

For personal use only



STREAMPLAY
STUDIO

STREAMPLAY STUDIO LIMITED

(formerly Emerge Gaming Limited)
and its Controlled Entities
ABN 31 004 766 376
Financial Report
For the Year Ended
30 June 2023



Contents

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	14
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	17
CONSOLIDATED STATEMENT OF CASH FLOWS	18
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	19
NOTES TO THE FINANCIAL STATEMENTS	20
DIRECTORS' DECLARATION	50
INDEPENDENT AUDITOR'S REPORT	51
ADDITIONAL ASX INFORMATION	56

CORPORATE DIRECTORY

Streamplay Studio Limited (ABN 31 004 766 376)

Directors

Mr Bert Mondello - Non-Executive Chairman
Mr Philip Re - Non-Executive Director
Mr Firdhose Coovadia - Non-Executive Director

Company Secretary

Mr Derek Hall

Registered Office

Level 5
126-130 Philip Street
Sydney NSW 2000

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: SP8

Share Registry

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000
Phone: +61 8 9324 2099
Email: hello@automic.com.au

Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

DIRECTORS' REPORT

The Directors present their report with respect to the results of Streamplay Studio Limited ("Streamplay" or "the Company") and its controlled entity ("the Group") for the year ended 30 June 2023 ("the Balance Date") and the state of affairs of the Company and the Group at Balance Date.

DIRECTORS

The names of the Company's Directors who held office during the year and until the date of this report are as follows:

Mr Bert Mondello (Non-executive Chairman)

Mr Philip Re (Non-executive Director)

Mr Firdhose Coovadia (Non-executive Director)

Mr Gregory Stevens (Non-executive Director) – resigned 28 November 2022

Mr Jonathan Hart (Non-executive Director) – resigned 21 November 2022

The names, qualifications and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Bert Mondello (Non-executive Chairman) – appointed 16 April 2018

LLB

Mr Bert Mondello has more than 20 years' experience across both the private and public sectors. As an Executive, Mr Mondello has substantial capital markets experience and knowledge of equity markets having participated in company restructures, IPOs, RTOs, investor placements and seed raisings. With experience spanning the retail and institutional sectors and extensive knowledge of marketing communications and investor relations, Mr Mondello has provided strategic corporate advice to a number of organisations across multiple industries. Mr Mondello holds a Bachelor of Laws from The University of Notre Dame, Australia.

Special responsibilities: Remuneration and Nomination Committee

Other current directorships of listed companies: Douugh Limited and Vection Technologies Limited

Former directorships of Listed Companies in the last three years: Sinetech Limited and WestStar Industrial Limited

Mr Philip Re (Non-executive Director) – appointed 21 June 2017

BBus, CA, CSA, MAICD

Mr Philip Re is a Chartered Accountant, Chartered Secretary and a Member of the Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. Mr Re has held several board positions on various ASX listed companies over the years.

Special responsibilities: Remuneration and Nomination Committee

Other current directorships of listed companies: WestStar Industrial Limited and Corella Resources Ltd

Former directorships of Listed Companies in the last three years: The Agency Group Limited

Mr Firdhose Coovadia (Non-executive Director) – appointed 25 October 2018

BCom, BAcc, CA

Mr Coovadia has over 24 years of experience in investment banking, private equity, audit and investment gained in a variety of institutions including, KPMG, UBS Warburg, The National Investor and Essar Global Fund Limited. Mr Coovadia has extensive experience in emerging markets, having been involved in advising governments, parastatals and companies on the African continent, India, Europe, the U.S.A. and in the Middle East. Mr Coovadia is a qualified Chartered Accountant with a bachelors and honours degree in Commerce and Accounting from the University of Witwatersrand, South Africa.

Special responsibilities: Nil

Other current directorships of listed companies: Nil

Former directorships of Listed Companies in the last three years: Nil

DIRECTORS' REPORT

Company Secretary

Mr Derek Hall – appointed 16 April 2018

BCom, CA, FGIA, FFin

Mr Hall is a Chartered Accountant, Fellow of the Financial Services Institute and Fellow of the Governance Institute.

Interest in Securities of the Company and related bodies corporate

As at the date of this report, the interest of the directors in the shares and options of Streamplay Studio Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares	Number of Performance Shares
Mr B Mondello	21,787,502	-	4,500,000
Mr P Re	-	-	4,500,000
Mr F Coovadia	4,500,000	-	4,500,000

MEETINGS OF DIRECTORS

During the financial year, six meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to Attend	Attended
Mr G Stevens	2	2
Mr B Mondello	6	6
Mr P Re	6	6
Mr J Hart	2	2
Mr F Coovadia	6	6

*Mr G Stevens and Mr J Hart resigned as director on 28 November 2022 and 21 November 2022 respectively.

GENERAL

With effect from 12 December 2022, the name of the Company was changed from Emerge Gaming Limited to Streamplay Studio Limited.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was operating and further development of a competitive social gaming platform technology offering eSports and gaming experiences through associated white label versions of this platform.

CONSOLIDATED RESULTS

The consolidated operating loss of the Group after income tax amounted to \$3,450,188 (2022: profit of \$6,810,493).

In terms of operating expenses, the Company posted total expenses of \$5.74M (2022: \$1.64M) consisting of consulting fees (\$870k), research and development cost (\$1.05M), allowance for credit losses (\$2.66M) with the balance to admin and other costs (\$1.16M).

In terms of continuing operations, the Company generated \$1,761,815 in ordinary revenues.

Cash at bank of \$15,403,743 of which \$6,403,743 reported in cash and cash equivalents and \$9,000,000 invested in long dated term deposits.

Review of Operations

DIRECTORS' REPORT

Streamplay is a leading provider of competitive casual gaming eSports technology, cloud gaming technology and other VAS products. The Company offers a diverse range of entertainment solutions for its users, including the ability to stream and play games, music, and gain access to various traditional telco services all in one place.

Streamplay owns and operates online "Competitive Social Gaming Platform" and bespoke "Cloud Gaming" technologies. This IP and related services enable cutting-edge online casual gaming tournament and competition facilitation platforms where subscribers enter tournaments, play their favourite casual games, and earn rewards and prizes while engaging socially. Music and entertainment content streaming services are also part of this offering with the Company in the final stages of introducing Sports streaming content.

Streamplay operates through an established B2B2C business model partnering with multinational Mobile Network Operators ("MNO"s) in South Africa and the Pacific Islands, namely 'MTN Arena', 'MTN Arena Plus', 'mGames' and 'mJams'.

Customer receipts are derived from user subscription revenues and token sales.

Tournament Platform Technology

Streamplay's platform technology represents an advanced competitive social gaming platform designed to provide a unique gaming experience and content for players across a wide range of game titles and skill levels.

One of the standout features of the tournament platform is its mobile-centric technology, which seamlessly integrates hundreds of casual games. This integration allows players to instantly launch and enjoy embedded games within the platform, all without the need for downloads. This innovation not only ensures automated result tracking but also opens doors to a potential market of 3.2 billion gamers worldwide. Mobile casual and social gamers can now engage in integrated games on their smartphones and tablets, competing for exciting prizes. These integrated casual games are displayed in full screen, delivering a seamless and competitive mobile gaming experience.

Over the past year, Streamplay invested not only in advancing its technology by introducing new features, but also to fully white-label the platforms so as to ensure faster time-to-live deployments in new markets without compromising on flexibility to fully customise and localise each product. These additions have improved the overall efficiency of the product development lifecycle and help ensure that all markets will benefit from future updates without duplication or disruption.

