CML Group Limited (CGR)

ABN: 88 098 952 277 Appendix 4E

Preliminary Final Report *Year ended 30 June 2019*

Financial year ended: 30 June 2019

Previous financial year ended: 30 June 2018

Audit Status: This report is in the process of being audited but is not likely to be the subject of dispute or qualification.

Results for announcement to the market

				$'000s
Revenue from ordinary activities	up	2%	to	47,675
Net profit (loss) for the year after tax attributable to members	up	164%	to	8,400

Dividends	Amount per security	Franked amount per security
Final dividend – payable on 8 October 2019 Interim dividend – paid on 11 April 2019	1.4 cents 1.0 cents	100% 100%
Record date for determining entitlements to the final dividend	16 September 2019	
Date for payment of the final dividend	8 October 2019	
Dividend Reinvestment Plan ("DRP") will apply to the final dividend.		

	2019	2018
Net tangible asset backing	**Cents**	**Cents**
Net tangible asset backing per ordinary security (per share)	14.54	11.67

Brief explanation of any of the figures reported to enable the figures to be understood;

Commentary:

Please refer to FY`19 Results announcement.

For any queries, please contact Daniel Riley on 1300 666 177

Signed: Daniel Riley, Director

Date: 22nd August 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	Consolidated Group 2019 $ 000's	2018 $ 000's
Revenue	2	47,675	46,749
Expenditure			
Agency fees		(1,463)	(1,566)
Allowance for expected credit losses		(1,055)	(1,590)
Depreciation and amortisation expense	10,11	(260)	(219)
Amortisation – Customer Relationships	11	(1,100)	(1,042)
Employee benefit expense (direct employees)		(10,457)	(9,196)
Employee benefit expense (on-hire staff)		(6,964)	(11,631)
Finance costs - product related		(6,804)	(6,688)
Finance costs - corporate		(468)	(3,006)
Insurance		(1,979)	(1,951)
Legal expenses		(1,431)	(1,678)
Marketing		(293)	(235)
Rent		(726)	(610)
Other expenses		(2,713)	(2,292)
Total expenditure		(35,713)	(41,704)
Profit before Income Tax		11,962	5,045
Income tax expense	5	(3,562)	(1,859)
Profit for the year from continuing operations		8,400	3,186
Profit attributable to members of the parent entity		8,400	3,186
Other comprehensive income		-	-
Total comprehensive income for the year		8,400	3,186
Earnings per Share:			
Basic earnings per share (cents)	18	4.19	1.85
Diluted earnings per share (cents)	18	3.99	1.75

The accompanying notes to the financial statements are included on pages 6-45

CML Group

Consolidated Statement of Financial Position
As at 30 June 2019

	Note	Consolidated Group 2019 $ 000's	Consolidated Group 2018 $ 000's
Current Assets			
Cash and cash equivalents	6	21,082	15,678
Trade receivables – debtor finance	7	191,573	211,680
Trade and other receivables	7	685	2,422
Finance lease receivables	8	4,809	2,330
Other current assets	9	1,023	2,304
Total Current Assets		219,172	234,414
Non-Current Assets			
Finance lease receivables	8	14,000	7,224
Plant and equipment	10	399	443
Deferred tax assets	5	2,010	1,808
Intangible assets	11	15,567	16,717
Total Non-Current Assets		31,976	26,192
Total Assets		251,148	260,606
Current Liabilities			
Trade payables – debtor finance	12	87,772	86,057
Trade payables	12	3,067	3,535
Other current liabilities	13	49	68
Borrowings	14	68,464	84,273
Current tax liabilities	5	1,619	1,614
Short-term provision - employees	15	693	538
Total Current Liabilities		161,664	176,085
Non-Current Liabilities			
Borrowings	14	44,505	44,166
Long-term provision - employees	15	83	67
Other liabilities	13	97	114
Total Non-Current Liabilities		44,685	44,347
Total Liabilities		206,349	220,432
Net Assets		44,799	40,174
Equity			
Issued capital	16	39,954	39,787
Accumulated earnings /(Losses)	17	4,404	(54)
Reserves	17	441	441
Total Equity		44,799	40,174

The accompanying notes to the financial statements are included on pages 6-45

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2019

	Note	Share Capital	Reserves	Accumulated earnings/ (Losses)	Total Equity
		$ 000's	$ 000's	$ 000's	$ 000's
Balance at 1 July 2017		**16,711**	**439**	**(735)**	**16,415**
Profit after income tax expense for the year		-	-	3,186	3,186
Total comprehensive income for the year		-	-	3,186	3,186
Transactions with owners in their capacity as owners :					
Contributions of equity		23,556	-	-	23,556
Share issue costs		(480)	-	-	(480)
Dividends provided for or paid		-	-	(2,505)	(2,505)
Foreign currency reserve		-	2	-	2
Balance at 30 June 2018		**39,787**	**441**	**(54)**	**40,174**
Balance at 1 July 2018		**39,787**	**441**	**(54)**	**40,174**
Adoption of AASB 9 (net of tax)		-	-	(421)	(421)
Restated balance at 1 July 2018		**39,787**	**441**	**(475)**	**39,753**
Profit after income tax expense for the year		-	-	8,400	8,400
Total comprehensive income for the year		-	-	8,400	8,400
Transactions with owners in their capacity as owners :					
Contributions of equity	16	167	-	-	167
Share issue costs		-	-	-	-
Dividends provided for or paid	19	-	-	(3,521)	(3,521)
Balance at 30 June 2019		**39,954**	**441**	**4,404**	**44,799**

