

LOVE Group Global Ltd (ASX:LVE)
ABN: 82 009 027 178

LOVE GROUP GLOBAL LTD

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

APPENDIX 4E - GIVEN TO THE ASX UNDER LISTING RULE 4.3A

1. Details of reporting period

Reporting Period:	30 June 2023
Previous corresponding period:	30 June 2022

2. Results for Announcement to the Market

	Percentage change Up or Down	%		\$'000
Revenue from ordinary activities	Up	11%	to	4,021
Profit from continuing activities after tax attributable to members	Down	1%	to	203
Profit for the year attributable to members	Down	1%	to	203

3. Dividends and Distributions

Dividends	Amount per Security	Franked amount per security
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil
Record date for determining entitlements to dividends		
- Interim Dividend		Not Applicable
- Final Dividend		Not Applicable
Dividend payment date		
- Interim Dividend		Not Applicable
- Final Dividend		Not Applicable

LOVE Group Global Ltd (ASX:LVE)
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4. Net Tangible Assets per security

Net Tangible Assets (NTA)	June 2023	June 2022
Net Tangible Assets per security	1.9 Cents	1.3 Cents

5. Details of Entities over which control has been gained or lost during the period

There were no entities over which control has been gained or lost during the reporting period.

6. Details of associates and joint venture entities

There were no associated or joint venture entities during the reporting period.

7. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

8. Attachments

The Annual Report of Pinnacle Listed Comprehensive Limited for the year ended 30 June 2023 is attached.



Michael Ye
Director
25 August 2023

LOVE GROUP

LOVE GROUP GLOBAL LTD

ABN 82 009 027 178

Annual Report
For the year ended 30 June 2023

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Chief executive officer's report

Dear shareholders,

Our business saw strong growth in FY23 in both Hong Kong and Singapore, driven by an increase in consultation volume for our personal matchmaking services. We continued to optimize our cost structure across both marketing and staff expenses to maximize free cash flow and operating profitability.

Our revenue increased by 11% year-on-year to \$4,009k in FY23 compared to \$3,613k in FY22, while our total expenses increased by 12% year-on-year to \$3,818k in FY23 compared to \$3,416k in FY22. This resulted in a 1% year-on-year decrease in our NPAT to \$203k in FY23 compared to \$205k in FY22.

Our cash receipts increased by 18% year-on-year to \$4,139k in FY23 compared to \$3,503k in FY22, driven by growth in Hong Kong and Singapore, which represented 74% and 22%, respectively, of our total cash receipts in FY23:

- Hong Kong: 24% increase year-on-year in cash receipts to \$3,052k in FY23, up from \$2,467k in FY22
- Singapore: 11% increase year-on-year in cash receipts to \$917k in FY23, up from \$829k in FY22
- Bangkok: 17% decrease year-on-year in cash receipts to \$168k in FY23, down from \$203k in FY22

FY24 outlook and growth strategy

Looking ahead to fiscal year 2024, we will continue to place profitability as our top priority, and pursue growth in both our existing personal matchmaking business as well as our new online dating business.

We will continue to focus on growing our personal matchmaking business in our existing markets of Hong Kong, Singapore and Bangkok. We will also evaluate potential expansion into new markets, starting with London. For new market expansion, we plan to adopt a capital efficient and asset-light go-to market strategy powered by highly scalable online marketing channels, primarily Google and Facebook, and a remote-based sales team to conduct consultations over the phone and video.

We also plan to launch and grow a new online dating business via a new online dating app that targets singles seeking serious and committed relationships. The app will be free to use for users to get matched and chat with each other, with optional in-app purchases and membership subscriptions to enjoy advanced features and special member privileges. Our initial launch market for this new online dating app will be Hong Kong.

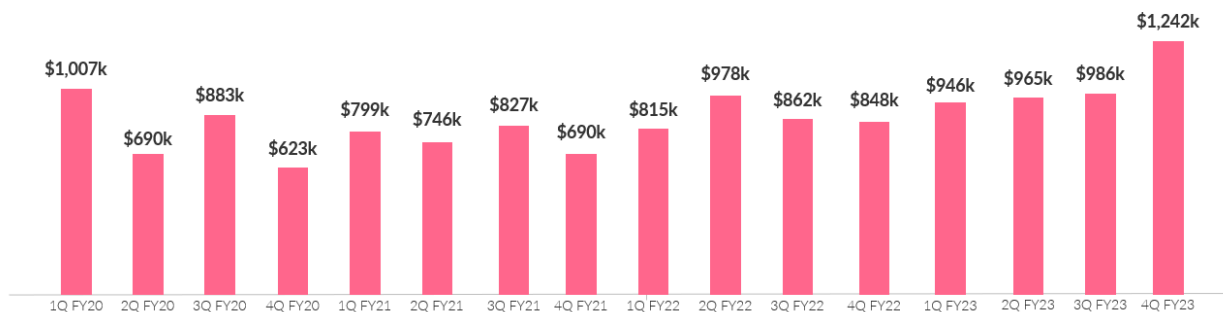
By pursuing both personal matchmaking and online dating businesses, we will be able to capture a larger portion of our total addressable market by targeting broader segments of singles. Building a large and active online dating user base will create significant upselling opportunities for our matchmaking business to increase our average lifetime value per user and marketing ROI.

We plan to pursue our dual revenue stream strategy across personal matchmaking and online dating first in our largest existing market of Hong Kong, where we can leverage our existing sales team and offline store to upsell matchmaking memberships to our online dating users.

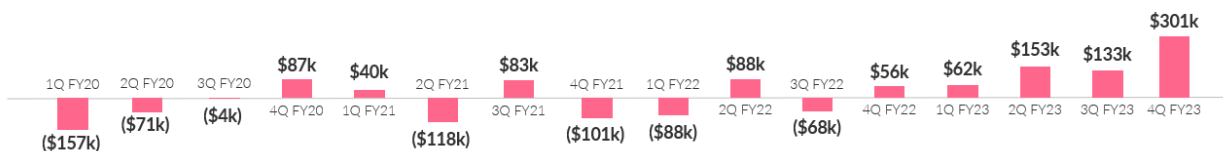
Love Group Global Ltd
Directors' Report – 30 June 2023

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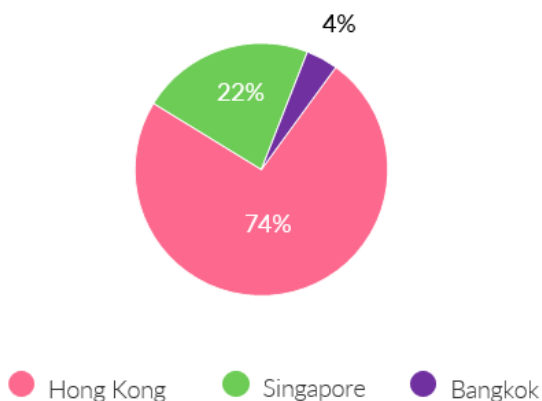
Customer cash receipts



Net cash from operating activities



FY23 cash receipts by geography



Michael Ye
 Director

Love Group Global Ltd Directors' Report – 30 June 2023

The Directors of Love Group Global Ltd (the "Company") submit herewith the Financial Report of the Company and its controlled entities (the "Group") for the financial year ended 30 June 2023.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Terence Grigg

Chairman and Non-Executive Director

Terry was appointed a director and Chairman of the Company on 30 November, 2017.