Streamplay has also successfully developed and deployed its own proprietary browser-based game streaming technology, fully owned by the Company. This technology features a configurable touch-enabled on-screen controller for mobile devices as well as the ability to make use of popular physical Xbox or PlayStation gaming controllers paired via Bluetooth. This versatile technology can be seamlessly incorporated into Streamplay's existing competitive social gaming platform or launched as a separate product.

In addition to these developments, Streamplay has taken a significant step by establishing its own game studio dedicated to producing and developing bespoke gaming content. This studio collaborates closely with the Company's game streaming platform developers to create proprietary libraries of short-form, competition-ready premium games, having developed SDK's for both Unity and Unreal game engines. These custom-developed games boast console-quality graphics and immersive sound content, offering players engaging gaming experiences with a strong competitive replay value. Streamplay's game studio aims to leverage advanced game engine tools to deliver cutting-edge content and interactive experiences through efficient and cost-effective game development processes.

In the current financial year, Streamplay has:

- Acquired a profitable telco value-added service (VAS) business focussed on the Pacific region;
- Integrated the new business and enabled the launch its existing product suite into the Pacific region including Fiji, Tonga and American Samoa;
- Changed its name to Streamplay Studio Limited to better reflect its broader range of products;
- Signed new partnerships with MNOs in the Pacific including Digicel in Fiji and PNCC in Palau;
- Renewed its eSports 'Service Provider' status, gained investment into its Game Studio, and launched a new cloud gaming product ('MTN Arena Plus') with MTN in South Africa;
- Engaged in R&D activities to further improve its game streaming technology, head-to-head competition, extended brand engagement features, new social engagement features and AI (Artificial Intelligence)-powered generative content for text-based competitive gaming;

Financial Position

The net assets of the Group have decreased from \$19,282,546 at 30 June 2022 to \$16,364,390 at 30 June 2023. As at the Reporting Date, the Group had working capital of \$14,582,445 (2022: \$18,538,267).

DIRECTORS' REPORT

DIVIDENDS

No dividends were declared or paid during the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company and its controlled entities that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report. Reference should be made to the subsequent events note for changes in the state of affairs after Reporting Date.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

FUTURE DEVELOPMENTS

Other than information disclosed elsewhere in this annual report, likely future developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Directors' Report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not currently subject to any significant environmental regulations under either Commonwealth or State law.

INDEMNITY AND INSURANCE OF OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a 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 of any related body corporate against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF 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 intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. No proceedings have been brought or intervened in or on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

During the year, no non-audit services were provided by the Company's auditor Hall Chadwick WA Audit Pty Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 14 of this report.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and executives of Streamplay Studio Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations.

For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of key management personnel

Mr Bert Mondello	Non-Executive Chairman	Appointed 16 April 2018
Mr Philip Re	Non-Executive Director	Appointed 21 June 2017
Mr Firdhose Coovadia	Non-Executive Director	Appointed 25 October 2018
Mr Gregory Stevens	Non-Executive Director	Resigned 28 November 2022
Mr Jonathan Hart	Non-Executive Director	Resigned 21 November 2022

Remuneration Policy

The remuneration policy of Streamplay Studio Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives.

The Board of Streamplay Studio Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, is developed and approved by the board after seeking professional advice from independent external consultants as required. In the years presented, no external consultants have been used.
- All executives receive a base salary or fee (which is based on factors such as length of service and experience).
- The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

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

Streamplay Studio Limited received more than 95% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Loans to Directors and Executives

There were no loans to directors and executives during the financial year ended 30 June 2023.

DIRECTORS' REPORT

Non-Executive Director Remuneration

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. In the current year, no advice was sought.

Upon appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of the director.

The key terms of the non-executive director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review and the Company's constitution
- Non-Executive Directors' Fees of \$48,000 per annum
- Non-Executive Chairman's Fees of \$60,000 per annum
- There is a 6-month notice period stipulated to terminate the contract by either party

The maximum aggregate amount of fees that can be paid to non-executive directors is currently fixed at \$250,000 with any change in this amount subject to approval by shareholders at the Annual General Meeting.

The Company does not have a Director's Retirement Scheme in place at present.

Service Contracts

It is the Company's policy that service contracts for executive directors and senior executives be entered into. A service contract with an executive director or senior executive would provide for the payment of benefits where the contract is terminated by the entity or the individual.

The executive directors and senior executives would also be entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. An executive director or senior executive would have no entitlement to termination payment in the event of removal for misconduct.

DIRECTORS' REPORT

Remuneration of key management personnel

Table 1: Remuneration for the year ended 30 June 2023

Key Management Personnel – 30 June 2023	Short-term Benefits Cash, salary and commissions \$	Share-based Payment Shares and Options \$	Post-employment Benefits \$	Total \$	Remuneration consisting of shares and options for the year %
Non-Executive Directors					
Mr B Mondello	60,000	77,050	-	137,050	56%
Mr P Re	48,000	77,050	-	125,050	62%
Mr F Coovadia	48,000	77,050	-	125,050	62%
Mr G Stevens*	99,000	77,050	-	176,050	44%
Mr J Hart*	52,000	77,050	-	129,050	60%
Sub-total	307,000	385,250	-	692,250	

*Mr G Stevens and Mr J Hart resigned as director on 28 November 2022 and 21 November 2022 respectively.

Table 2: Remuneration for the year ended 30 June 2022

Key Management Personnel – 30 June 2022	Short-term Benefits Cash, salary and commissions \$	Share-based Payment Shares and Options \$	Post-employment Benefits \$	Total \$	Remuneration consisting of shares and options for the year %
Non-Executive Directors					
Mr B Mondello	60,000	77,050	-	137,050	56%
Mr P Re	48,000	77,050	-	125,050	62%
Mr J Hart	48,000	77,050	-	125,050	62%
Mr F Coovadia	48,000	77,050	-	125,050	62%
Mr R Hersov	28,000	-	-	28,000	0%
Sub-total	232,000	308,200	-	540,200	
Executive Directors*					
Mr G Stevens	180,000	77,050	-	257,050	30%
Sub-total	180,000	77,050	-	257,050	
Total	412,000	385,250	-	797,250	

*Mr Stevens was an Executive Director for the majority of the 2022 financial, He became a Non-executive Director on 3 May 2022.

DIRECTORS' REPORT

Compensation Options: Granted and vested during the year (consolidated)

There were no compensation options granted to or exercised by directors or other Key Management Personnel during the financial year. In addition, no directors or senior executives exercised options that were granted to them as part of their compensation during the financial year.

Share-based payment arrangements relating to key management personnel

There were no new grants of share-based payments to key management personnel during the year. The value attributed in the current year to share based payments relates to the value of securities vested, granted as compensation in the 2021 financial year.

Table 3: Shareholdings of key management personnel (consolidated)

Shares held in Streamplay Studio Limited (number) by key management personnel are:

Share holdings of key management personnel	Balance 1.7.2022 Ord	Granted as compensation Ord	Net Change Other Ord	Balance 30.6.2023 Ord
Directors				
Mr G Stevens*	35,705,530	-	-	35,705,530
Mr B Mondello	21,787,502	-	-	21,787,502
Mr P Re	-	-	-	-
Mr J Hart*	26,975,000	-	-	26,975,000
Mr F Coovadia	1,500,000	3,000,000	-	4,500,000
Total	85,968,032	3,000,000	-	88,968,032

*Mr G Stevens and Mr J Hart resigned as director on 28 November 2022 and 21 November 2022 respectively.