The accompanying notes to the financial statements are included on pages 6-45

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	Consolidated Group 2019 $ 000's	2018 $ 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		52,059	47,733
Payments to suppliers and employees		(30,837)	(31,461)
Interest received		214	135
Finance costs		(6,934)	(7,647)
Income tax paid		(3,579)	(2,268)
Net cash provided by operating activities	20(b)	10,923	6,492
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(166)	(147)
Payments for IT Development		-	(10)
Proceeds from/ (payment to) client receivables		23,496	(17,990)
Payment to client receivables – 1st Cash		-	(34,912)
Payment to equipment lease receivables		(9,685)	(9,611)
Payment for subsidiary, net of cash acquired		-	(2,750)
Net cash provided by/ (used in) investing activities		13,645	(65,420)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		166	13,168
Cost of capital raising		-	(480)
(Payment to)/ proceeds from borrowings	20(c)	(15,809)	99,496
Payments of borrowings		-	(50,000)
Dividends paid to Company's shareholders		(3,521)	(2,505)
Net cash (used in) / provided by financing activities		(19,164)	59,679
Net increase in cash held		5,404	751
Cash at the beginning of the financial year		15,678	14,927
Cash at the end of the financial year	20(a)	21,082	15,678

The accompanying notes to the financial statements are included on pages 6-45

NOTE 1 Significant accounting policies

These consolidated financial statements and notes represent those of CML Group Limited and controlled entities ("Group"). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. CML Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash-flow information the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current asset, financial assets and financial liabilities.

(b) New Accounting Standards adopted by the group

The Group has adopted AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers with a date of initial application of 1 July 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9 and AASB 15, comparative figures have not been restated. AASB 9 replaces the provisions of AASB 139. The nature and effects of the key changes to the Group's accounting policies resulting from its adoption of AASB 9 are summarised below. The adoption of AASB 15 has not had any impact on the financial statements.

(i) Impairment of financial assets

AASB 9 replaces the "incurred loss" model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at Fair Value through Other Comprehensive Income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

(ii) Transition disclosures

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively, however, comparative periods have not been restated, rather the differences in the carrying amounts of financial assets and liabilities resulting from the adoption of AASB 9 are recognised in retained earnings at 1 July 2018. Accordingly, the information presented for 30 June 2019 is not comparable to the information presented in the 30 June 2018 consolidated financial statements. The transition disclosures have been amended since interim reporting at 31 December 2018.

	$ 000's
Retained Earnings	
Balance under AASB 139 as at 30 June 2018	40,174
Increase in allowance for expected credit losses - Note 1 (b) (i)	(602)
Related tax effect	181
Restated retained earnings balance with AASB 9 and AASB 15 as at 1 July 2018	**39,753**

NOTE 1 Significant accounting policies

(c) Going Concern
The financial report has been prepared on a going concern basis.

(d) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Parent entity as at 30 June 2019 and the results of all subsidiaries for the year then ended. The Parent entity and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. A list of controlled entities is contained in Note 24 to the financial statement.

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

(e) Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.
Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

NOTE 1 Significant accounting policies (continued)

(f) Revenue

AASB 15 Revenue from Contracts with Customers

The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 18 Revenue. AASB 15 has been implemented from 1 July 2018.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

Finance and Equipment Finance

Interest revenue is calculated and charged on the average outstanding loan or lease balance and recognised on an accrual basis using the effective interest rate method.

Other revenue is recognised when it is received or when the right to receive payment is established.

Other services

Revenue from a contract to provide on-hire service is recognised over time as the on-hired employees work their hours.

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

(g) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense (income).

The charge of current income tax expense is based on profit for the year adjusted for non-assessable or disallowed items. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

NOTE 1 Significant accounting policies (continued)

(g) Income tax (continued)
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.
Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(h) Leases
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 23). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.
For finance leases the lease value, plus future interest cost is recognised as a liability on the statement of financial position, split between current and amounts due after more than one year. Repayments made for finance leases are shown on the statement of financial position as a reduction in liability. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

(i) Financial instruments
Classification of financial assets
Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the group's business model for managing the financial assets; and
(b) the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

NOTE 1 Significant accounting policies (continued)

(i) Financial instruments (continued)

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days. Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Debentures, government bonds and loans to related parties

Debentures, government bonds and loans to related parties are debt instruments, and are classified (and measured) at amortised cost on the basis that:

(a) they are held within a business model whose objective is achieved by the group holding the financial asset to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(j) Impairment of financial instruments

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

(a) debt instruments measured at amortised cost;
(b) debt instruments classified at fair value through other comprehensive income; and
(c) receivables from contracts with customers and contract assets.

The group applies the simplified approach under AASB 9 to determine the allowance for credit losses for trade receivables and finance lease receivables, resulting in the recognition of a lifetime expected loss allowance and credit impaired. Impairment provisions are recognised to reflect expected credit losses because of possible default events that could occur over the expected life of the financial instruments.

To measure the expected credit loss (ECL), the Group applies probability of default (PD) x exposure at default (EAD) x loss given default (LGD). Probability of Default is an estimate of the likelihood of a default. Loss Given Default is the amount that would be lost in the event of a default. Exposure at Default is expected outstanding balance of the receivables at the point of default.