Experience and qualification

Terry has had 25 years' experience as an Executive Financial Director of Ausfine Foods International Pty Ltd (1988-2013) - Importer and Exporter of meat and dairy products worldwide.

Terry's vast knowledge and experience in purchasing, sales and marketing, import and export logistics, accounting and financial management, foreign currency hedging and mitigation and banking facility negotiation will support the Company in achieving its market growth strategy and enhance the existing capabilities on the Board.

Other directorships in listed entities:

Non Executive Director of SKS Technologies Limited ASX:SKS (Formerly Enevis Limited ASX:ENE) Appointed February 2017

Former directorships in listed entities

In last 3 years:

Nil

Interests in shares and options:

Nil

Michael Ye

Managing Director and Chief Executive Officer

Michael was appointed a director of the Company on 26 November 2015 and Chief Executive Officer on 1 February 2016.

Experience and qualification

Michael founded DateTix in 2013 and has led the company's strategic direction since its inception. Michael was previously an investment analyst at Imperial Investment Group in Hong Kong, focusing on the internet sector. Prior to that, Michael was a Senior Business Development Manager at GDC Technology Limited, where he led advised the CEO and board on potential acquisitions and investment opportunities. Michael has also worked in the investment banking divisions of Morgan Stanley, J.P. Morgan and Credit Suisse, with extensive experience advising technology and internet companies in Greater China and Asia.

Michael holds a Bachelor of Mathematics degree in Computer Science from the University of Waterloo, and an MBA from The Wharton School at the University of Pennsylvania.

Other directorships in listed entities:

Nil

Former directorships in listed entities

In last 3 years:

Nil

Interests in shares and options:

11,500,318 ordinary shares

Directors (continued)

Tod McGrouther

Non-Executive Director

Tod was appointed as a non-executive director on 1 February, 2018.

Experience and qualification:

Tod has over 30 years of financial services and corporate advisory service. He is a co-founder and current director at KTM Capital, a Sydney-based boutique investment bank specialising in corporate advisory and underwriting services for high-growth companies. Since KTM's inception in 1988, the Company has assisted over 60 clients in more than 150 transactions, raising over \$600 million of equity capital. Prior to founding KTM Capital, Tod was a Director of the Corporate Finance Department of Prudential Bache Securities Limited, and prior to that, he was an Associate Director at Bankers Trust Australia. Tod specialises in the provision of strategic advice in the areas of valuation, capital raising and investor relations services for ASX listed companies.

Other directorships in listed entities:

Director of Urbanise Limited and NSX Limited

Former directorships in listed entities

In last 3 years:

Nil

Interests in shares and options:

3,457,000 ordinary shares

Company Secretary

Nicholas Ong

Company Secretary

Nicholas Ong was appointed as Company Secretary of the Company on 11 February 2019.

Nicholas was a principal adviser at the Australian Securities Exchange in Perth and brings 15 years of experience in listing rules compliance and corporate governance.

Love Group Global Ltd

Directors' Report – 30 June 2023

Meetings of directors

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2023 and the number of meetings attended by each director.

During the financial year, 12 board meetings were held in addition to the Company's Annual General Meeting held on 11 November 2022.

In view of the size of the Board, the Board has elected not to appoint separate committees.

Director	Board Meeting	
	Attended	Held
Terence Grigg	12	12
Michael Ye	12	12
Tod McGrouther	12	12

Principal activities

The principal continuing activities of the Group during the year:

Dating Services: Provision of social and dating product and services, including the Lovestruck application, personalised matchmaking services, singles events, and love academy business.

Review of operations and Financial Position

Consolidated Results

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Revenue	4,008,815	3,612,798
Net profit before tax	203,319	204,954
Net cash from operating activities	792,852	147,208
Net assets	750,735	557,743

Revenue increased from \$3,612,798 in FY22 to \$4,008,815 in FY23, up 11% year-on-year.

Net profit before tax decreased from \$204,954 in FY22 to \$203,319 in FY23, down 1% year-on-year.

Net cash from operating activities increased from \$147,208 in FY22 to \$792,852 in FY23, up 439% year-on-year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of financial year

There were no matters which have significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Looking ahead to fiscal year 2024, we will continue to place profitability as our top priority, and pursue growth in both our existing personal matchmaking business as well as our new online dating business.

We will continue to focus on growing our personal matchmaking business in our existing markets of Hong Kong, Singapore and Bangkok. We will also evaluate potential expansion into new markets, starting with London. For new market expansion, we plan to adopt a capital efficient and asset-light go-to market strategy powered by highly scalable online marketing channels, primarily Google and Facebook, and a remote-based sales team to conduct consultations over the phone and video.

We also plan to launch and grow a new online dating business via a new online dating app that targets singles seeking serious and committed relationships. The app will be free to use for users to get matched and chat with each other, with optional in-app purchases and membership subscriptions to enjoy advanced features and special member privileges. Our initial launch market for this new online dating app will be Hong Kong.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Dividends

There were no dividends declared for the year ended 30 June 2023 (2022: NIL).

Remuneration report (Audited)

The Directors present the Love Group Global Ltd remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year. The information provided in this remuneration report has been audited as required by the *Corporations Act 2001*.

The report is structured as follows:

- Key Management Personnel (KMP) covered in this report
- Remuneration policy and link to Group performance
- Use of remuneration consultants
- Non-executive director remuneration policy
- Executive remuneration and benefits
- Details of remuneration
- Service agreements
- Details of share-based compensation
- Equity instruments held by Key Management Personnel
- Other transactions with Key Management Personnel

Key Management Personnel disclosed in this report

Non-executive directors	Terence Grigg
	Tod McGrouther
Executive director and CEO	Michael Ye

Remuneration policy and link to Group performance

The Board's policy for determining the nature and amount of remuneration of key management personnel of the Company and the Group is designed to:

- Maintain the ability to attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and Directors with that of the Company and the Group as much as possible.

The Company was originally listed on the Australian Securities Exchange on 5 December 2014, and suspended on 12 October 2015 following approval by shareholders to change the Company's activities by the acquisition of Datetix Limited (now known as Love Group Hong Kong Limited), a Hong Kong based on-demand dating platform business. The Company was reinstated to official quotation on ASX on 27 November 2015 following completion of the acquisition and, since reinstatement, the primary objectives of the Company have been:

- Consolidating the change of activities, including the sale of the non-core services business;
- Expanding a team of development and marketing personnel for the Datetix on-demand dating business in existing and new market areas;
- Developing, releasing and improving iOS and Android apps for the on-demand dating platform;
- Growing the suite of revenue sources associated with the platform; and
- Acquiring related businesses to generate synergies in marketing and product offerings.

Remuneration policy and link to Group performance (continued)

Company acquired both Lovestruck Limited and Noonswoon Co., Ltd and all key intellectual property of Noonswoon Inc. during FY2017.