Table 4: Option holdings of key management personnel (consolidated)

The numbers of options over ordinary shares in the company held during the financial year by each director of Streamplay Studio Limited and specified executives of the Group, including their personally related parties, are set out below:

Option holdings of key management personnel	Balance 1.7.2022 Options	Granted as compensation Options	Net Change Other Options	Balance 30.6.2023 Options	Number of Options Vested and Exercisable
Directors					
Mr G Stevens*	-	-	-	-	-
Mr B Mondello	-	-	-	-	-
Mr P Re	-	-	-	-	-
Mr J Hart*	-	-	-	-	-
Mr F Coovadia	-	-	-	-	-
Total	-	-	-	-	-

*Mr G Stevens and Mr J Hart resigned as director on 28 November 2022 and 21 November 2022 respectively.

DIRECTORS' REPORT

Table 5: Performance-based remuneration (consolidated)

The numbers of performance shares in the company held during the financial year by each director of Streamplay Studio Limited and specified executives of the Group, including their personally related parties, are set out below:

Performance-based remuneration (consolidated)	Balance as at 1.07.2022 No. of performance shares	No. of performance shares granted during the year	No. of performance shares converted to FPOs during the year	Balance as at 30.6.2023 No. of performance shares	Performance shares Class	Fair value of performance shares
Directors						
Mr G Stevens ^{1*}	1,500,000	-	-	1,500,000	Tranche 1	26,550
	1,500,000	-	-	1,500,000	Tranche 2	25,650
	1,500,000	-	-	1,500,000	Tranche 3	24,850
	4,761,905	-	-	4,761,905	Tranches 4,5,6	-
	9,261,905	-	-	9,261,905		77,050
Mr B Mondello	1,500,000	-	-	1,500,000	Tranche 1	26,550
	1,500,000	-	-	1,500,000	Tranche 2	25,650
	1,500,000	-	-	1,500,000	Tranche 3	24,850
	4,500,000	-	-	4,500,000		77,050
Mr P Re	1,500,000	-	-	1,500,000	Tranche 1	26,550
	1,500,000	-	-	1,500,000	Tranche 2	25,650
	1,500,000	-	-	1,500,000	Tranche 3	24,850
	4,500,000	-	-	4,500,000		77,050
Mr J Hart *	1,500,000	-	-	1,500,000	Tranche 1	26,550
	1,500,000	-	-	1,500,000	Tranche 2	25,650
	1,500,000	-	-	1,500,000	Tranche 3	24,850
	4,500,000	-	-	4,500,000		77,050
Mr F Coovadia	1,500,000	-	-	1,500,000	Tranche 1	26,550
	1,500,000	-	-	1,500,000	Tranche 2	25,650
	1,500,000	-	-	1,500,000	Tranche 3	24,850
	4,500,000	-	-	4,500,000		77,050
Total	27,261,905	-	-	27,261,905		385,250

*Mr G Stevens and Mr J Hart resigned as director on 28 November 2022 and 21 November 2022 respectively.

The milestone conditions attached to each class of performance share for conversion to fully paid ordinary shares were as follows:

Tranche 1: The Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$135,000,000 subject to the relevant person being a director at this time.

Tranche 2: The Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$150,000,000 subject to the relevant person being a director at this time.

Tranche 3: The Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$165,000,000 subject to the relevant person being a director at this time.

¹ The vesting conditions of Tranche 4, 5 & 6 performance shares were met prior year but the corresponding fully paid ordinary paid shares have not yet been issued. Refer to Note 17.

Related party transactions with key management personnel

Other than as disclosed in Note 24 there were no other transactions with Key management personnel.

DIRECTORS' REPORT

[END OF REMUNERATION REPORT]

Signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001 (Cth).



BERT MONDELLO
Chairman

Dated this 29th day of September 2023.

For personal use only

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the audit of the financial statements of Streamplay Studio Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully


HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 29th day of September 2023
Perth, Western Australia

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Continuing Operations			
Revenue from operating activities	3(a)	1,761,815	671,219
Cost of Goods sold		(1,146,169)	(595,250)
Gross profit		615,646	75,969
Other income	3(b)	684,588	7,819,257
Operating expenses		(216,499)	(110,383)
Foreign exchange losses		(25,314)	(20,222)
Administration expenses		(207,506)	(245,300)
Consulting expenses	3(c)	(869,670)	(630,309)
Depreciation and amortisation		(8,590)	(21,433)
Employee benefits expense		(93,310)	-
Finance costs		(104)	(1,714)
Allowance for credit losses		(2,660,544)	-
Research and Development		(1,051,279)	-
Marketing expenses		(351,435)	(136,164)
Professional expenses	3(d)	(176,298)	(78,080)
Public Relations		(3,300)	(15,450)
Share based payment expenses		(77,028)	(385,250)
Total Operating Expenses		(5,740,877)	(1,644,305)
Profit/(Loss) before income tax from continuing operations		(4,440,643)	6,250,921
Income tax benefit/ (expenses)	4(a)	990,455	(1,013,795)
Profit/(Loss) after income tax from continuing operations		(3,450,188)	5,237,126
Profit/(Loss) after income tax from discontinued operations	6	-	1,573,367
Profit/(Loss) after income tax for the year		(3,450,188)	6,810,493
Items that may be reclassified subsequently to Profit or loss			
Other comprehensive income/(loss), net of income tax		(30,059)	14,937
Total comprehensive profit/(loss) for the year		(3,480,247)	6,825,430
Profit/ (Loss) attributable to:			
Members of the parent		(3,450,188)	6,810,493
		(3,450,188)	6,810,493
Total comprehensive profit/(loss) attributable to:			
Members of the parent		(3,480,247)	6,825,430
		(3,480,247)	6,825,430
Earnings/(Loss) per share			
From continuing operations			
Basic and diluted earnings/ (loss) per share (cents per share)	5	(0.31)	0.47
From discontinued operations			
Basic and diluted earnings/ (loss) per share (cents per share)	5	-	0.14
Overall Basic and diluted earnings/ (loss) per share (cents per share)	5	(0.31)	0.61

The accompanying notes form part of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	7	6,403,743	17,867,555
Trade and other receivables	8	722,623	3,831,869
Investment	11	9,000,000	-
Total Current Assets		16,126,366	21,699,424
Non-current Assets			
Property, plant and equipment	13	13,193	10,342
Goodwill	9,10	800,000	-
Intangible assets	14	2,929	3,905
Deferred tax assets	4(c)	1,278,323	730,032
Total Non-current Assets		2,094,445	744,279
Total Assets		18,220,811	22,443,703
Current Liabilities			
Trade and other payables	15	410,458	692,733
Provision of VAT payable		120,000	120,000
Provision of tax payable	4(b)	965,793	2,343,361
Provision		6,742	-
Deferred tax liability	4(c)	40,928	5,063
Total Current Liabilities		1,543,921	3,161,157
Non-current Liabilities			
Deferred considerations		312,500	-
Total Non-current Liabilities		312,500	-
Total Liabilities		1,856,421	3,161,157
Net Assets		16,364,390	19,282,546
Equity			
Issued capital	16	72,401,516	72,209,737
Reserves	17(a)	1,204,639	864,386
Accumulated losses	17(b)	(57,241,765)	(53,791,577)
Total equity		16,364,390	19,282,546