The resulting impairment provision is calculated PD x EAD x LGD, overlayed to reflect current and forward-looking information affecting the trade receivables and lease receivables.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

(a) significant financial difficulty of the issuer or the borrower;
(b) breach of contract;
(c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Balances are written off, either partially or in full, against related allowance when there is no reasonable expectation of recovery. For all balances, write-off takes place only at the completion of collection procedures, or where it no longer becomes economical to continue attempts to recover. Subsequent recovers of amounts previously written off decrease the amount of impairment loses recorded in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 1 Significant accounting policies (continued)

(k) Impairment of financial instruments
Adjustment made to Statement of Financial Position

	As at 30 June 2018	Impact of AASB 9	As at 1 July 2018
	$ 000's	$ 000's	$ 000's
Current Assets			
Cash and cash equivalents	15,678	-	15,678
Trade receivables – debtor finance	211,680	1,181	212,861
Trade and other receivables	2,422	(1,670)	752
Finance lease receivables	2,330	(28)	2,302
Other current assets	2,304	2	2,306
	234,414	(515)	233,899
Non-Current Assets			
Finance lease receivables	7,224	(87)	7,137
Plant and equipment	443	-	443
Deferred tax assets	1,808	181	1,989
Intangible assets	16,717	-	16,717
Total Non-Current Assets	26,192	94	26,286
Total Assets	260,606	(421)	260,185
Current Liabilities			
Trade payables – debtor finance	86,057	-	86,057
Trade payables	3,535	-	3,535
Other current liabilities	68	-	68
Borrowings	84,273	-	84,273
Current tax liabilities	1,614	-	1,614
Short-term provision - employees	538	-	538
Total Current Liabilities	176,085	-	176,085
Non-Current Liabilities			
Borrowings	44,166	-	44,166
Long-term provision - employees	67	-	67
Other liabilities	114	-	114
Total Non-Current Liabilities	44,347	-	44,347
Total Liabilities	220,432	-	220,432
Net Assets	40,174	(421)	39,753
Equity			
Issued capital	39,787	-	39,787
Accumulated Losses	(54)	(421)	(475)
Reserves	441	-	441
Total Equity	40,174	(421)	39,753

NOTE 1 Significant accounting policies (continued)

(l) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(m) Intangibles
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.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Trademarks
Trademarks recognised by the Group have an indefinite useful life and are not amortised. The directors believe the useful life is indefinite based on the name acquired being synonymous with the business activity acquired and which is the main business of the Group.

Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in Note 1 (l).

Customer Relationships
Customer relationships is carried at fair value at the date of acquisition less accumulated amortisation. The directors believe the useful life of customer relationships acquired for Cashflow Advantage, 180 Group and 1stCash is 2 years.

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 1 Significant accounting policies (continued)

(n) Intangibles (continued)

Software in relation to IT development:

Software in relation to IT development is carried at cost less accumulated amortisation.

Software in relation to IT development is reported at cost value less GST and is amortised over its estimated useful economic life. The useful life of software varies depending on what the assets are and ranges from 18 months, being 66.67% amortisation, through to 5 years, being 20% amortisation.

(o) Cash and cash equivalents

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

(p) Trade receivables

Trade receivables are recognised initially at fair value and subsequently 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. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of trade receivables is reviewed on an ongoing basis.

An allowance for expected credit loss is made using simplified approach further outlined in Note 7. The amount of the expected credit loss is recognised in comprehensive income within other expenses. When a trade receivable for which allowance for expected credit loss had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in comprehensive income.

(q) Finance lease receivables – as lessor

The Group has recognised loans secured against finance lease equipment. Equipment is owned by the customers and there is no residual or lump sum amounts at the end of the loan agreement. The Group recognises principal and interest receivable over the term of the loan at the beginning of the loan and the principal and interest is amortised according to each loan schedule as scheduled repayments are received.

(r) Plant and equipment

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

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

Depreciation is calculated on a diminishing balance or straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation:

NOTE 1 Significant accounting policies (continued)

(r) Plant and equipment (continued)

	Depreciation rate	Depreciation method
Motor vehicles	20-25%	Straight line
Office equipment	20-40%	Straight line
Leasehold Improvements	20-40%	Straight line
Software	30-40%	Straight line
Low-value Pool	18.75-37.5%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(m)).
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(s) Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(t) Finance costs
Finance costs are recognised in the period in which they are incurred.

(u) Employee benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.
(ii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.
(iii) Share-based payments
Share-based compensation benefits may be provided to directors and employees.
The fair value of shares or options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares/options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.
Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

NOTE 1 Significant accounting policies (continued)

(v) Earnings per share

(i) Basic earnings per share.

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(x) Comparative figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(y) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in Financial / Director's Reports) Instrument 2016/191. Accordingly, amounts in the financial statements and directors' report have been rounded off where appropriate to the nearest $1,000, unless otherwise specified.

(z) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group based on applying the expected credit loss model.

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The discounted cash flow method has been used to arrive at the recoverable amount of goodwill in the financial statements. No impairment has been recognised in respect of goodwill at the end of the reporting period as the recoverable amount exceeds the carrying value.