Details of market price movements in the Company's ordinary share price at 30 June each year are:

	2023	2022	2021	2020	2019
Share price at year end	\$0.135	\$0.070	\$0.097	\$0.059	\$0.090
Change in share price ¹	+\$0.065	-\$0.027	+\$0.038	-\$0.031	+\$0.009
TSR - Year on year ²	+92.8%	-27.8%	+64.4%	-34.4%	+11.1%
Market capitalisation ³	\$5,472,112	\$2,837,392	\$3,931,814	\$2,391,516	\$3,648,075
Profit / (Loss) for the year	\$203,319	\$204,954	(\$597,045)	\$746,685	\$543,391
KMP remuneration	\$560,004	\$312,416	\$292,597	\$417,533	\$610,703

1. The change in share price as measured by the price at the end of the year from the opening share price.
2. Total shareholder return (TSR) – measured as the percentage change in the share price over the year.
3. Market capitalisation – calculated as the total ordinary shares on issue multiplied by the closing share price.

The link between remuneration, company performance and shareholder wealth generation is tenuous during the establishment and user acquisition phase of an internet based business.

The Company operates an Employee Incentive Plan. Under the plan, shares under a limited recourse loan were provided to a KMP and options have been granted to the Key Management Personnel (KMP) and other employees. Details of share-based compensation granted to KMP are set out below.

Voting and comments made at the Company's 2022 Annual General Meeting (AGM)

At the 2022 AGM, 51.3% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Use of remuneration consultants

During the year the Company did not engage an independent remuneration consultant to review remuneration practices for the Key Management Personnel.

Love Group Global Ltd Directors' Report – 30 June 2023

Non-executive Director remuneration policy

Non-executive Directors' fees and payments reflect the demands made on, and the responsibilities of, the non-executive Directors. The fees are determined within a pool limit, which is periodically reviewed and proposed changes recommended for approval by shareholders. The pool is currently limited to \$300,000 per annum. Non-executive directors do not receive performance-based pay. There are no retirement allowances for non-executive directors. No additional fees are payable to non-executive directors.

The following base fees, exclusive of superannuation contributions required under the Australian superannuation guarantee legislation currently apply.

	Date	Per Annum
Chairman - Terence Grigg	From 30 November 2017 to 30 June 2023 From 1 July 2023	\$36,000 \$42,000
Non-executive director - Tod McGrouther	From 1 February 2018 to 30 June 2023 From 1 July 2023	\$30,000 \$36,000

Executive remuneration and benefits

Executive payments currently consist of base salary plus statutory superannuation and other benefits. Base pay is structured as a total employment package which may be delivered as a combination of prescribed non-financial benefits at the executives' discretion. There are no guaranteed base pay increases in any executives' contracts.

Throughout the year all remuneration for key management personnel was fixed and not linked to performance except for shares and options issued under the employee incentive plan.

Details of remuneration

2023

Name	Short term benefit			Post-employment benefit		Total
	Cash Salary Consultancy & fees \$	Other \$	Equity settled Share Base Payment \$	Superannuation \$	Termination Benefit \$	
Non-executive directors						
T Grigg	36,000	-	-	-	-	36,000
T McGrouther	30,000	-	-	-	-	30,000
Executive directors						
M Ye	246,645	243,935	-	3,424	-	494,004
Total	312,645	243,935	-	3,424	-	560,004

No long service leave accrued in respect of any key management personnel.

2022

Name	Short term benefit			Post-employment benefit		Total
	Cash Salary Consultancy & fees \$	Other \$	Equity settled Share Base Payment \$	Superannuation \$	Termination Benefit \$	
Non-executive directors						
T Grigg	36,000	-	-	-	-	36,000
T McGrouther	30,000	-	-	-	-	30,000
Executive directors						
M Ye	229,923	13,301	-	3,192	-	246,416
Total	295,923	13,301	-	3,192	-	312,416

Love Group Global Ltd
Directors' Report – 30 June 2023

Executive remuneration and benefits (continued)

Details of remuneration (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
Non-executive directors						
T Grigg	100%	100%	-	-	-	-
T McGrouther	100%	100%	-	-	-	-
Executive directors						
M Ye	51%	95%	49%	5%	-	-

Service agreements

On appointment to the Board, all non-executive Directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Officer are also formalised in service agreements which include provision for participation in the Employee Incentive Plan.

Name	Term of agreement	Base salary including any superannuation	Other benefits
T Grigg¹ <i>Chairman</i>	Ongoing, commenced 30 November 2017 to 30 June 2023	\$36,000	Not Applicable
	From 1 July 2023	\$42,000	Not Applicable
T McGrouther¹ <i>Non-Executive Director</i>	Ongoing, commenced 1 February 2018 to 30 June 2023	\$30,000	Not Applicable
	From 1 July 2023	\$36,000	Not Applicable
M Ye¹ <i>Chief Executive Officer</i>	Ongoing and notice period six months commenced 1 June 2017 to 30 June 2023	\$229,923 + MPF contribution + Cash bonus under STI	Mobile phone and associated costs. Participation in Group health insurance plan
	From 1 July 2023	\$344,752 (HK\$1,812,191) + MPF contribution + Cash bonus under STI	Mobile phone and associated costs. Participation in Group health insurance plan

¹ Key management personnel have no entitlement to any termination benefit. Options lapse on termination are the decision of the Board.

Love Group Global Ltd
Directors' Report – 30 June 2023

Details of Equity Settled share-based compensation

2023

Name	Type	Grant Date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Non-executive directors								
T Grigg	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
T McGrouther	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Executive directors								
M Ye	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL

2022

Name	Type	Grant Date	Granted		Exercised		Forfeited	
			Number	Value	Number	Value	Number	Value
Non-executive directors								
T Grigg	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
T McGrouther	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Executive directors								
M Ye	N/A	N/A	NIL	NIL	NIL	NIL	NIL	NIL

Equity instruments held by Key Management Personnel

The number of shares, performance rights and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below.

2023		Balance at start of the year	Granted as compensation	Received during the year on exercise of options	Other changes during the year	Note	Balance at end of the year
Directors							
T.Grigg	Shares	-	-	-	-		-
	Options	-	-	-	-		-
T McGrouther	Shares	3,457,000	-	-	-		3,457,000
	Options	-	-	-	-		-
M Ye	Shares	10,200,000	-	-	1,300,318		11,500,318
	Options	-	-	-	-		-

2022		Balance at start of the year	Granted as compensation	Received during the year on exercise of options	Other changes during the year	Note	Balance at end of the year
Directors							
T.Grigg	Shares	-	-	-	-		-
	Options	-	-	-	-		-
T McGrouther	Shares	3,457,000	-	-	-		3,457,000
	Options	-	-	-	-		-
M Ye	Shares	9,000,000	-	-	1,200,000		10,200,000
	Options	-	-	-	-		-

Other transactions with Key Management Personnel

(a) Transactions with Key Management Personnel and their related parties

During the year ended 30 June 2023, the Company paid fees of \$3,691 to Ms. Zhu Aowen, wife of Mr. Michael Ye for the business development consultancy provided (2022: Nil).

(b) Outstanding balances arising from sales/purchases of goods and services, transactions

No outstanding balances with related parties during the year ended 30 June 2023 (2022: Nil).

(c) Loans to Key Management Personnel and their related parties

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2023 (2022: Nil).

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2022: Nil), not disclosed above or in note 20.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

END OF AUDITED REMUNERATION REPORT

Shares under option

There are no unissued ordinary shares of the Company under option at the date of this report for the year ended 30 June 2023 and 30 June 2022.

Shares issued on the exercise of options

The Company did not issue any shares during the year ended 30 June 2023 and up to date of this report on the exercise of options granted.

Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against any liability incurred as director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entities against a liability incurred as such an officer or auditor.