The accompanying notes form part of this Consolidated Statement of Financial Position.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		815,230	3,140,770
Payments to suppliers and employees		(3,332,473)	(5,770,891)
Interest received / (paid)		345,365	70,714
Income tax paid		(899,539)	-
Other receipts		99,053	2,865,647
Net cash used in operating activities	7	(2,972,364)	306,240
Cash flows from investing activities			
Purchase of plant and equipment		(10,465)	(16,756)
Placement of term deposits		(9,000,000)	
Proceeds from sale of business		203,725	
Purchase of business		(487,500)	
Disposal of business		802,792	1,750,000
Net cash (used in) / provided by investing activities		(8,491,448)	1,733,424
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		17,867,555	15,876,873
Effects of exchange rate changes		-	(48,982)
Cash and cash equivalents at the end of the year	7	6,403,743	17,867,555

The accompanying notes form part of this Consolidated Statement of Cash Flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2021		72,209,737	(60,602,070)	464,199	(22,840)	12,049,026
Profit for the year		-	6,810,493	-	-	6,810,493
Other comprehensive income		-	-	-	37,777	37,777
Total comprehensive income for the year		-	6,810,493	-	37,777	6,848,270
Recognition of share-based payments	17	-	-	385,250	-	385,250
Balance at 30 June 2022	16,17	72,209,737	(53,791,577)	849,449	14,937	19,282,546
Balance at 1 July 2022		72,209,737	(53,791,577)	849,449	14,937	19,282,546
Profit for the year		-	(3,450,188)	-	-	(3,450,188)
Other comprehensive (loss)		-	-	-	(44,997)	(44,997)
Total comprehensive loss for the year		-	(3,450,188)	-	(44,997)	(3,495,185)
Transactions with owners in their capacity as owners						
Exercise of options	16	191,779	-	-	-	191,779
Recognition of share-based payments	17	-	-	385,250	-	385,250
Balance at 30 June 2023	16,17	72,401,516	(57,241,765)	1,234,699	(30,060)	16,364,390

The accompanying notes form part of this Consolidated Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 CORPORATE INFORMATION

The financial report of Streamplay Studio Limited and its Controlled Entity (the Group) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 29 September 2023.

Streamplay Studio Limited which is the ultimate parent company, is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group is the development and operation of online eSport gaming platforms.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards. The financials also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For the purpose of preparing the financial statements, the consolidated entity is a for-profit entity.

(b) New Standards and Interpretations Adopted

Standards and Interpretations applicable to 30 June 2023

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue but not yet adopted for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations in issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Streamplay Studio Limited and its entity controlled by Streamplay Studio Limited (its subsidiary).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) Foreign currency translation

Both the functional and presentation currency of Streamplay Studio Limited and its Australian subsidiaries is Australian dollars (\$AUD). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.

All differences in the consolidated financial report are taken to the statement of profit or loss and other comprehensive income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the statement of profit or loss and other comprehensive income.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(i) Foreign currency translation (continued)

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Streamplay Studio Limited at the rate of exchange ruling at the statement of financial position date and the statements of profit or loss and other comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of profit or loss and other comprehensive income.

(ii) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(iii) Trade and other receivables

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

(iv) Property, plant and equipment

Leasehold improvements, buildings and plant and equipment are stated at cost less accumulated depreciation and any impairment losses recognised.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Computer equipment – over 3 to 5 years

Office equipment – over 5 to 10 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehensive income in the period the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(v) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

(l) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(m) Share-based payment transactions

The Group provides remuneration to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects -

- (i) the extent to which the vesting period has expired, and
- (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at balance sheet date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(n) Revenue

Revenue from contracts with customers

The Group recognises revenue when it transfers control of a product or service to a customer and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(n) Revenue (continued)

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.

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date.

Interest

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sponsorship, marketing and advertising services revenue

Sponsorship, marketing and advertising services revenue is recognised at a point in time which the services have been provided and where the amount can be reliably estimated and is considered recoverable.

Government incentives received

Incentives received for research and development and other tax initiatives are recognised as revenue in the period in which they are received.

Contract Assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. The Company recognises the direct costs related to the generation of subscriptions (e.g. commissions) in line with the service period. The Company sells subscriptions to the MIGGSTER platform with monthly, six-monthly and annual terms and costs incurred are aligned with this.

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. Contract liabilities relate to advance consideration received from subscription packages. The Company offers monthly, bi-annual and annual subscription packages to customers. As the subscription is used up on a monthly basis, the Company adjusted the yet to be earned revenue to contract liabilities until the performance obligation is satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Income tax

In principle, deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(o) Income tax (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

(p) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(p) Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a Group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(p) Financial instruments (continued)

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: *Business Combinations* applies, the Group has the option to make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss. The Group currently has no equity instrument financial assets.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- contract assets (eg amounts due from customers under service contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(p) Financial instruments (continued)

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approach to impairment, as applicable under AASB 9: *Financial Instruments*:

- the simplified approach

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Cash Flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Employee entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees at balance date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(s) Segment information

Operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the board of directors of the Company.

(t) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 6 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Digital Assets – Bitcoins

The Group measures digital assets such as Bitcoins at its fair value less costs to sell in accordance with the revaluation model. Digital assets are indefinite life intangible assets initially recognised at cost, and subsequently measured at fair value by reference to the quoted price in an active market. Increases in the carrying amount of digital assets on revaluation are credited to a revaluation surplus in equity. Decreases that offset previous increases are recognised against the revaluation surplus in equity; all other decreases are recognised in profit and loss. On disposal of digital assets, the cumulative revaluation surplus associated with those assets is transferred directly to retained earnings.

(u) Financial risk management policy

Details of the Group's financial risk management policy are set out in Note 26.

(v) Compound financial instruments

The Group evaluates the terms of any financial instrument to determine whether it contains both a liability and an equity component. The separate components of a financial instrument that create a financial liability and grant an option to the holder of the instrument to convert it into an equity instrument are recognised separately on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

(w) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(x) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset only when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is completed and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(y) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(z) Critical accounting judgements and key sources of estimation uncertainty

In the application of Australian Accounting Standards management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Trinomial, Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. There are several assumptions underlying the models. The most significant is that of volatility, a measure of how much a stock can be expected to move in the near-term, is a constant over time. Assessing a suitable level of expected volatility is a significant part of the Rights valuation process and can have a material effect on the overall valuation. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(z) Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2(t). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated pre-tax discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3 REVENUES, OTHER INCOME AND EXPENSES

Revenue and expenses from continuing operations	2023	2022
	\$	\$
(a) Revenue		
Revenue from operating activities		
Sales – MTN	871,313	416,036
Subscriptions	890,502	255,183
Total revenue	1,761,815	671,219
(b) Other income		
Gain on sale of MIGGSTER	-	4,918,255
Gain on sale of digital currency	172,517	-
Interest received	413,018	70,713
Legal settlement	99,053	2,808,732
Other income	-	21,557
Total other income	684,588	7,819,257
(c) Consulting		
Accounting and company secretarial	(153,650)	(99,485)
Director fees	(307,000)	(412,000)
General consultancy	(409,020)	(118,824)
Total consulting expenses	(869,670)	(630,309)
(d) Professional expenses		
Audit fees	(52,206)	(40,000)
Legal fees	(70,592)	(27,161)
Tax and other professional fees	(53,500)	(10,919)
Total professional expenses	(176,298)	(78,080)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4 INCOME TAX