NOTE 1 Significant accounting policies (continued)

(z) Critical Accounting Estimates and Judgments (continued)
Key judgments
Provision for impairment of receivables
Included in trade receivables at the end of the reporting period is an amount receivable from sales made to a variety of companies during the current financial year amounting to $5,197,000 that is considered to be impaired.

(aa) Reclassification in Cashflow Statement
Payments to and from debtor finance and equipment finance clients (funds advanced to clients) have been reclassified from operating activities to investing activities within the consolidated statement of cash flows, in order to reflect a more accurate picture of the business activities of the Group.

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 2 Revenue

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Revenue from continuing operations		
Services		
Finance	35,796	34,421
Equipment Finance	3,393	1,040
Other services	8,272	12,753
Other revenue		
Interest received – other entities	214	135
Loss on early redemption – Corporate Bond	-	(1,600)
Total revenue	47,675	46,749

NOTE 3 Expenses

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:		
Depreciation and amortisation	260	219
Amortisation – Customer relationships	1,100	1,042
Finance costs expensed	7,272	9,694
Allowance for expected credit losses	1,055	1,590
Rental expenses on operating leases	726	610
Employee superannuation expense	739	707

NOTE 4 Segment Information

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

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

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

Types of products and services by segment

(i) **Finance**
Refers to 'factoring' or 'debtor finance' which provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from the customer (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume.

(ii) **Equipment Finance**
Refers to equipment finance for both new and old equipment. This includes sale-back of owned or partially owned equipment, private sales and mid-term refinancing.

(iii) **Other Services**
Refers to employment solutions including labour sourcing and project management.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors, being the chief and operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions
There are no Inter-segment transactions.

(c) Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.
Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

(d) Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items
The following items of revenue and expenses are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and liabilities
- Interest costs and interest income
- Depreciation and amortisation

NOTE 4 Segment Information (continued)

(f) Comparative information

	Finance	Equipment Finance	Other services	Corporate	Total
	$'000's	*$'000's*	*$'000's*	*$'000's*	*$'000's*
Year ended 30 June 2019					
Invoice Purchased	*1,578,575*				
Total segment revenue	35,796	3,393	8,486	-	47,675
Adjusted profit/(loss) before income tax	19,361	1,602	1,046	(1,629)	20,380

	Finance	Equipment Finance	Other services	Corporate	Total
	$'000's	*$'000's*	*$'000's*	*$'000's*	*$'000's*
Year ended 30 June 2018					
Invoice Purchased	*1,328,077*				
Total segment revenue	34,421	1,040	12,888	(1,600)	46,749
Adjusted profit/(loss) before income tax	18,105	251	874	(1,636)	17,594

The Board assesses the performance of the operating segments based on a measure of adjusted profit/(loss) before income tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are also not allocated to segments.

A reconciliation of adjusted profit/(loss) before income tax to operating profit before income tax is provided as follows:

	Consolidated Group	
	2019	**2018**
	$ 000's	**$ 000's**
Adjusted profit before income tax	20,380	17,594
Depreciation and amortisation	(260)	(219)
Amortisation – Customer Relations	(1,100)	(1,042)
Interest costs	(7,272)	(9,694)
Interest income	214	135
Loss from early redemption of bonds	-	(1,600)
Redundancy cost	-	(129)
Operating Profit before income tax from continuing operations	11,962	5,045

NOTE 4 Segment Information (continued)

Segment assets
The nature of the business is such that assets are used across all segments therefore cannot be identified as relating to a specific segment. The net book value of assets is $251M (2018: $261M) per the consolidated statement of financial position. All assets are based in Australia.

Segment liabilities
The nature of the business is such that liabilities cannot be identified as relating to a specific segment. The net value of liabilities is $206M (2018: $220M) per the consolidated statement of financial position.

Major customers
The Group has a number of customers to which it provides both products and services. Most significant single external customer accounts for 11.81% of external revenue (2018: 9.16%). The next most significant client accounts for 2.91% (2018: 8.92%) of external revenue. All revenue attributable to external customers was generated from Australia for the year ended 30 June 2019.

NOTE 5 Income Tax Expense

		Consolidated Group	
		2019	**2018**
		$ 000's	**$ 000's**
(a)	*The components of tax expense comprise:*		
	Current tax	(3,960)	(2,289)
	Deferred tax	21	430
	Prior year adjustment	377	-
		(3,562)	(1,859)
(b)	*The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to income tax as follows:*		
	Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2018: 30%)	(3,535)	(1,513)
	Add tax effect of:		
	Other non-assessable/ (deductible) items	350	(346)
	Prior year adjustment	(377)	-
	Income tax (expense)	(3,562)	(1,859)
	The applicable weighted average tax rates are as follows:	29.8%	36.8%
(c)	*Deferred taxation*		
	The balance comprises temporary differences attributable to :		
	Allowance for expected credit losses	1,229	858
	Provision for employee entitlements	233	181
	Accrued Expenditure	347	549
	Accrued Income	(47)	(56)
	Other	248	276
	Total deferred tax assets	2,010	1,808
(d)	Income Tax Payable	1,619	1,614

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 6 Cash and cash equivalents

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Cash at bank and in hand	21,082	15,678
	21,082	15,678

Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of financial position and statement of cash flow is:

	2019	2018
Cash and cash equivalents	21,082	15,678
	21,082	15,678

NOTE 7 Trade receivables

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Trade receivables – debtor finance	196,770	216,331
Less: Allowance for expected credit losses	(5,197)	(4,651)
	191,573	211,680
Trade receivables – Other	685	2,787
Less: Allowance for expected credit losses	-	(365)
	685	2,422

Client Receivables

	2019	2018
Trade receivables – debtor finance	196,770	216,331
Less: Trade payables – debtor finance	(87,772)	(86,057)
Client Receivables	108,998	130,274
Less: Allowance for expected credit losses	(5,197)	(4,651)
Net Client Receivables	103,801	125,623

NOTE 7 Trade receivables (continued)

Trade receivables – Debtor finance

Receivables from Debtor Finance are invoices purchased from clients. These invoices have various payment terms, but majority of the invoices have 30 days term. On average, invoices are paid within 42 days.