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.

Non-audit services

The Directors are satisfied that the provision of non-audit services during the period by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Board assesses the provision of non-audit services by the auditors to ensure that the auditor independence requirements of the *Corporations Act 2001* in relation to the audit are met.

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 18 to the financial statements.

The Directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity 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 issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

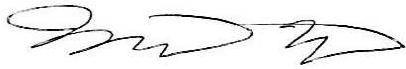
Officers of the company who are former partners of A D Danieli Audit Pty Ltd

There are no officers of the company who are former partners of A D Danieli Audit Pty Ltd.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, A D Danieli Audit Pty Ltd, to provide the Directors of Love Group Global Ltd with an Independence Declaration in relation to the audit of the attached Financial Statements. This Independence Declaration is included in this Financial Report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Michael Ye
Director
25 August 2023

Corporate Governance

The Company's Corporate Governance Statement, prepared in accordance with the third edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found at:
<https://www.lovegroup.co/investors.html>.

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A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

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Sydney NSW 2000
PO Box H88
Australia Square NSW 1215
ABN: 56 136 616 610
Ph: (02) 9290 3099
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Website:
www.addca.com.au

**Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Love Group Global Ltd
ABN 82 009 027 178
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the review.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Sydney, 25 August 2023

Love Group Global Ltd

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Revenue from continuing operations			
Dating Services		3,988,852	3,612,666
Interest Income		19,963	132
	5	<u>4,008,815</u>	<u>3,612,798</u>
Other Income	5	12,175	7,766
Expenses			
Auditing and accounting fees		65,685	54,662
Consulting fees		26,446	28,129
Depreciation and amortisation		166,058	60,549
Employee benefits expense - SG&A		1,423,336	1,087,111
Employee benefits expense - R&D		185,410	128,499
Event expenses		571	853
Finance costs		7,202	9,666
Insurance		3,546	12,825
Marketing expenses		1,425,307	1,749,081
Matchmaking expenses		20,596	5,182
Other expenses		196,033	175,235
Payment process fees		114,066	88,180
Recruitment expenses		4,822	5,805
Research and development		169,093	9,602
Travel expenses		116	149
Foreign exchange gains and losses		9,384	82
		<u>3,817,671</u>	<u>3,415,610</u>
Profit before income tax		203,319	204,954
Income tax	8	-	-
Profit for the year after income tax		203,319	204,954
Other comprehensive income for the year			
Exchange difference on conversion of foreign operations		(10,327)	(24,045)
Total comprehensive income for the year		192,992	180,909
Earnings per share for profit for continuing operations attributable to the ordinary equity holders of the Company			
		Cents	Cents
Basic earnings per share	7	0.5	0.5
Diluted earnings per share	7	0.5	0.5

The above statement should be read in conjunction with the accompanying notes.

Love Group Global Ltd

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	2,092,061	1,415,682
Trade and other receivables	10	8,474	2,950
Other assets	11	92,462	84,812
Total Current Assets		2,192,997	1,503,444
Non-current assets			
Plant and equipment	12	3,609	4,708
Right-of-use asset	12	-	90,950
Total Non-Current Assets		3,609	95,658
Total Assets		2,196,606	1,599,102
LIABILITIES			
Current liabilities			
Trade and other payable	13	537,281	245,543
Contract liabilities	14	908,327	729,670
Lease liabilities		-	64,514
Total Current Liabilities		1,445,608	1,039,727
Non-current assets			
Contract liabilities	14	263	1,632
Total Non-Current Assets		263	1,632
Total Liabilities		1,445,871	1,041,359
Net Assets		750,735	557,743
EQUITY			
Contributed equity	15	16,500,232	16,500,232
Reserves	16	(374,076)	799,085
Accumulated losses		(15,375,421)	(16,741,574)
Total Equity		750,735	557,743

The above statement should be read in conjunction with the accompanying notes.

Love Group Global Ltd

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency translation reserve \$	Total equity \$
Balance at 1 July 2021	16,500,232	1,162,834	(16,946,528)	(339,704)	376,834
Profit for the year	-	-	204,954	-	204,954
Other comprehensive loss	-	-	-	(24,045)	(24,045)
Total comprehensive income for the year	-	-	204,954	(24,045)	180,909
Balance at 30 June 2022	16,500,232	1,162,834	(16,741,574)	(363,749)	557,743
Balance at 1 July 2022	16,500,232	1,162,834	(16,741,574)	(363,749)	557,743
Profit for the year	-	-	203,319	-	203,319
Other comprehensive loss	-	-	-	(10,327)	(10,327)
Total comprehensive income for the year	-	-	203,319	(10,327)	192,992
Transfer of reserves	-	(1,162,834)	1,162,834	-	-
Balance at 30 June 2023	16,500,232	-	(15,375,421)	(374,076)	750,735

The above statement should be read in conjunction with the accompanying notes.

Love Group Global Ltd

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Cash flows from operating activities			
Receipts from customers		4,137,780	3,502,679
Payments to suppliers and employees		(3,368,377)	(3,353,706)
Interest paid		(7,202)	(9,666)
Other revenue		12,175	7,766
Interest received		18,476	135
Net cash from operating activities	25	<u>792,852</u>	<u>147,208</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>(2,824)</u>	<u>(5,431)</u>
Net cash (used in) investing activities		<u>(2,824)</u>	<u>(5,431)</u>
Cash flows from financing activities			
Payment of lease liabilities		<u>(144,035)</u>	<u>(160,417)</u>
Net cash (used in) financing activities		<u>(144,035)</u>	<u>(160,417)</u>
Net (decrease) in cash held		645,993	(18,640)
Cash and cash equivalents at the beginning of the year		1,415,682	1,384,036
Effects of exchange changes on the balances held in foreign countries		30,386	50,286
Cash and cash equivalents at the end of the year	9	<u>2,092,061</u>	<u>1,415,682</u>

The above statement should be read in conjunction with the accompanying notes.

Love Group Global Ltd
Notes to the Financial Statements
30 June 2023

Note 1: Summary of significant accounting policies

Love Group Global Ltd is a listed public company domiciled in Australia. The address of the Company's registered office is Level 8, 99 St Georges Terrace, Perth WA 6000. The financial statements are for the year ended 30 June 2023.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements were authorised for issue on 25 August 2023 by the Board of Love Group Global Ltd.

i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

b) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 21.

Note 1: Summary of significant accounting policies (continued)

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Love Group Global Ltd ('the Company' or 'the Parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Love Group Global Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d) Operating segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Further information is contained in Note 4.

Note 1: Summary of significant accounting policies (continued)

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

f) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Revenue is recognised for the major business activities as follows:

(i) Dating Services

It comprises of online, subscription fee, events, matchmaking services, dates and love academy.

- Matchmaking Income - Online:
Revenue derived from the provision of workforce mobilisation services and dating

Note 1: Summary of significant accounting policies (continued)

f) Revenue recognition (continued)

services via the internet is recognised when the Group has delivered services to the purchaser and there is no unfulfilled obligation that could affect the purchasers' acceptance of service.

