the levels of the fair value hierarchy during the twelve (12) months to 30 June 2022.

20. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 – *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded that the Group operated in the financial services industry.

The following summary describes the operations in each of the Group's reportable segments:

- *Finexia Securities* – includes brokerage and advisory services.
- *Finexia Plus* – includes brokerage, SMSF administration and investor education services.
- *Creative Capital Group* – includes trail and upfront commissions, establishment fees and interest income.

Although the Finexia Securities and Finexia Plus segments both contain brokerage services, these are monitored by the CODM separately in order to make decisions around the allocation of resources and assessing performance.

20. SEGMENT INFORMATION – (CONTINUED)

Information regarding the performance of each reportable segment is included below.

	FINEXIA SECURITIES		**FINEXIA PLUS**		**CREATIVE CAPITAL**		**UNALLOCATED**		**TOTAL**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
External revenue	**4,784,589**	2,752,348	**133,772**	450,973	**4,360,193**	1,952,782	**-**	-	**9,278,554**	5,156,103
Other revenue										
Gain on sale of assets	**11,746**	-	**8,374**	-			**486,403**	52,753	**506,523**	52,753
Interest income	-	-	-	-			**71**	55	**71**	55
Rental income	-	-	-	-			**150,818**	75,364	**150,818**	75,364
Other income	**62,936**	974,425	**2,073**	19,291	**505,300**	79,418	**-**	3,159	**570,309**	1,076,293
ATO Cash Boost	**-**	51,731	**-**	119,975	**-**	-	**-**	-	**-**	171,706
Other non-cash movements										
Change in fair value of investments	**(139,287)**	(28,314)	**-**	3,008	**-**	82,495	**(99,631)**	85,432	**(238,918)**	142,621
Segment profit/(loss) before income tax	**2,388,860**	1,949,554	**(30,121)**	218,022	**1,941,931**	28,673	**(464,766)**	(597,719)	**3,835,904**	1,598,530
Reportable segment assets	**22,840,870**	6,764,735	**24,293**	158,467	**28,633,507**	17,839,830	**1,581,487**	5,970,291	**53,080,157**	30,733,323
Reportable segment liabilities	**(16,415,738)**	(2,728,475)	**(141,886)**	(202,337)	**(26,744,302)**	(17,354,731)	**(346,362)**	(942,944)	**(44,244,370)**	(22,384,814)

20. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment revenues and profit or loss	**2022**	2021
	$	$
Revenues		
Total revenue for reportable segments	**9,278,554**	5,156,103
Other income	**923,820**	1,244,840
Inter-company elimination	**(333,391)**	(626,894)
Unallocated revenues	**637,292**	131,330
Consolidated revenue	**10,506,275**	5,905,379
Profit/(Loss)		
Total profit/(loss) for reportable segments	**4,300,670**	2,196,249
Unallocated amounts:		
Depreciation	**(158,584)**	(210,617)
Finance expenses	**(125,553)**	(93,809)
Impairment of receivables	**-**	-
Change in fair value of investments	**(99,631)**	85,432
Inter-company elimination	**667,558**	(364,784)
Net other corporate expenses	**(748,556)**	(518,725)
Income tax expense	**(545,462)**	175,000
Consolidated profit/(loss) before tax	**3,290,442**	1,268,746
Assets		
Total assets for reportable segments	**51,498,670**	22,374,603
Unallocated assets and eliminated	**1,581,487**	1,786,463
Consolidated total assets	**53,080,157**	24,161,066
Liabilities		
Total liabilities for reportable segments	**43,301,926**	17,897,114
Unallocated liabilities	**942,444**	1,102,034
Consolidated total liabilities	**44,244,370**	18,999,148

21. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 $	2021 $
(a) Audit services		
Mazars Assurance Pty Ltd		
- Audit and review of financial reports	**75,738**	59,560
(b) Non-audit services		
- Tax compliance services	**-**	-
- Other services	**-**	-

22. COMMITMENTS & CONTINGENCIES

(a) Capital commitments

There are no capital commitments as at 30 June 2022 (2021: Nil).

(b) Contingencies

There are no contingent liabilities as at 30 June 2022 (2021: Nil).

23. KEY MANAGEMENT PERSONNEL REMUNERATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's key management personnel for the year ended 30 June 2022.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2022 $	2021 $
Short-term employee benefits	**693,841**	544,124
Post-employment benefits	**50,147**	21,058
	743,988	565,182

24. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

The Group uses Lucas and Co, a company controlled by one of the directors for accounting and taxation services. Amounts were billed based on market rates for such services and were due and payable under normal payment terms. For the year ended 30 June 2022, Lucas and Co billed $269,618 (2021 - $139,600) excluding GST to the Group.