Trade Receivables - Other

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a weekly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

Impairment of receivables from contracts with customers and receivables purchased.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for trade receivables. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables on the basis of the lifetime expected credit losses of the instrument and credit impaired. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The group determines expected credit losses by applying probability of default (PD) x exposure at default (EAD) x loss given default (LGD) adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. Expected Credit Loss Rate is PD x LGD.

	As at 30 June 2018 $'000	Transition adjustment under AASB 9 $'000	As at 1 July 2018 $'000
Loss Allowance	5,016	487	5,503

The following table provides a reconciliation from the opening balance to the closing balance of the loss allowance for receivables:

	Life-time expected credit losses and not credit impaired Receivables $'000	Life-time expected credit losses and not credit impaired Receivables - Debtor Finance $'000	Life-time expected credit losses – credit impaired Receivables - Debtor Finance $'000	Total $'000
Loss allowance at 1 July 2018	-	1,052	4,451	5,503
Decrease in receivables	-	(180)	-	(180)
Transfer to Credit Impaired	-	(1,280)	1,280	-
Written off	(106)	-	(1,406)	(1,512)
Net remeasurement of allowance	106	1,280	-	1,386
Loss allowance at 30 June 2019	-	872	4,325	5,197

NOTE 7 Trade receivables (continued)

The following table provides information about the risk profile of Trade receivables - debtor finance:

Credit risk profile of receivables from clients

		Days past Due				
	Not past due	<30	30 - 90	90>	Credit Impaired	Total
30 June 2019	$'000	$'000	$'000	$'000	$'000	$'000
Exposure at Default	92,996	65,343	22,132	8,386	7,913	196,770
Expected Credit Loss Rate	-	-	-	10.4%	-	2.6%
Expected credit loss	-	-	-	872	4,325	5,197
1 July 2018						
Exposure at Default	92,886	80,732	25,671	11,958	7,118	218,365
Expected Credit Loss Rate	-	-	-	8.8%	-	2.5%
Expected credit loss	-	-	-	1,052	4,451	5,503

For Debtor Finance division, the Group advances up to 80% of invoices purchased that are less than 90 days past the due date. If the invoices go past 90 days, the invoices are either reassigned back to the client and the funds are clawed back or clients must sell new invoices to the Group. The Group ensures that the invoice purchased from clients have good spread of debtors and if there is concentration issue, the Group ensures that there is trade credit insurance in place. Generally, the Group sees minimal or no risk in collecting invoices that are less than 90 days old from the due date.

Key risks that the Group is exposed to are fraud and invoice disputes. Invoices that are over 90 days are mainly from clients that have committed a fraud (including mis-banking) or have invoice disputes from end debtors.

The Group also maintains a risk register for individual clients that have issues repaying the advanced funds. The Group performs a stress test of each individual client's circumstances and the stress test amount is recognised as credit impaired in the account.

NOTE 7 Trade receivables (continued)

The following table provides information about the risk profile of Trade receivables - Other:

Credit risk profile of receivables from customers

	Days past due				
	< 30	30-60	60 - 90	90>	Total
30 June 2019	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Exposure at Default	628	57	-	-	685
Expected Credit Loss Rate	0%	0%	-	-	-
Expected Credit Loss	-	-	-	-	-
1 July 2018					
Exposure at Default	661	44	15	32	752
Expected Credit Loss Rate	0%	0%	-	-	-
Expected Credit Loss	-	-	-	-	-

Customers in Other division consists of government or government related entities. The Group does not expect any expected credit loss from government related entities. The group does not have any non-government related entities as at 30 June 2019.

Receivables written off during the year

The gross carrying amount of a receivable balance is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the outstanding balance. The receivable written off remains subject to enforcement action by the group.

The contractual amount outstanding on receivables that were written off during the year is $106,000 (2018: $nil). The amount written off was from a non-government entity.

NOTE 8 Finance Lease receivables

	Consolidated Group 2019 $ 000's	2018 $ 000's
Current:		
Finance lease receivables	8,217	4,082
Allowance for expected credit losses	(124)	(44)
Unamortised loan brokerage fees	257	109
Unamortised loan transaction fees	(280)	(120)
Unamortised interest receivable	(3,261)	(1,697)
Total Current	4,809	2,330
Non-Current:		
Finance lease receivables	18,806	9,691
Allowance for expected credit losses	(362)	(14)
Unamortised loan brokerage fees	596	255
Unamortised loan transaction fees	(572)	(285)
Unamortised interest receivable	(4,468)	(2,423)
Total Non-Current	14,000	7,224
Grand Total	18,809	9,554

Impairment of lease receivables

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for lease receivables. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables on the basis of the lifetime expected credit losses of the instrument and credit impaired. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The group determines expected credit losses by applying probability of default (PD) x exposure at default (EAD) x loss given default (LGD) adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. Expected Credit Loss Rate is PD x LGD.