- **Event Income:**
This relates to events held. Income is mainly derived through the sales of tickets. Revenue is recognised at a point in time upon delivery of the service to the customer.
- **Matchmaking Income - Consultation:**
This relates to revenue derived from Premium matchmaking services targeting singles seeking serious relationships and marriage. Service packages offered range from one month to twenty-four months. Revenue will be recognised over the service period and upon satisfaction of performance obligation.
- **Dates Income:**
This relates to revenue derived from restaurant commission and lounge business income. Revenue is recognised at a point in time upon delivery of the service to the customer.
- **Love Academy Income:**
This relates to revenue derived from photo-shooting and image consulting services. Revenue is recognised at a point in time upon delivery of the service to the customer.

g) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate 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 utilise those temporary differences and losses.

Deferred tax liabilities and assets 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 realise the asset and settle the liability simultaneously.

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

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Note 1: Summary of significant accounting policies (continued)

h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

i) Impairment of non-financial assets

Non-financial 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 the end of each reporting period.

j) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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 in current liabilities on the Statement of Financial Position.

k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for unexpected credit losses. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1: Summary of significant accounting policies (continued)

l) Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the straight line method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:

- Office leasehold, furniture and equipment; 1-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

m) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1: Summary of significant accounting policies (continued)

n) Goodwill

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

o) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 1: Summary of significant accounting policies (continued)

o) Investments and other financial assets (continued)

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

q) Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

r) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1: Summary of significant accounting policies (continued)

s) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

t) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

The Company established an Employee Share Ownership Plan, and issued share options and performance rights to employees under the Plan. The share options and performance rights constitute equity based payments in accordance with AASB 2 Share-Based Payments, and the options and performance rights have been valued in accordance with the requirements of AASB 2. The options have been valued by independent consultants who used appropriate pricing models to determine the value of the options. Performance rights are measured at fair value on grant date.

Note 1: Summary of significant accounting policies (continued)

u) 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.

v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at reporting date.

w) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

x) 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. Where the GST is not recoverable from the taxation authority 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 Statement of Financial Position.

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 flow.

y) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

Note 1: Summary of significant accounting policies (continued)

z) Share based payment

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the appropriate pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

aa) New and Amended Accounting Policies Adopted by the Group

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

Note 2: Financial risk management

a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets:

- Cash and cash equivalents
- Trade and other receivables

Financial Liabilities:

- Trade and other payables

The carrying amounts of the Group's financial assets and liabilities at the reporting date are:

	Year ended 30 June 2023 \$	Yer ended 30 June 2022 \$
Financial Assets		
Cash and cash equivalents	2,092,061	1,415,682
Trade and other receivables	8,474	2,950
Total Financial Assets	<u>2,100,535</u>	<u>1,418,632</u>
Financial Liabilities		
Trade and other payables	<u>537,281</u>	<u>245,543</u>
Total Financial Liabilities	<u>537,281</u>	<u>245,543</u>

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk and price 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.

The Group uses different methods to measure different types of risk to which it is exposed.

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Note 2: Financial risk management (continued)

a) General Objectives, Policies and Processes (continued)

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

(b) Interest rate risk

The Group's exposure to interest rates related primarily to the Group's cash deposits.

	Year ended 30 June 2023 \$	Yer ended 30 June 2022 \$
Cash and cash equivalents	<u>2,092,061</u>	<u>1,415,682</u>

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

The following sensitivity analysis is based on the interest rate risk relating to cash deposits at reporting date.

At 30 June 2023, if interest rates had increased or decreased by 50 basis points from the year end rates, as illustrated in the table below, with all other variables held constant, post-tax loss for the year would have been affected as follows:

	Year ended 30 June 2023 \$	Yer ended 30 June 2022 \$
Judgement of reasonable possible movement		
+0.5% (50 basis points)	10,460	7,078
-0.5% (50 basis points)	(10,460)	(7,078)

The movement in losses are due to higher/lower interest received. As the Group does not have any derivative instruments the movements in equity are those of profit only. A movement of + and - 0.5% is selected because this historically is within a range of rate movements.

(c) Foreign currency risk

The group operates internationally and is exposed to foreign currency risk from various currency exposures, primarily with respect to the HK dollars, Sterling pound, Singapore dollars, Thai Bhat and Chinese Renminbi.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were not significant.

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Note 2: Financial risk management (continued)

(d) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables. Cash is deposited with major banks in Australia, London, Thailand, Hong Kong and Singapore. Trade and other receivables are closely monitored and in most cases services are invoiced in advance or progressively, which limits the chance of financial loss.

The consolidated entity has a credit risk exposure, which as at 30 June 2023, customers owed the consolidated entity \$8,474 (2022: \$2,950). This balance was within its terms of trade and no impairment was made as at 30 June 2023. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

(e) Fair value

The carrying value of cash and cash equivalents, receivables and payables represent reasonable approximations of their fair values due to their short-term nature.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group has Total Liabilities of \$1,445,871 (2022: \$1,041,359) of which \$908,590 (2022: \$731,302) is recorded as payment received for services not yet delivered and nil lease liabilities (2022: \$64,514). The Group has trade and other receivables of \$8,474 (2022: \$2,950), trade and other payables of \$537,281 (2022: \$245,543), and total assets of \$2,196,606 (2022: \$1,599,102) of which \$2,092,061 (2022: \$1,415,682) consists of cash or cash equivalents providing the Board with comfort that the Group is solvent and can meet its payment obligations in full as they fall due.

Note 2: Financial risk management (continued)

(f) Liquidity risk (continued)

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2023	\$	\$
	0-6 Months	Carrying Amounts
Trade and other payables	537,281	537,281
	537,281	537,281
2022	\$	\$
	0-6 Months	Carrying Amounts
Trade and other payables	245,543	245,543
	245,543	245,543

Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting estimates and judgements will, by definition, seldom equal the related actual results. In the opinion of the Directors, below are estimates and judgements in the financial report that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue from contracts with customers in allocating the transaction price

When recognising revenue in relation to products or services rendered to customers, there are multiple performance obligations as defined in the contract. Management has allocated the transaction price to performance obligations based on either the goods or services that have been provided to the customer.

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Note 4: Operating segments

a) Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on differences in products and services provided: Dating services and Corporate.

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management who are identified as the Chief Operating Decision Makers (CODM) and that are used to make strategic decisions and in assessing performance. The Board considers the Group from both a business unit and geographic perspective and has identified two reportable segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported is on a monthly basis.

Type of products and services

The principal products and services of each of these operating segments are as follows:

Dating Services	the online, events, love academy and matchmaking services in Hong Kong, London, Singapore and Bangkok.
Corporate	indirect expenses which include auditing and accounting fees, employee benefits expenses for General and Administrative and Research and Development staff and office rent.
Geographical	services in Asia covering Hong Kong, Singapore and Bangkok, and Europe in London.