	2023	2022
	\$	\$
(a) Income tax (benefit)/ expenses		
Current tax	(458,567)	1,292,788
Deferred tax	(512,426)	1,161,640
Under / (over) provision in prior years	(19,462)	5,930
Total Income tax (benefit)/ expenses reported in income statement	(990,455)	2,460,358
Income tax (benefit)/ expense is attributable to:		
Continuing operations	(990,455)	1,013,795
Discontinuing operations	-	1,446,563
	(990,455)	2,460,358
A reconciliation of income tax expenses (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2023 and 2022 is as follows:		
Accounting profit (loss) before tax from continuing operations	(4,440,643)	6,250,921
Accounting profit (loss) before tax from discontinued operations	-	3,019,929
Accounting profit (loss) before income tax	(4,440,643)	9,270,850
At the statutory income tax rate 25% (2022: 26%)	(1,110,160)	2,317,712
Add:		
Non-deductible expenses	(13,858)	40,403
Share Based Payments	6,526	96,313
Under/ (over) provision in prior years	(19,462)	5,930
Deferred tax assets arising from expected credit losses not recognised	146,499	-
	(990,455)	2,460,358
(b) Income tax payable		
Provision for income tax	965,793	2,343,361
(c) Recognised Deferred tax assets/ liabilities		
Deferred tax assets		
Equity capital raising cost	9,483	19,625
Other deferred tax assets	1,268,840	706,672
	1,278,323	726,297
Deferred tax liabilities		
Other deferred tax liabilities	(37,630)	-
Fixed assets	(3,298)	(1,329)
	(40,928)	(1,329)
Net deferred tax assets	1,237,395	724,968
(d) Unrecognised deferred tax assets/ (liabilities)		
Deferred tax assets/ (liabilities) have not been recognised in respect of the following items		
Impaired Intellectual Property	1,613,061	1,584,067
Tax losses	470,410	470,410
Unrecognised deferred tax assets	2,083,471	2,054,477

The tax losses do not expire under current tax legislation. Deferred tax assets have been recognised because it is probable that future taxable amounts will be available to utilise the temporary differences and unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5 EARNINGS PER SHARE

	2023	2022
	cents	cents
Basic profit/(loss) per share		
From continuing operations	(0.31)	0.47
From discontinued operations	-	0.14
Total basic profit/(loss) per share	(0.31)	0.61
Diluted profit/(loss) per share		
From continuing operations	(0.31)	0.47
From discontinued operations	-	0.14
Total diluted profit/(loss) per share	(0.31)	0.61

The following reflects the loss and weighted average number of shares used in the basic and diluted loss per share computations:

	2023	2022
	\$	\$
(a) Reconciliation of earnings used in calculating earnings per share		
Income/(Loss) attributable to ordinary equity holders of the Company from continuing operations used in the calculation of basic earnings per share and diluted earnings per share	(3,450,188)	5,237,126
Income/(Loss) for the year from discontinued operations used in the calculation of basic earnings per share and diluted earnings per share from discontinued operations	-	1,573,367
(b) Weighted average number of shares used in the denominator		
	Shares	Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,130,624,049	1,121,184,780
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,130,624,049	1,121,184,780

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6 DISCONTINUED OPERATIONS

On 9 March 2022, the Company executed a binding sale agreement to sell the MIGGSTER business to NIBIRU e-gaming AB for a consideration of A\$5,000,000 payable over 12 months. The following is an analysis of the results of the discontinued operations for the period.

	30 Jun 23	30 Jun 22
	\$	\$
Discontinued Operations		
Revenue	-	12,114,869
Cost of Goods sold	-	(5,720,435)
Gross profit	-	6,394,434
Operating expenses	-	(157,504)
Administration expense	-	(834,993)
Consulting expenses	-	(238,255)
Depreciation and amortisation	-	(30,582)
Employee benefits expense	-	(81,137)
Research and Development	-	(1,837,745)
Marketing	-	(194,289)
Total Expenses	-	(3,374,505)
Net Profit before income tax		3,019,929
Income Tax expenses	-	(1,446,562)
Net Profit after income tax	-	1,573,367
Cashflow		
Cashflow from / (used) in discontinued operations	-	2,020,788
Cash flows from / (used) in Operating Activities	-	(1,671,799)
Cash flows from / (used) in investing activities	-	(50,844)
Net increase / (decrease) in cash and cash equivalents	-	298,145

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7 CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash and cash equivalents		
Cash at bank and in hand	6,403,743	17,867,555
	6,403,743	17,867,555

Cash at bank and in hand earns interest at floating rates based on daily bank rates. The fair value of cash and cash equivalents as reported met the AASB definition is \$6,403,743 (2022: \$17,867,555). An additional amount of \$9,000,000 are invested in long term deposits with Australian banks (Note 11)

	2023 \$	2022 \$
Reconciliation of cash		
Cash	6,403,743	17,867,555
(a) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Operating profit/(loss) after income tax	(3,450,188)	6,810,493
Adjustments for:		
Depreciation and amortisation	8,590	52,015
Share based payments	385,250	385,250
Net fair value gain on disposal of business	-	(4,918,255)
Gain on disposal of digital assets	(172,518)	-
Allowance for credit losses	2,660,544	-
Foreign exchange	(44,997)	10,078
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(440,893)	1,616,742
(Increase)/decrease in other assets	(65,123)	5,089,685
(Decrease)/increase in trade and other payables	(282,275)	(533,288)
(Decrease)/increase in other liabilities	319,241	(10,781,774)
(Increase)/decrease in deferred tax assets	(512,427)	1,008,336
Increase/(decrease) in provision for income tax	(1,377,568)	1,566,958
Net cash from/(used in) operating activities	(2,972,364)	306,240

8 TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Trade and other receivables		
Trade receivables ⁽ⁱ⁾	750,234	471,912
Less: Allowance for expected credit losses	(244,544)	-
Other receivables ⁽ⁱⁱⁱ⁾	2,416,000	3,289,545
Less: Allowance for expected credit losses	(2,416,000)	-
Accrued receivables	216,933	23,700
	722,623	3,831,869

(i) Expected credit losses have been evaluated using the probability of default method. It has been determined as \$244,544 as of 30 June 2023. No allowance for expected credit losses was created in 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(ii) Balance of deferred consideration from the sale of MIGGSTER business amounts to \$2,416,000.

9 ACQUISITION OF VAS BUSINESS OF MOBIMEDIA

On 12 December 2022, the Group completed the acquisition of 100% of the VAS business of Mobimedia. Below is an outline of the accounting recognition for the acquisition.

Consideration transferred	\$
Cash	487,500
Contingent Consideration: Deferred Consideration Shares ⁱ	162,500
Contingent Consideration: Additional Deferred Shares ⁱⁱ	150,000
Total Consideration	800,000

ⁱ The Deferred Consideration Shares will be issued to the vendor subject to the VAS business being acquired achieving more than \$660,000 in audited revenue (excluding any one-off extraordinary revenue and investment income items), from its existing partnership agreements within 12 months from the Settlement Date of the Purchase Agreement.

ⁱⁱ Additional Deferred Shares of \$150,000 subject to the VAS business achieving a target of more than \$1,150,000 in audited revenue, (excluding any one-off extraordinary revenue and investment income items), from its existing partnership agreements within 12 months from Settlement Date of the Purchase Agreement.

Assets acquired and liabilities assumed at the date of acquisition

With the acquisition, new Streamplay assets include:

- mJams Music (Music & Video Streaming App), the largest indigenous specific music streaming app in the South Pacific holding content from over 1000+ Pacific Islands based musicians
- All product content including, Mobile games content, SMS games and On-Deck Portals
- Telco graded billing engine capable of integrations across multiple MNO's billing infrastructure
- Telco graded Customer care CMS, giving telco and VAS partners capabilities to manage user subscriptions, and multiple services.
- Service Delivery Platform (SDP), a platform allowing unique delivery of content towards specific devices
- All contracts and arrangements material to the operation of the VAS business, including the partnership agreements with respective MNOs
- Signed music rights agreements with all 1000+ artists across all jurisdictions
- All intellectual property, software systems, website and related content, social media accounts, contact numbers, contact email addresses, passwords, codes, data and any other assets associated with the operation of the VAS business

Goodwill arising on acquisition

Goodwill arose in the acquisition of the business of Mobimedia because the acquisition included assets that could not be separately recognised from goodwill because they are not capable of being valued, separated from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts.