Other than those disclosed in Note 24 and above, there were no related party transactions for the year (2021: Nil).

25. CASH FLOW INFORMATION

(a) Reconciliation of Operating Loss After Income Tax to Net Cash Flow from Operating Activities

	CONSOLIDATED	
	2022	2021
	$	$
Operating profit/(loss) after income tax	**3,290,442**	1,268,746
Non-cash items		
Depreciation and amortisation	**306,687**	270,572
Impairment of receivables	**-**	456,244
Gain on sale of investments	**(506,523)**	-
	30,243	-
Change in fair value of investments at fair value through profit or loss	**238,918**	142,621
Changes in assets and liabilities		
Decrease/(Increase) in receivables	**274,564**	(2,038,713)
(Decrease)/Increase in payables	**(155,272)**	100,089
Increase in contract liability	**972,328**	150,643
Increase in deferred tax liabilities	**74,541**	-
Increase in income tax payables	**90,321**	
Net cash used in operating activities	**4,616,249**	350,202

26. PARENT ENTITY AND SUBSIDIARIES

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was Finexia Financial Group Limited.

	Parent	
	2022	2021
	$	$
Assets		
Current assets	**480,338**	325,978
Non-current assets	**2,462,300**	4,039,863
Total assets	**2,942,638**	4,365,841
Liabilities		
Current liabilities	**719,415**	1,919,159
Non-current liabilities	**889,535**	1,025,390
Total liabilities	**1,608,950**	2,944,549
Equity		
Issued capital	**9,973,369**	9,589,941
Accumulated losses	**(8,639,681)**	(8,168,649)
Total equity	**1,333,688**	1,421,292
Loss for the year	**(471,032)**	(650,699)
Other comprehensive loss	**-**	-
Total comprehensive loss for the year	**(471,032)**	(650,699)

	Principal Activity	**Country of Incorporation**	**Percentage owned**	
			2022	2021
			%	%
Subsidiaries of Finexia Financial Group Limited:				
Finexia Securities Pty Ltd	Broking and financial services	Australia	100	100
Finexia Fund Management Pty Ltd	Broking and financial services	Australia	100	100
Strategic Investment Portfolios Pty Ltd	Broking and financial services	Australia	100	100
Finexia Plus Pty Ltd	Broker retail administration services	Australia	100	100
Smart Money Super Pty Ltd	Dormant	Australia	100	100
FNX Finance Group Pty Ltd	Broking and financial services	Australia	100	100
FNX Residential Finance Pty Ltd	Broking and financial services	Australia	100	100
Creative Capital Group Pty Ltd	Capital and lending solutions	Australia	100	100
Stayco Ltd	Dormant	Australia	100	100
Stayco P1 Pty Ltd	Dormant	Australia	100	100
Stayco P2 Pty Ltd	Dormant	Australia	100	100
Stayco P3 Pty Ltd*	Dormant	Australia	-	100
Stayco Services Pty Ltd	Dormant	Australia	100	100
Finexia Financial Group of California LLC	Dormant	Delaware, USA	100	100

*no longer a subsidiary.

27. EVENTS SUBSEQUENT TO REPORTING DATE

There was no other matter or circumstance that has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Finexia Financial Group Limited (the Company):

(a) the consolidated financial statements and notes thereto, set out on pages 15 to 55, and the Remuneration Report in the Directors Report, as set out on pages 4 to 13, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2022.

3. The directors draw attention to note 1 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

DIRECTOR
Neil Sheather

Sydney
26 August 2022

Level 11, 307 Queen Street
Brisbane Qld 4000

GPO Box 2268
Brisbane Qld 4001
Australia

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Fax: +61 7 3218 3901
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Independent Auditor's Report to the Directors of Finexia Financial Group Ltd

Report on the audit of the financial report

We have audited the accompanying financial report of Finexia Financial Group Ltd ("Company"), and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of 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 Finexia Financial Group Ltd is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed the key audit matter
Revenue recognition (Note 1(d), 3, 7, and 20)	
Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022 is an amount for $10,506,275 relating to revenue, split between return on investments, brokerage fees, income received from share market education, and SMSF administration and interest income. Revenue related to investments and brokerage is recognised at the point in time when transactions happened, while revenue related to share market education and SMSF administration is recognised over the period the service is provided, in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*. Due to the significance to the Group's financial report, we consider this to be a key audit matter.	Our procedures included, but were not limited to: a) Obtaining an understanding of and evaluating the processes and controls associated with the treatment of revenue. b) Performing analytical procedures for revenue and obtaining explanations from management. c) Performing detailed testing of a sample of invoices to assess the revenue recognition policies for appropriateness and compliance with the recognition requirements of AASB 15. d) Assessing the adequacy of the disclosures included within the financial report.