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Note 4: Operating segments (continued)

b) Operating segment information

Consolidated - 2023	Dating Services	Corporate	Total
	\$	\$	\$
Revenue			
Sales to external customers	3,988,852	-	3,988,852
Other Revenue	-	12,175	12,175
Total segment revenue	3,988,852	12,175	4,001,027
Interest revenue			19,963
Total Revenue			4,020,990
EBITDA	1,596,929	(1,247,515)	349,414
Depreciation and amortisation			(166,058)
Interest revenue			19,963
Profit before income tax expense			203,319
Income tax expense			-
Profit after income tax expense			203,319
Asset and Liabilities			
Asset	Dating Services	Corporate	Total
	\$	\$	\$
Segment assets	100,936	-	100,936
<i>Unallocated assets:</i>			
Cash and cash equivalents			2,092,061
Plant and equipment			3,609
Total assets	100,936	-	2,196,606
Liabilities	Dating Services	Corporate	Total
	\$	\$	\$
Segment Liabilities	1,139,661	306,210	1,445,871
Total Liabilities	1,139,661	306,210	1,445,871
Consolidated - 2022	Dating Services	Corporate	Total
	\$	\$	\$
Revenue			
Sales to external customers	3,612,666	-	3,612,666
Other Revenue	-	7,766	7,766
Total segment revenue	3,612,666	7,766	3,620,432
Interest revenue			132
Total Revenue			3,620,564
EBITDA	1,032,454	(767,083)	265,371
Depreciation and amortisation			(60,549)
Interest revenue			132
Profit before income tax expense			204,954
Income tax expense			-
Profit after income tax expense			204,954
Asset and Liabilities			
Asset	Dating Services	Corporate	Total
	\$	\$	\$
Segment assets	87,762	-	87,762
<i>Unallocated assets:</i>			
Cash and cash equivalents			1,415,682
Plant and equipment			95,658
Total assets	87,762	-	1,599,102
Liabilities	Dating Services	Corporate	Total
	\$	\$	\$
Segment Liabilities	1,027,383	13,976	1,041,359
Total Liabilities	1,027,383	13,976	1,041,359

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Note 4: Operating segments (continued)

Geographical information

	Sales to external customers	
	2023	2022
	\$	\$
Asia	3,988,686	3,574,174
Europe	166	38,492
	<u>3,988,852</u>	<u>3,612,666</u>

No individual customer constitutes more than 10% of revenue.

Note 5: Revenue

	2023	2022
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Dating Services	3,988,852	3,612,666
Interest Income	19,963	132
	<u>4,008,815</u>	<u>3,612,798</u>
<i>Other Income</i>	<u>12,175</u>	<u>7,766</u>
	12,175	7,766
Total revenue and other income	<u>4,020,990</u>	<u>3,620,564</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 2023	Matchmaking							Total
	Dates	Event	Love Academy	Consulting	Online	Interest Income	Others	
	\$	\$	\$	\$	\$	\$	\$	\$
Australia	-	-	-	-	-	18,327	-	18,327
Bangkok	-	-	-	153,456	552	365	-	154,373
China	-	-	-	-	-	1	-	1
Hong Kong	-	3,614	27,542	2,820,443	82,111	1,270	12,175	2,947,155
London	-	-	-	-	166	-	-	166
Singapore	-	-	-	896,715	4,253	-	-	900,968
	-	3,614	27,542	3,870,614	87,082	19,963	12,175	4,020,990
Timing of revenue Recognition								
Goods transferred at a point in time	-	3,614	27,542	-	-	-	12,175	43,331
Services transferred over time	-	-	-	-	87,082	19,963	-	107,045
Services transferred at a point in time	-	-	-	3,870,614	-	-	-	3,870,614
	-	3,614	27,542	3,870,614	87,082	19,963	12,175	4,020,990

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Note 5: Revenue (continued)

Consolidated - 2022	Matchmaking							Total
	Dates	Event	Love Academy	Consulting	Online	Interest Income	Others	
	\$	\$	\$	\$	\$	\$	\$	\$
Australia	-	-	-	-	-	84	-	84
Bangkok	2,193	-	-	194,060	1,525	36	-	197,814
China	-	-	-	1,101	-	2	-	1,103
Hong Kong	135,078	15,106	-	2,354,673	11,924	10	5,675	2,522,466
London	-	-	-	-	38,492	-	-	38,492
Singapore	58,745	102	-	795,944	3,723	-	2,091	860,605
	196,016	15,208	-	3,345,778	55,664	132	7,766	3,620,564
Timing of revenue Recognition								
Goods transferred at a point in time	196,016	15,208	-	-	-	-	7,766	218,990
Services transferred over time	-	-	-	-	55,664	132	-	55,796
Services transferred at a point in time	-	-	-	3,345,778	-	-	-	3,345,778
	196,016	15,208	-	3,345,778	55,664	132	7,766	3,620,564

Note 6: Expenses

Profit/(Loss) before income tax includes the following specific expenses:	2023 \$	2022 \$
Continuing Operation		
Depreciation		
Office furniture, equipment and leasehold	166,058	60,549
Total depreciation and amortisation	<u>166,058</u>	<u>60,549</u>
Superannuation contribution expense	18,285	36,099

Note 7: Earnings per share

	2023 Cents	2022 Cents
a) Basic and Diluted¹ earnings per share		
Total basic earnings attributable to the ordinary equity holders of the Company	<u>0.5</u>	<u>0.5</u>
b) Reconciliation of profit used in calculating earnings per share		
Net profit for the year attributable to the ordinary equity holders of the Company used to calculate earnings per share – basic and diluted ¹ .	<u>203,319</u>	<u>204,954</u>
	Number	Number
Weighted average number of ordinary shares outstanding during the year used to calculate earnings per share	<u>40,534,169</u>	<u>40,534,169</u>

¹Diluted earnings per share is the same as basic earnings per share because the options and performance rights on issue are anti-dilutive.

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Note 8: Income tax

	2023 \$	2022 \$
Unused tax losses for which no deferred tax asset has been recognised:		
Revenue loss	<u>2,757,388</u>	<u>2,703,213</u>
Potential tax benefit at 25% (2022:25%)	<u>689,347</u>	<u>675,803</u>

The Company has incurred tax losses and no tax liability for the financial year (2022: Nil).

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain. The benefit of these deferred tax assets will only be obtained if:

- (1) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
- (2) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (3) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

Note 9: Current assets – Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	1,842,061	1,163,667
Term deposits	<u>250,000</u>	<u>252,015</u>
	<u>2,092,061</u>	<u>1,415,682</u>

Cash at bank and in hand earn no interest (2022: Nil). Deposits earn between 0.5% to 4.3% (2022: 0.5% - 1.0%).

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Note 10: Current assets – Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	8,474	2,950
	<u>8,474</u>	<u>2,950</u>

Allowance for expected credit losses

The consolidated entity did not recognise any loss (2022:Nil) in profit and loss in respect of the expected credit losses for the year ended 30 June 2023.

Trade receivables ageing as follows:

2023	\$	\$	\$	\$
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade receivables	8,474	-	-	8,474
	<u>8,474</u>	<u>-</u>	<u>-</u>	<u>8,474</u>
2022	\$	\$	\$	\$
	0-6 Months	6-12 Months	>12 Months	Carrying Amounts
Trade receivables	2,950	-	-	2,950
	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>2,950</u>

Note 11: Current assets – Other assets

	2023	2022
	\$	\$
Deposits	53,616	72,055
Prepayments	38,846	12,757
	<u>92,462</u>	<u>84,812</u>