The initial accounting for the acquisition of Mobimedia has only been provisionally determined at the end of the financial year. At the date of finalisation of this annual financial report, the necessary market valuations and other calculations had not been finalised and the fair value of the plant and equipment, associated deferred tax liabilities and goodwill noted above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value of the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10 GOODWILL

	30 Jun 22	30 Jun 22
	\$	\$
Gross carrying amount		
Opening balance	-	-
Additional amounts recognised from business combinations occurring during the period (Note 9)	800,000	-
Closing balance	800,000	-
Accumulated impairment losses		
Opening balance	-	-
Impairment losses for the period	-	-
Closing balance	-	-
Net book value		
At the beginning of the period	-	-
At the end of the period	800,000	-

11 INVESTMENT

Investment are term deposits held with various financial institutions in Australia.

Term Deposit	Amount \$	Interest rate	Duration
#1	4,000,000	4.72%	6 months
#2	2,000,000	4.72%	9 months
#3	3,000,000	4.51%	9 months
Total	<u>9,000,000</u>		

12 CONTRACT ASSETS AND LIABILITIES

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below (Refer to note 2n):

	2023	2022
	\$	\$
(a) Contract Assets		
Opening balance	-	5,089,685
Costs related to the generation of subscriptions	-	145,728
Transfer to cost of goods sold	-	(5,235,413)
Closing balance	-	-
(b) Contract liabilities		
Opening balance		
Income received in advance	-	10,781,774
Accrued unearned revenue	-	346,174
Transfer to revenue	-	(11,127,948)
Closing balance (iii)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(iii) 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 \$NIL (2022: \$NIL).

13 PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Computer equipment at cost	22,266	11,802
Less accumulated depreciation	(11,509)	(4,504)
	10,757	7,298
Office equipment at cost	3,074	3,075
Less accumulated depreciation	(638)	(30)
	2,436	3,045
Total property plant and equipment	13,193	10,342

14 INTANGIBLE ASSETS

	2023	2022
	\$	\$
Acquired intangible assets	4,881	4,882
Less provision of impairment	(1,952)	(977)
Total intangible assets	2,929	3,905

15 TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade and other payables		
Trade payables	315,720	89,899
Other payables	26,238	25,334
Accrued expenses	68,500	577,500
	410,458	692,733

(i) Trade payables and accruals are non-interest bearing and are normally settled on repayment terms between 7 and 30 days.

16 CONTRIBUTED EQUITY

	2023	2022
	\$	\$
Ordinary shares		
Ordinary shares fully paid	74,082,458	73,890,680
Less: Capital raising costs	(1,680,942)	(1,680,943)
	72,401,516	72,209,737

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Issued capital has no par value.

2023

FULLY PAID ORDINARY SHARES

	Number of shares	\$
Balance at 1 July 2022	1,121,184,780	72,209,737
Issue of shares to KMP	9,259,259	101,852
Issue of shares to KMP	3,000,000	39,002
Issue of shares in return for services	4,629,630	50,925
Balance at 30 June 2023	1,138,073,669	72,401,516

2022

FULLY PAID ORDINARY SHARES

	Number of shares	\$
Balance at 1 July 2021	1,121,184,780	72,209,737
Issue of shares in return on exercise of options	-	-
Balance at 30 June 2022	1,121,184,780	72,209,737

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 the 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 (1) vote, and upon a poll each share is entitled to one (1) vote, in proportion to the number of and amounts paid on the shares held.

17 RESERVES AND ACCUMULATED LOSSES

(a) Reserves

	2023 \$	2022 \$
Options & share based payments reserves	1,234,699	849,449
Revaluation reserve	(30,060)	14,937
Total Reserves	1,204,639	864,386

Movements in reserve

	2023 \$	2022 \$
Opening balance	864,386	441,359
Recognition of share-based payment (i)	385,250	385,250
Revaluation Reserve	(44,997)	37,777
Total Reserves	1,204,639	864,386

(i) During the financial year, the Company recognised the fair value of performance rights:

Director	Tranche 1		Tranche 2		Tranche 3		Total	
	No. of Performance rights	Fair Value	No. of Performance rights	Fair Value	No. of Performance rights	Fair Value	No. of Performance rights	Fair Value
Gregory Steven	1,500,000	26,550	1,500,000	25,650	1,500,000	24,850	4,500,000	77,050
Bert Mondello	1,500,000	26,550	1,500,000	25,650	1,500,000	24,850	4,500,000	77,050
Philip Re	1,500,000	26,550	1,500,000	25,650	1,500,000	24,850	4,500,000	77,050
Jonathan Hart	1,500,000	26,550	1,500,000	25,650	1,500,000	24,850	4,500,000	77,050
Firdhose Coovadia	1,500,000	26,550	1,500,000	25,650	1,500,000	24,850	4,500,000	77,050
Total	7,500,000	132,750	7,500,000	128,250	7,500,000	124,250	22,500,000	385,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Each Performance Right converts into 1 fully paid ordinary share on vesting. The principal terms of each tranche of the Performance Rights are summarised:

Tranche 1 performance rights:

7,500,000 performance rights each converting into shares on a one for one basis will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$135,000,000 subject to the relevant person being a director at this time.

Tranche 2 performance rights:

7,500,000 performance rights each converting into shares on a one for one basis will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$150,000,000 subject to the relevant person being a director at this time.

Tranche 3 performance rights:

7,500,000 performance rights each converting into shares on a one for one basis will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$165,000,000 subject to the relevant person being a director at this time.

All Tranches of Performance Rights have an expiry date of 3 years from the date of issue.

The value of the Tranche 1, 2 and 3 Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The value ascribed to each Tranche 1, 2 and 3 Performance Right were derived using the following inputs:

Input	Tranche 1	Tranche 2	Tranche 3
Grant date 14 day VWAP	\$0.093	\$0.093	\$0.093
Barrier price	\$0.168	\$0.186	\$0.205
Expected volatility	113%	113%	113%
Performance rights term	3 years	3 years	3 years
Risk-free interest rate	0.11%	0.11%	0.11%
Dividend yield	n/a	n/a	n/a
Grant Date Fair Value per right	\$0.053	\$0.051	\$0.050

As at the date of this report, Tranches 1, 2 and 3 Performance Rights have not achieved the relevant milestones to convert to fully paid ordinary shares.

(b) Accumulated losses

	2023 \$	2022 \$
Movement in accumulated losses were as follows:		
Balance 1 July	(53,791,577)	(60,602,070)
Net profit/ (loss) for the year	(3,450,188)	6,810,493
Balance 30 June	(57,241,765)	(53,791,577)

18 INTERESTS IN CONTROLLED ENTITY

The consolidated financial statements include the financial statements of Streamplay Studio Limited and its controlled entity listed in the following table:

	Country of Incorporation	Percentage of equity interest held by the Group		Investment	
		2023	2022	2023	2022
		%	%	\$	\$
Streamplay Solutions Pty Ltd	Australia	100	100	5,498,916	5,498,916
Streamplay Pacific Pty Ltd (i)	Australia	100	-	100	-
Streamplay Pacific PNG Limited (ii)	PNG	100	-	41	-
				5,499,057	5,498,916

Streamplay Studio Limited is the ultimate Australian parent entity and ultimate parent of the Group.