Mazars Assurance Pty Ltd (ABN 13 132 902 188)
Authorised Audit Company: 338599
Liability limited by a scheme approved under Professional Standards Legislation

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Key audit matter	How we addressed the key audit matter
Valuation of financial assets (Note 7, 8, 9, 18, and 19)	
The Group held financial assets at 30 June 2022 which are significant to the Group. These financial assets comprised receivables (note 7) and investments in listed equity instruments and unlisted funds (note 8). Management have valued these financial assets in accordance with AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement* (where appropriate). These valuation assessments have reference to expected credit losses and quoted equity prices at 30 June 2022 as appropriate. This was a key audit matter because of the significance of financial assets to the Group's total assets, the significance of changes in fair value to the Group's profit before tax and the measurement of fair value at the reporting date.	Our procedures included, but were not limited to: a) Obtaining third party confirmations directly from fund/portfolio managers to confirm valuations at 30 June 2022. b) Assessing assets for expected credit losses, including assessing security and valuation arrangements. c) Performing an independent check of closing equity prices to externally available quoted pricing information and recalculating equity valuations and foreign currency translations at 30 June 2022. d) Examining the application and disclosures for compliance with Australian Accounting Standards, including AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Group's ability 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 have no realistic alternative but to do so.

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 the 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the remuneration report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 8 to 12 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Finexia Financial Group Ltd, for the year ended 30 June 202, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Mazars

MAZARS ASSURANCE PTY LTD
AUTHORISED AUDIT COMPANY: 338599

M. J. Green
Director
Brisbane, 26 August 2022

The shareholder information set out below was applicable as at 12 August 2022.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

No. of ordinary shares held	No. of holders
1 - 1,000	109
1,001 - 5,000	4
5,001 - 10,000	103
10,001 - 100,000	70
100,001 and above	63
Total	**349**

B. Equity Security Holders

The 20 largest registered holders of each class of quoted security as at 12 August 2022 were:

Fully paid ordinary shares

1	MR SHIN YONG MARK CHEW	18,857,547	11.63%
2	ACE SOLUTION INVESTMENTS LIMITED	18,293,893	11.29%
3	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	17,247,380	10.64%
4	EDITION CAPITAL MANAGEMENT LIMITED	15,200,000	9.38%
5	WAVET SUPER FUND NO 2	14,687,446	9.06%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,982,301	3.69%
7	CONRAD DYLAN WILSON	5,463,481	3.37%
8	CASHPICK PTY LTD	5,463,480	3.37%
8	P J BELL NO 1 PTY LTD	5,463,480	3.37%
9	ENNOX GROUP PTY LTD	5,400,000	3.33%
10	BNP PARIBAS NOMINEES PTY LTD	3,920,037	2.42%
11	EASTERN WORDS PTY LTD	3,663,127	2.26%
12	ASIABIO CAPITAL LIMITED	3,088,660	1.91%
13	TIG ASIA PTY LTD	2,540,791	1.57%
14	MR WONG SOON WOEI	2,500,000	1.54%
15	MR YEO JIA WEI	2,000,000	1.23%
15	MISS JOYCE LEONG	2,000,000	1.23%
16	MR KOK KEONG LEUNG	1,900,462	1.17%
17	SAGE FORTUNES PTY LTD	1,763,028	1.09%
18	MR FRANCESCO MARIO NAPOLI	1,624,434	1.00%
19	BNP PARIBAS NOMINEES PTY LTD BARCLAYS	1,502,864	0.93%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,179,187	0.73%

Total number of shares on issue as at 12 august 2022 **162,107,105**

C. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares
On a show of hands every member present at each meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
No voting rights at meetings of members.

CORPORATE DIRECTORY

DIRECTORS	
CURRENT	Mr. Neil Sheather Mr Patrick Bell Mr Jean Marc Li
COMPANY SECRETARY	Mr Neil Sheather
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Level 18, Australia Square Tower Building 264 George Street, Sydney, NSW 2000
SHARE REGISTRY	Automic Level 29, 201 Elizabeth Street Sydney, NSW 2000 +61 8 9315 2333
AUDITOR	Mazars Assurance Pty Ltd Level 11, 307 Queen Street Brisbane QLD 4000
SOLICITOR	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
STOCK EXCHANGE LISTINGS	Finexia Financial Group Limited shares are listed on the Australian Stock Exchange. (ASX code: FNX)
WEBSITE ADDRESS	www.finexia.com.au

FINEXIA

FINEXIA FINANCIAL GROUP LIMITED
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