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Note 12: Non-current asset

(a) Plant and Equipment

	Office furniture & equipment \$	Leasehold Improvement \$	Total \$
Year ended 30 June 2023			
Net carrying amount at the beginning of the year	4,242	466	4,708
Additions	2,824	-	2,824
Depreciation expense	(3,457)	(466)	(3,923)
Net carrying amount at the end of the year	<u>3,609</u>	<u>-</u>	<u>3,609</u>
At 30 June 2023			
Cost	32,016	73,913	105,929
Accumulated depreciation	(28,407)	(73,913)	(102,320)
Net carrying amount	<u>3,609</u>	<u>-</u>	<u>3,609</u>
Year ended 30 June 2022			
Cost	29,192	73,913	103,105
Accumulated depreciation	(24,950)	(73,447)	(98,397)
Net carrying amount	<u>4,242</u>	<u>466</u>	<u>4,708</u>
Net carrying amount at the beginning of the year	6,029	2,743	8,772
Additions	5,431	-	5,431
Depreciation expense	(7,218)	(2,277)	(9,495)
Net carrying amount at the end of the year	<u>4,242</u>	<u>466</u>	<u>4,708</u>

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Note 12: Non-current asset (continued)

(b) Right of Use Assets and Lease Liabilities

Right of Use Assets

Recognised right-of-use assets related to the following type of assets:

	30 June 2023	30 June 2022
	\$	\$
Land and buildings	-	90,950
	<u>-</u>	<u>90,950</u>

Set out below are the carrying amount of the Group's right-of-use assets and the movement during the period:

Land and buildings

Carrying value	30 June 2023	30 June 2022
	\$	\$
Opening balance at 1 July	90,950	181,836
Improvements/(Reductions)	71,185	(39,832)
Depreciation expenses	(162,135)	(51,054)
Net carrying amount as at 30 June	<u>-</u>	<u>90,950</u>

Lease Liabilities	30 June 2023	30 June 2022
	\$	\$
Current	-	64,514
Non-Current	-	-
	<u>-</u>	<u>64,514</u>

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Note 13: Current liabilities – Trade and other payables

	2023	2022
	\$	\$
Trade payables	178,047	107,538
Other payables and accruals	30,652	68,983
Employee benefits	328,582	69,022
	<u>537,281</u>	<u>245,543</u>

Note 14: Current and Non-Current liabilities - Contract liabilities

	2023	2022
	\$	\$
Current	908,327	729,670
Non-current	263	1,632
	<u>908,590</u>	<u>731,302</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
	\$	\$
Opening balance	731,302	791,882
Payment received in advance in current financial year	4,079,059	3,496,421
Transfer to revenue - included in the opening balance	(729,670)	(788,834)
Transfer to revenue - performance obligations satisfied in current financial year	(3,172,101)	(2,768,167)
Closing balance	<u>908,590</u>	<u>731,302</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$908,590 as at 30 June 2023 (\$731,302 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	2023	2022
	\$	\$
Within 6 months	742,001	605,972
6-12 months	166,326	123,698
12-18 months	223	1,502
18-24 months	40	130
	<u>908,590</u>	<u>731,302</u>

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Note 15: Contributed equity

	NUMBER OF SHARES		SHARE CAPITAL	
	2023	2022	2023	2022
			\$	\$
Ordinary shares - fully paid (no par value)	40,534,169	40,534,169	16,500,232	16,500,232
Total Share Capital			<u>16,500,232</u>	<u>16,500,232</u>

a) Movements in ordinary share capital

DETAILS	ORDINARY	Issue	2023	2022
	SHARES	Price		
	No	\$	\$	\$
Balance at start of period	<u>40,534,169</u>		<u>16,500,232</u>	<u>16,500,232</u>
Balance at end of period	<u>40,535,169</u>		<u>16,500,232</u>	<u>16,500,232</u>

b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

c) Options

No shares under option as at 30 June 2023 (2022: nil).

d) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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Note 16: Reserves

	30-Jun 2023 \$	30-Jun 2022 \$
Share-based payment reserve	-	1,162,834
Foreign currency translation reserve	(374,076)	(363,749)
	<u>(374,076)</u>	<u>799,085</u>
	30-Jun 2023 \$	30-Jun 2022 \$
Share-based payment reserve		
Balance at the beginning of the year	1,162,834	1,162,834
Movement during the year	(1,162,834)	-
Balance at the end of the year	<u>-</u>	<u>1,162,834</u>
Foreign currency translation reserve		
Balance at the beginning of the year	(363,749)	(339,704)
Movement during the year	(10,327)	(24,045)
Balance at the end of the year	<u>(374,076)</u>	<u>(363,749)</u>
Total reserves	<u>(374,076)</u>	<u>799,085</u>

Share-based payment reserve

The share-based payments reserve is used to recognise the expense of the fair value at grant date of options and performance rights granted to employees but not exercised and to recognise the fair value of shares issued to an employee under a limited recourse loan which is not yet due to be repaid.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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Note 16: Reserves (continued)

	30-Jun-23		30-Jun-22	
	No	\$	No	\$
Options over fully paid ordinary shares				
Balance at beginning of year	-	513,098	-	513,098
Expiry of options	-	(513,098)	-	-
Balance at end of year	-	-	-	513,098
Weighted average exercise price of outstanding options (Cents)	-	-	-	-
Weighted average remaining life of outstanding options (Year)	-	-	-	-
Performance Rights				
Balance at beginning of year	2,000,000	649,736	2,000,000	649,736
Expiry of performance rights	(2,000,000)	(649,736)	-	-
Balance at end of year	-	-	2,000,000	649,736
Total share-based payment reserves		-		1,162,834

Note 17: Key management personnel disclosures

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the consolidated entity's Key Management Personnel.

The aggregate compensation made to Key Management Personnel is set out below:

	2023	2022
	\$	\$
Key management personnel compensation		
Short term employee benefits	312,645	295,923
Post-employment benefits	3,424	3,192
Other benefits	243,935	13,301
	560,004	312,416

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Note 18: Remuneration of auditors

	2023 \$	2022 \$
i) Audit and other assurance services:		
RSM Australia and Partners: Audit and review financial statements	14,000	41,500
A D Danieli Audit: Audit and review financial statements	23,000	-
Total remuneration for audit and assurance services	37,000	41,500
ii) Audit and other assurance services provided by related practice of the auditor		
RSM Hong Kong: Audit and review financial statements	-	6,993
Total remuneration for audit and assurance services	-	6,993
iii) Non-assurance services provided by related practice of the auditor		
RSM Australia and Partners: Taxation services	-	6,000
A D Danieli: Taxation services	4,000	-
Total non-assurance services	4,000	6,000
Total remuneration	41,000	54,493

Note 19: Commitments

a) Capital commitments

The Group had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2022: Nil).

b) Operating leasing commitments - Premises

At 30 June 2023, the Group had the following commitments in relation to operating lease contracted for at the reporting date but not recognised as liabilities.

	2023 \$	2022 \$
Non cancellable operating lease contracted for but not capitalised in financial statements		
Payable - minimum lease payment		
- not later than 12 months	19,996	-
- between 12 months and 5 years	-	-
	19,996	-

Note 20: Related party transactions

Key Management Personnel and transactions with other related parties

Disclosures relating to Key Management Personnel are set out in Note 17 and the Remuneration Report included in the Directors' Report.

a) Transactions with Key Management Personnel and their related parties

During the year ended 30 June 2023, the Company paid fees of \$3,691 to Ms. Zhu Aowen, wife of Mr. Michael Ye for the business development consultancy provided (2022: Nil).

b) Outstanding balances arising from sales/purchases of goods and services, transactions

No outstanding balances with related parties during the year ended 30 June 2023 (2022: Nil).

c) Loans to Key Management Personnel and their related parties

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2023 (2022: Nil).