- (i) Streamplay Pacific Pty Ltd was incorporated during the financial year as an operating entity for the acquired VAS business

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

- (ii) Streamplay PNG Pacific Limited was incorporated during the financial year as a 100% owned entity of Streamplay Pacific Pty Ltd.

19 EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments

The Company's office lease is contracted on a one-year fixed term with option to renew. No significant make-good or other obligations.

(b) Bank guarantee

There are no bank guarantees of the Group at 30 June 2023.

(c) Capital Commitments

There are no capital commitments of the Group at 30 June 2023.

20 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

The Group did not have any contingent liabilities as at Balance Date.

21 SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

22 REMUNERATION OF AUDITORS

During the year Hall Chadwick WA was appointed as auditor of Streamplay Studio Limited replacing Criterion Audit.

	2023	2022
	\$	\$
Amounts received or due and receivable by auditors for:		
An audit or review of the financial report of the entity or controlled entities	52,206	37,500
	52,206	37,500

23 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

	2023	2022
	\$	\$
Consulting fees paid to Mr G Stevens	16,040	-
Technical consultancy services fees paid to Indomain Enterprises Pty Ltd	60,000	60,000
– an entity associated with Mr B Mondello		
Corporate consulting fees paid to Hartness Consulting Pty Ltd	14,000	24,000
– an entity associated with Mr J Hart		

The above transactions were entered on a commercial arm-length basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

24 KEY MANAGEMENT PERSONNEL ("KMP") COMPENSATION

(a) Details of key management personnel

Mr Bert Mondello	Non-Executive Chairman
Mr Philip Re	Non-Executive Director
Mr Firdhose Coovadia	Non-Executive Director
Mr Gregory Stevens	Non-Executive Director. Resigned 28 November 2022.
Mr Jonathan Hart	Non-Executive Director. Resigned 21 November 2022.

(b) Compensation of key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2023	2022
	\$	\$
Short-term employee benefits	307,000	412,000
Share-based payments	385,250	385,250
	692,250	797,250

(c) Other transactions with key management personnel

Refer to Note 23 regarding other transactions with key management personnel to the Company.

25 SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. During the year the Company only operated in one segment and that was operating of the technology platform.

Geographical information

	Sales to external customers		Geographical non-current assets	
	2023	2022	2023	2022
	\$	\$	\$	\$
Pacific	890,502	-	800,000	-
South Africa	871,313	671,219	13,193	10,342
	1,761,815	671,219	813,193	10,342

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

26 FINANCIAL INSTRUMENTS

(a) Financial risk management policy

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all financial commitments as and when they fall due, and
- maintain the capacity to fund its forecast project development and exploration strategies.

The Group continually monitors and tests its forecast financial position against these criteria. The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments presently are interest rate risk, foreign currency risk, credit risk, security risk, digital asset price risk and liquidity risk.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

(b) Interest rate risk

The following table sets out the carrying amount of the financial instruments exposed to interest rate risk:

	2023 \$	2022 \$
Financial assets		
Interest bearing		
Cash at bank	5,682,418	17,009,270
Investment – term deposits	9,000,000	-
Weighted average interest rate	4.25%	0.48%
Non-interest bearing		
Cash at bank	721,114	858,285
Trade receivables	722,623	3,831,869
	16,126,155	21,699,424
Financial liabilities		
Non-interest bearing		
Trade and other payables	410,458	692,733

The following table summarises the sensitivity of financial assets held at balance date to interest rate risk, following a movement of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Consolidated Post-tax gain (loss)/ equity increase (decrease)	2023 \$	2022 \$
+1% (100 basis points)	146,824	170,092

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(c) Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements.

	Carrying Amount		Fair Value	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets				
Cash	6,403,743	17,867,555		17,867,555
Investment – term deposit	9,000,000	-		-
Trade and other receivables – current	722,623	3,831,869		3,831,869
Financial liabilities				
Trade and other payables	410,458	692,733		692,732

Cash, cash equivalents and security deposits: The carrying amount approximates fair value.

Trade receivables and trade creditors: The carrying amount approximates fair value.

	Fair value hierarchy as at 30 June 2023			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	6,403,743	-	-	6,403,743
Investment – term deposit	9,000,000	-	-	9,000,000
Trade and other receivables – current		722,623	-	722,623
Total	15,403,743	722,623	-	16,126,366
Financial liabilities				
Trade and other payables	-	410,458	-	410,458
Total	-	410,458	-	410,458

(d) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group does not hold any credit derivatives to offset its credit exposure.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk at the reporting date is the carrying amount of the following financial assets:

	\$
Cash and cash equivalents	6,403,743
Investment – term deposit	9,000,000
Trade receivables	722,623
Total	16,126,366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(e) Liquidity risk

The Group's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost-effective manner.

The Company continually reviews its liquidity position including cash flow forecast to determine the forecast liquidity position and maintain appropriate liquidity levels.

In addition to the commitment disclosure in Note 19, the table below reflects the contractual maturity of financial instruments as at 30 June. Cash flows for financial instruments are presented on an undiscounted basis.

2023	Total	Aging analysis between		
		<30 days	30-60 days	>60 days
	\$	\$	\$	\$
Cash and cash equivalents	(6,403,743)	(6,403,743)	-	-
Investment – term deposit	(9,000,000)	-	-	(9,000,000)
Trade and other receivables	(2,779,167)	(335,956)	(109,737)	(2,937,474)
Trade and other payables	410,457	385,237	16,096	9,124
Total	(17,772,453)	(6,354,462)	(93,641)	(11,928,350)

2022	Total	Aging analysis between		
		<30 days	30-60 days	>60 days
	\$	\$	\$	\$
Cash and cash equivalents	(17,867,555)	(17,847,555)	(20,000)	-
Trade and other receivables	(3,831,869)	(993,637)	(396,879)	(2,441,353)
Trade and other payables	692,733	86,225	57,776	548,732
Total	(21,006,691)	(18,754,967)	(359,103)	(1,892,621)

(f) Capital management policy

The Board's policy is to preserve its capital base as much as possible so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year, other than that Group has been able to rely upon equity to finance its capital management, rather than short term debt finance.

Neither the Company nor its controlled entity are subject to externally imposed capital requirements.

(g) Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Group had the following exposure to foreign currency:

2023	ZAR A\$	EUR A\$	PGK A\$	SBD A\$	TOP A\$	FJD	USD A\$
Cash and cash equivalents	-	-	-	-	-	-	-
Trade and other receivables	484,662	-	148,875	37,641	8,889	-	24,836
	484,662	-	148,875	37,641	8,889	-	24,836
Trade and other payables	148,149	3,689	-	-	-	12,134	16,574
Total	336,514	(3,689)	148,875	37,641	8,889	(12,134)	24,836

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2022	ZAR A\$	EUR A\$	PGK A\$	SBD A\$	TOP A\$	FJD	USD A\$
Cash and cash equivalents							
Trade and other receivables	471,058	854	-	-	-	-	-
	471,058	854	-	-	-	-	-
Trade and other payables	55,270	-	-	-	-	-	4,507
Total	415,788	854	-	-	-	-	(4,507)

The following sensitivity is based on a 10% movement of foreign currencies against the AUD and the effect on the net profit or loss and equity of the Group for the period to 30 June 2023, with all other variables held constant:

	2023		2022	
	Profit \$	Equity \$	Profit \$	Equity \$
Foreign currencies increasing 10% against AUD	52,436	52,436	41,214	41,214
Foreign currencies decreasing 10% against AUD	(52,436)	(52,436)	(41,214)	(41,214)

(h) Digital asset price risk

The Group has adopted a policy to convert any digital assets as soon as possible on receipt, minimising any exposure to this risk.