NOTE 8 Finance Lease receivables (continued)

	As at 30 June 2018 $'000	Transition adjustment under AASB 9 $'000	As at 1 July 2018 $'000
Loss Allowance	58	115	173

The following table provides a reconciliation from the opening balance to the closing balance of the loss allowance for lease receivables:

	Life-time expected credit losses and not credit impaired Lease Receivables $'000	Life-time expected credit losses – credit impaired Lease Receivables $'000	Total $'000
Loss allowance at 1 July 2018	140	33	173
Increase in receivables	184	-	184
Transfer to Credit Impaired	(129)	129	-
Written off	(157)	-	(157)
Net remeasurement of allowance	286	-	286
Loss allowance at 30 June 2019	324	162	486

The following table provides information about the risk profile of lease receivables:

Credit risk profile of receivables from customers

	Days past due						
	Not past due	< 30	30-60	60 - 90	90>	Credit Impaired	Total
30 June 2019	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Exposure at Default	25,891	140	6	7	-	979	27,023
Expected Credit Loss Rate	1.2%	1.3%	12.5%	15.0%	22.5%	-	-
Expected Credit Loss	320	2	-	1	-	163	486
1 July 2018							
Exposure at Default	13,640	36	10	-	10	77	13,773
Expected Credit Loss Rate	1.0%	1.0%	11.3%	13.8%	21.3%	-	-
Expected Credit Loss	136	-	1	-	3	33	173

NOTE 9 Other Assets

	Consolidated Group 2019 $ 000's	Consolidated Group 2018 $ 000's
CURRENT:		
Prepayments	448	1,697
Accrued Income	157	187
Advances	16	16
Deposits Paid	402	404
Total	1,023	2,304

NOTE 10 Plant & Equipment

	Consolidated Group 2019 $ 000's	Consolidated Group 2018 $ 000's
Leased motor vehicles		
At cost	49	46
Accumulated depreciation	(6)	(15)
	43	31
Software & Office equipment		
At cost	1,221	1,676
Accumulated depreciation	(1,026)	(1,449)
	195	227
Leasehold Improvements		
At cost	534	567
Accumulated depreciation	(384)	(382)
	150	185
Low-value pool		
At cost	13	-
Accumulated depreciation	(2)	-
	11	-
Total Plant & Equipment	399	443

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 10 Plant & Equipment (continued)

	Consolidated Group				
2019 Consolidated:	Leased Motor Vehicle	Computer & Office Equipment	Leasehold Improvements	Low-value Pool	Total
	$000s	$000s	$000s	$000s	$000s
Balance at the beginning of the financial year	31	227	185	-	443
Additions	49	89	42	13	193
Disposal or classified as held for sale	(27)	-	-	-	(27)
Depreciation	(10)	(121)	(77)	(2)	(210)
Carrying amount at the end of the financial year	43	195	150	11	399
2018 Consolidated:					
Balance at the beginning of the financial year	42	141	184	-	367
Additions	-	126	21	-	147
Acquired on business combination	-	62	31	-	93
Depreciation	(11)	(102)	(51)	-	(164)
Carrying amount at the end of the financial year	31	227	185	-	443

NOTE 11 Intangible Assets

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Goodwill:		
Opening net book balance	14,540	9,252
Acquisitions	-	5,288
Adjustment to prior year acquisition during the measurement period	(1,650)	-
Net book value	12,890	14,540
Trademarks:		
Opening net book balance	2,125	2,125
Net book value	2,125	2,125
Customer Relationships:		
Opening net book balance	-	1,042
Adjustment to prior year acquisition during the measurement period	1,650	-
Amortisation	(1,100)	(1,042)
Net book value	550	-
Software Development:		
Opening net book balance	52	92
Capitalised during the year	-	15
Amortisation	(50)	(55)
Net book value	2	52
Total	15,567	16,717

NOTE 11 Intangible Assets (continued)

Intangible assets have been tested for impairment at 30 June 2019 resulting in no impairment loss (2018: $nil).

Intangible assets, other than goodwill and trademarks, have finite useful lives ranging from 18 months to 5 years. Amortisation is calculated according to the estimated remaining economic useful life of the asset.

Goodwill and trademarks have an indefinite life.

Goodwill, customer relationships and trademarks are comprised of:

- The acquisition of Zenith Management Services Pty Ltd in Financial Year 2010 with goodwill amounting to $2,416,000;
- The acquisition of an independent contractors Agreement from Lex Brown with goodwill of $175,000;
- The acquisition of Cash Flow Finance Australia Pty Ltd in Financial Year 2015 with goodwill amounting to $2,125,000;
- The acquisition of Cashflow Advantage Pty Ltd in Financial Year 2016 amounting to $2,727,000 ($2,501,000 preliminary accounting adjusted for fair value adjustment to trade receivables acquired less associated deferred tax of $276,000) less $700,000 customer relations identified from PPA exercise;
- The acquisition of 180 Group Pty Ltd in Financial Year 2016 with goodwill amounting to $4,634,000 ($6,334,000 less $1,700,000 customer relationships identified from PPA exercise); and
- The acquisition of 1st Cash Pty Ltd in Financial Year 2018 amounting to $3,638,000 ($5,289,000 less $1,651,000 customer relationships identified from PPA exercise).