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2022: Nil).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

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30 June 2023

Note 21: Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023, the parent entity of the Group was Love Group Global Ltd. The following information relates to the parent entity and has been prepared using accounting policies that are consistent with those presented in Note 1.

a) Summary financial information

	2023	2022
	\$	\$
Result of parent entity		
Loss for the year after tax	(54,090)	(213,430)
Total comprehensive loss for the year	<u>(54,090)</u>	<u>(213,430)</u>
Financial position of parent entity at year end		
Current assets	1,392,102	257,147
Total assets	<u>1,392,102</u>	<u>257,147</u>
Current liabilities	(1,549,336)	(360,291)
Total liabilities	<u>(1,549,336)</u>	<u>(360,291)</u>
Net liabilities	<u>(157,234)</u>	<u>(103,144)</u>
EQUITY		
Contributed equity	16,500,232	16,500,232
Reserves	(16,781,762)	(15,761,248)
Accumulated loss	124,296	(842,128)
Total Deficiency in Equity	<u>(157,234)</u>	<u>(103,144)</u>

b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in respect of its subsidiaries (2022: Nil).

c) Contingent liabilities

The parent entity has no contingent liabilities (2022: Nil).

d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity has no contractual commitments for the acquisition of property, plant and equipment (2022: Nil).

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Love Group Global Ltd
Notes to the Financial Statements
30 June 2023

Note 22: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(c).

Name of entity	Country of Incorporation	Class of Shares	Equity Holding	
			30-Jun-23	30-Jun-22
Datetix Solutions Pty Ltd (formerly PRM Cloud Solutions Pty Ltd) (incorporated on 18 August 2014)	Australia	Ordinary	100%	100%
Love Group Hong Kong Limited (formerly Datetix Limited) (incorporated on 18 February 2013, acquired on 23 November 2015)	Hong Kong	Ordinary	100%	100%
Love Group Pte Limited (formerly Datetix Pte Limited) (incorporated on 4 January 2016)	Singapore	Ordinary	100%	100%
Datetix China Limited (incorporated on 6 January 2016)	China	Ordinary	100%	100%
Lovestruck Limited (incorporated on 27 June 2006, acquired on 31 July 2016)	London	Ordinary	100%	100%
Lovestruck Co., Ltd (formerly Noonswoon Co., Ltd) (incorporated on 10 May 2013, acquired on 19 December 2016)	Bangkok	Ordinary	100%	100%

Note 23: Events occurring after the reporting period

There are no matters or circumstances which have arisen since 30 June 2023 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 24: Contingent liabilities

There were no contingent liabilities for the Group at 30 June 2023 (2022:Nil).

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Note 25: Reconciliation of Profit/(Loss) after income tax to net cash outflow from operating activities

	2023 \$	2022 \$
Profit for the year	203,319	204,954
Adjustment for:		
Depreciation and amortisation	166,058	60,549
Foreign exchange differences	(10,327)	(24,045)
Net non-cash operating expenses	(23,419)	(35,796)
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(5,524)	(922)
(Increase)/decrease in loans and other assets	(7,650)	4,058
Increase/(decrease) in trade and other payables	470,395	(61,590)
Net Cash from operating activities	<u>792,852</u>	<u>147,208</u>

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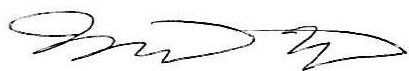
Directors' declaration

In the opinion of the Directors:

- (a) The attached financial statements and notes thereto 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 2023 and of its performance for the year ended on that date;
 - ii) Complying with Accounting Standards, *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a)(i).
- (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.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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



Michael Ye
Director
Hong Kong
25 August 2023



A D Danieli Audit Pty Ltd

Authorised Audit Company
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Audit & Assurance Services

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**Independent Auditor's Report
To the Members of Love Group Global Ltd
ABN 82 009 027 178
And Controlled Entities**

Report on the audit of the Financial Report

Opinion

We have audited the consolidated financial report of Love Group Global Ltd and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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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 our Audit Addressed the Key Audit Matter
<i>Revenue Recognition</i>	
The group had revenue of \$3,988,852 (2022: \$3,612,666) during the year, of which \$908,590 (2022: \$731,302) was classified as contract liabilities.	We have evaluated the appropriateness of management's assessment regarding the recognition of revenue and the allocation between revenue and contract liabilities. Based on our procedures, we are satisfied that the revenue and contract liabilities are fairly stated.

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 2023, 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have 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 our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 14 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Love Group Global Ltd, for the year ended 30 June 2023, 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.

A D Danieli Audit Pty Ltd



Sam Danieli
Director
Sydney, 25 August 2023



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Shareholder information

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 24 August, 2023

(a) Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Size of holding	Number of Shareholders
100,001 and Over	16
10,001 - 100,000	66
5,001 - 10,000	27
1,001 - 5,000	30
1 - 1,000	10
Total	149

There were no holders of less than a marketable parcel of ordinary shares.

(b) Quoted Equity security holders

Twenty largest quoted equity security holders

	Name	Quoted Ordinary Share held	Percentage of Issue shares
1	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	11,982,308	29.56%
2	MICHAEL YE	11,500,318	28.37%
3	HAO YE	3,860,000	9.52%
4	PACIFIC DEVELOPMENT CAPITAL LIMITED	3,457,000	8.53%
5	BNP PARIBAS NOMS PTY LTD <DRP>	1,508,965	3.72%
6	MR BOBBY VINCENT LI	1,435,018	3.54%
7	CITICORP NOMINEES PTY LIMITED	1,150,960	2.84%
8	MISS ALICE JANE LI	874,940	2.16%
9	MISS NICOLE GEK LEN TAN	424,293	1.05%
10	BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	300,001	0.74%
11	MS RITA HANNA	280,000	0.69%
12	MR LAURENCE PETER HOLLOWAY	272,000	0.67%
13	EAST MIDLANDS EARLY GROWTH FUND LTD	240,000	0.59%
14	MR MARK WILLIAM THACKER <THE BLACKTHACK FAMILY A/C>	161,501	0.40%
15	MR MELVYN VALENTINE + MRS KERRY VALENTINE <THE VALENTINE FAMILY S/F A/C>	105,001	0.26%
16	MR DAVID JOHN FORREST	100,000	0.25%
17	MR DECLAN REDDINGTON	100,000	0.25%
18	MRS CATHERINE BECKER	100,000	0.25%
19	MR MAKRAM HANNA + MRS RITA HANNA <HANNA & CO P/L SUPER A/C>	99,975	0.25%
20	MS LI LIN	92,648	0.23%
		38,044,928	93.86%

Shareholder information (Continued)

(c) Substantial holders

Substantial holders in the Company are set out below:

Ordinary Shares	Number Held	Percentage
Sandhurst Trustees Ltd <IMFG CONSOL A/C>	11,982,308	29.56%
Michael Ye	11,500,318	28.37%
	23,482,626	57.93%

(d) Voting rights

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

(i) Ordinary Shares

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

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Corporate Directory

Board of Directors

Terence Grigg, Non-executive Chairman
Michael Ye, Chief Executive Officer
Tod McGrouther, Non-executive director

Company Secretary

Minerva Corporate Pty Ltd
- Nicholas Ong

Websites

www.lovegroup.co

Registered Office

Level 8, 99 St Georges Terrace
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Auditor

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Share Registry

Advanced Share Registry Services Limited
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