27 PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2023 \$	2022 \$
(a) Financial Position		
Assets		
Current assets	14,775,552	17,736,948
Non-Current assets	802,929	733,937
Total assets	15,578,481	18,070,886
Liabilities		
Current liabilities	1,306,026	3,206,380
Non-current liabilities	312,500	-
Total liabilities	1,618,526	3,206,380
Equity		
Contributed equity	72,401,515	72,209,737
Accumulated losses	(59,676,260)	(58,194,630)
Option issue reserve	1,234,700	849,398
Total equity	13,959,955	14,864,506
(b) Financial Performance		
Loss for the year	414,141	(963,456)
Other comprehensive income	-	(50)
Total comprehensive income	414,141	(963,506)

(c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

At the Balance Date there are no guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries (2022: Nil).

(d) Contingent liabilities of the parent entity

The Parent Entity did not have any contingent liabilities as at Balance Date.

(e) Commitments for capital expenditure entered into by the parent entity

The Parent Entity did not have any commitments for capital expenditure as at Balance Date.

For personal use only

DIRECTORS' DECLARATION

The directors of Streamplay Studio Limited declare that:

- (a) in the directors' opinion, the financial statements and notes on pages 15 to 49, and the remuneration disclosures that are contained in the Directors' report, set out on pages 4 to 13, are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance, for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the directors pursuant to Section 295(5) of the *Corporations Act 2001*.

Dated 29th day of September 2023.



BERT MONDELLO
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STREAMPLAY STUDIO LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Streamplay Studio Limited ("the Group"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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:

- a. 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*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition (Note 3)	
During the year the Group generated revenues from operating activities of \$1,761,815. We focused on this area as recognition of revenue under AASB 15 <i>Revenue from Contracts with Customers</i> ('AASB 15') requires significant judgement by management in identifying performance obligations, allocation of the transaction price and satisfaction of performance obligations over time or at a point in time. We consider this to be a key audit matter due to the judgement and estimates involved in determining when the performance obligations are met, and revenue is recognised.	Our procedures included, amongst others: • Documenting the processes and assessing the internal controls relating to revenue processing and recognition; • Reviewing the revenue recognition policy for compliance with AASB 15; • Reviewing a sample of revenue to supporting contracts to ensure revenue was recognized in line with the revenue recognition policy; • Tracing the revenue received to the bank statements during the year and subsequent to year end; • Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.
Accounting for Business Combination (Note 9)	
The accounting for the business combination involving Mobimedia is a key audit matter due to: • The size of the acquisition (purchase consideration of \$800,000); • The complexities inherent in a business acquisition. As at 30 June 2023 the initial accounting for the acquisition of the business has been provisionally determined and the goodwill arising from the acquisition is \$800,000.	Our procedures amongst others included: • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Assessing the deemed consideration with the terms of the acquisition agreement; • Assessing the adequacy of the disclosures included in Notes 9 and 10 to the financial report.

Key Audit Matter	How our audit addressed the key audit matter
Trade and Other Receivables (Note 8)	
We focus on this area as the total receivable as at balance date is significant (\$3,247,632) and the involvement of complex estimation and judgement in establishing the allowance for expected credit losses. As at balance date the Group had an allowance for expected credit losses of \$2,660,544.	Our procedures includes performing subsequent receipts testing and review of the ageing of debtors and enquiring about the status of recoverability which are past due.

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 Group 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 Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated this 29th day of September 2023
Perth, Western Australia

ADDITIONAL ASX INFORMATION

NUMBER OF HOLDINGS OF EQUITY SECURITIES AS AT 31 AUGUST 2023

The fully paid issued capital of the Company consisted of 1,138,073,669 ordinary fully paid shares held by 1,958 shareholders. Each share entitles the holder to one vote.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES AS AT 31 AUGUST 2023

Spread of holdings	Number of holders	Number of shares	% Held
1 - 1,000	39	7,831	0.00%
1,001 - 5,000	29	99,208	0.01%
5,001 - 10,000	46	372,587	0.03%
10,001 - 100,000	866	55,840,157	4.91%
100,001 - 9,999,999,999	978	1,081,753,886	95.05%
Totals	1,958	1,138,073,669	100.00%

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.008 per unit	62,314	548	18,917,037

SUBSTANTIAL SHAREHOLDERS AS AT 31 AUGUST 2023

The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial shareholder	Number of shares	% Held
VBS Exchange Pty Ltd	66,000,000	5.85%

UNQUOTED EQUITY SECURITIES

The following unlisted options were on issue as at 31 August 2023:

- EM10A - 6,000,000 unlisted options exercisable at \$0.07 each on or before 27 April 2025 held by 1 option holder Evolution Capital Advisors Pty Ltd which represents 100% of issued EM10A options;
- EM10B - 6,000,000 unlisted options exercisable at \$0.09 each on or before 27 April 2025 held by 1 option holder Evolution Capital Advisors Pty Ltd which represents 100% of issued EM10B options; and
- EM10C - 6,000,000 unlisted options exercisable at \$0.12 each on or before 27 April 2025 held by 1 option holder Evolution Capital Advisors Pty Ltd which represents 100% of issued EM10C options.

Options do not carry a right to vote.

ON-MARKET BUY BACK

As at 31 August 2023 there is no current on-market buy back.

RESTRICTED SECURITIES

As at 31 August 2023 the Company has no restricted securities on issue.

ADDITIONAL ASX INFORMATION

TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES AS AT 31 AUGUST 2023

Rank	Shareholder	Number of shares	% Held
1	VBS EXCHANGE PTY LTD	66,000,000	5.85%
2	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	36,979,286	3.28%
3	MR GREGORY STEVENS	35,705,530	3.16%
4	MR THOMAS LUKE ANUSIC	30,761,000	2.73%
5	MR JONATHAN HART <J HART FAMILY A/C>	26,975,000	2.39%
6	MR PETER GORDON CAMERON & MRS SALLY ANN CAMERON <P&S SUPERANNUATION FUND A/C>	24,000,000	2.13%
7	INDOMAIN ENTERPRISES PTY LTD <U C MONDELLO FAMILY A/C>	21,787,501	1.93%
8	HUNTER CAPITAL ADVISORS P/L	21,000,000	1.86%
9	MRS JULIE CAROL FIDLER	20,279,926	1.80%
10	MR DAVID LEE	20,000,000	1.77%
11	YASELLERAPH P/L <YASELLERAPH A/C>	17,350,000	1.54%
12	MS DAYLE REYNOLDS	16,477,802	1.46%
13	LTL CAPITAL PTY LTD	16,000,000	1.42%
14	CITICORP NOMINEES PTY LIMITED	14,780,645	1.31%
15	SITUATE PTY LTD	14,611,111	1.29%
16	TAVEROAM PTY LIMITED <BEALE S/F A/C>	14,388,889	1.27%
17	LIGURIAN HOLDINGS PTY LTD	13,301,875	1.18%
18	MR WENG LIONG AU YONG	13,269,228	1.18%
19	MR RYAN KENNETH YEARSLEY	11,966,740	1.06%
20	KIORAKU PTY LTD <KIORAKU A/C>	10,450,001	0.93%
Total		446,084,534	39.54%