(a) **Impairment tests for goodwill and trademark**

The recoverable amount of goodwill and trademarks are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a 5 year period. The growth rate does not exceed the long-term average growth rate for the business in which the business operates.

The growth rate used is considered reasonable based on industry trends. The value in use calculations are on the basis of budgeted results for the 2020 and actual results for the 2019 financial years.

Growth Rate		Discount Rate	
2019	2018	2019	2018
%	%	%	%
2.5	2.5	7.8	7.8

(b) **Impairment Charge**

Intangible assets with indefinite useful life have been tested for impairment at 30 June 2019 resulting in no impairment charge. No indicators of impairment were identified for finite life intangible assets.

(c) **Impact of possible changes in key assumptions**

If there was no budgeted growth rate, the Group would have not recognised an impairment of goodwill.

If the estimated cost of capital used in determining the discount rate for goodwill and trademarks had been 10% higher than managements' estimates of 7.8%, the Group would not have to recognise an impairment of goodwill and trademark.

NOTE 12 Trade and Other Payables

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Trade payables		
CURRENT:		
Unsecured liabilities		
Trade payables – Debtor finance	87,772	86,057
Total	87,772	86,057
Trade payables	1,380	1,385
Sundry payables and accrued expenses	1,687	2,150
Total	3,067	3,535
Grand Total	90,839	89,592

NOTE 13 Other Liabilities

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
CURRENT:		
Unsecured liabilities	22	52
Lease Incentive Liability	27	16
	49	68
NON-CURRENT:		
Lease Incentive Liability	97	114
	97	114

Lease Incentive Liability relates to the rental of the Miller Street, North Sydney, NSW, Plummer Street, Melbourne, VIC and Queen Street, Brisbane, QLD properties.

NOTE 14 Borrowings

	Consolidated Group 2019 $ 000's	2018 $ 000's
CURRENT:		
Unsecured		
Receivables Financing Facility	68,431	82,798
Unsecured Loans	33	1,475
	68,464	84,273
NON-CURRENT:		
Unsecured		
Unsecured Corporate Bond	19,630	19,547
	19,630	19,547
Secured		
Senior Secured Corporate Bond	24,875	24,619
Total Non-Current	44,505	44,166
Total	112,969	128,439

Receivable Facility
In April 2019, CML Group entered into $140m drawdown facility with institutional bank at an average 4.5% interest rate. The facility is reviewed annually. The used portion of the facility amounted to $68.4m and unused portion of $71.6m at 30 June 2019.

Unsecured Loans and Unsecured Corporate Bond
In May 2018, CML Group raised $20m by issuing an unsecured Corporate Bond. The Unsecured Corporate Bond has fixed interest rate of 7.95% p.a. payable quarterly in arrears. The Bond has a maturity date of 30 May 2022.

Secured Corporate Bond
In May 2015, CML Group raised $25.0m by issuing a Senior Secured Corporate Bond at a floating coupon rate of 5.4% per annum plus the 30 day Bank Bill Swap Rate, payable monthly in arrears to May 2020.

Risk exposure
Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 21.

NOTE 15 Provision for employee benefits

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
CURRENT:		
Employee benefits	693	538
Reconciliation of movement in the liability is recognised in the statement of financial position as follows:		
Balance at the beginning of the financial year	538	364
Increase in provision	155	174
Balance at end of the financial year	693	538
NON-CURRENT:		
Employee benefits	83	67
Reconciliation of movement in the liability is recognised in the statement of financial position as follows:		
Balance at the beginning of the financial year	67	54
Increase in provision	16	13
Balance at end of the financial year	83	67

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(u)(i) and (ii) of the financial statements.

NOTE 16 Contributed Equity

	Consolidated Group			
	2019	2018	2019	2018
	No.	No.	$ 000's	$ 000's
Balance at beginning of financial year	201,041,948	133,052,955	39,787	16,711
Shares issued or under issue during the year:				
Ordinary shares @ 50 cents from Share Placement	-	26,000,000	-	13,000
Ordinary shares @ 25 cents from conversion of Convertible Note	-	41,548,524	-	10,387
Share issue from Dividend Reinvestment Plan	337,040	440,469	167	169
Less: Transaction costs arising from share issues	-	-	-	(480)
Balance at end of financial year	201,378,988	201,041,948	39,954	39,787

Capital risk management

The Group and the parent entity's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's debt and capital includes ordinary share capital, convertible notes, corporate bonds and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There are no externally imposed capital requirements. This strategy is to ensure that the Group's gearing ratio remains under 90%. The gearing ratios for the year ended 30 June 2019 and 30 June 2018 are as follows:

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Gearing Ratios		
Total borrowings	112,969	128,439
Less: Cash and cash equivalents	(21,082)	(15,678)
Net debt	91,887	112,761
Total equity	44,799	40,174
Total capital	136,686	152,935
Gearing ratio	67.23%	73.73%

NOTE 17 Reserves and Accumulated Earnings/ (Losses)

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Reserves and Accumulated Earnings/ (Losses)		
Accumulated Earnings /(Losses)	4,404	(54)
General Reserves	441	441
	4,845	387
Accumulated Earnings/ (Losses)		
Balance at the beginning of year	(54)	(735)
Adoption of AASB 9	(421)	-
Net profit attributable to members of *CML Group Pty Ltd*	8,400	3,186
Total available for appropriation	7,925	2,451
Dividends paid	(3,521)	(2,505)
Balance at end of year	4,404	(54)

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 18 Earnings per share

	Consolidated Group	
	2019 Cents per Share	2018 Cents per Share
Basic earnings per share	4.19	1.85
Diluted earnings per share	3.99	1.75

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated Group	
	2019	2018
	$000's	$000's
Earnings*		
Continuing operations	8,400	3,186
Continuing and discontinued operations	8,400	3,186
Interest on convertible notes	-	-
Earnings used in calculating of dilutive EPS	8,400	3,186
	No.	No.
Weighted average number of ordinary shares	200,669,500	171,849,227
Weighted average number of dilutive convertible notes on issue	10,000,000	10,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	210,669,500	181,849,227

* Earnings used in the calculation of basic earnings per share are net profit after tax.

NOTE 19 Dividends

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Fully Franked Final Dividend – 0.75 cents (2018: 0.75 cents)	1,508	998
Fully Franked Interim Dividend – 1.00 cents (2018: 0.75 cents)	2,013	1,507
Total	3,521	2,505
Franking Credits	5,998	5,114

The above amounts represent the balance of the franking account on a tax paid basis at financial year-end adjusted for franking credits arising from payment of provision for income tax and franking debits arising from the payment of dividends recognised as a liability at the reporting date.

NOTE 20 Cash flow information

		Consolidated Group 2019	Consolidated Group 2018
(a)	*Reconciliation of cash*	$ 000's	$ 000's
	For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:		
	Cash and cash equivalents	21,082	15,678
		21,082	15,678
(b)	Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash flows from operating activities		
	Profit from ordinary activities after related income tax	8,400	3,187
	Depreciation and amortisation of non-current assets	1,360	1,260
	Changes in assets and liability, net of effect of purchases of subsidiaries;		
	(Increase)/ decrease in receivables	(116)	986
	Increase in deferred tax assets	(22)	(487)
	Decrease/(increase) in provisions	180	(69)
	Decrease in trade and other payables	(467)	(357)
	Decrease in other liabilities	(36)	(32)
	Increase/(decrease) in other current assets	1,281	(121)
	Increase in borrowings	339	2,047
	Increase in Income tax payable	4	78
	Net cash from operating activities	10,923	6,492

(c)

			Non-cash changes	
	2018	Financing cash flows	Other changes	2019
	$ 000's	$ 000's	$ 000's	$ 000's
Receivables Financing Facility	82,798	(14,367)	-	68,431
Unsecured Loans	1,476	(1,442)	-	34
Senior Secured Bond	24,619	-	-	24,619
Unsecured corporate Bond	19,547	-	-	19,547
	128,440	(15,809)	-	112,631

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 21 Financial Risk Management

The Risk Committee has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The risk management committee monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to financing risk and interest rate risk.

The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements.

The Group's financial instruments consist mainly of deposit with banks, accounts receivable, investments, and trade and other payables and borrowings.

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
The total for each category of financial instruments, excluding assets held for sale, measured in accordance with accounting policies to these financial statements, are as follows:		
Financial Assets		
Cash and cash equivalents	21,082	15,678
Trade and other receivables	192,258	214,102
Finance lease receivables	18,809	9,554
Other current assets	402	404
	232,551	239,738
Financial liabilities		
Trade and other payables	90,839	89,592
Borrowings - fixed	19,663	21,023
Borrowings - variable	93,306	107,416
	203,808	218,031

(a) Cash flow and fair value interest rate risk
The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

All of Group's debts are on floating rate except Unsecured Corporate Bond which has a fixed rate. Group's debts are primarily used for finance division and equipment finance division. Equipment Finance division has no interest rate risk as it uses Unsecured Corporate Bond for lending. Interest rate risk for the finance division can be mitigated by passing on the increase in interest rate to the customers.

NOTE 21 Financial Risk Management (continued)

(a) Cash flow and fair value interest rate risk

Sensitivity Analysis
The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the interest rate that management considers to be reasonably possible. These sensitivities assume that the movement in interest rate is independent of other variables.

Sensitivity Analysis	**2019**	**2018**
	$000's	**$000's**
Financial Assets		
Cash and cash equivalents	21,082	15,678
Financial liabilities		
Borrowings - variable	(93,306)	(107,416)
Net	(72,224)	(91,738)
+/- 2% in interest rate		
Equity	+/- 1,011	+/- 1,284
Profit	+/- 1,444	+/- 1,835

For assets and liabilities, the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

(b) Credit risk
Credit risk arises predominantly from receivables from customers and also from cash and cash equivalents, and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'AA' are accepted. If customers are independently rated, these ratings are used. If there is no independent rating for customers, the Group's risk controls assess the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group. The compliance with credit limits by customers is regularly monitored by line management.

NOTE 21 Financial Risk Management (continued)

(b) *Credit risk (continued)*

The maximum exposure to credit risk at the reporting date, excluding any amounts recoverable under the Group's credit insurance which is not able to be reliably estimated, is the carrying amount of the financial assets summarised in the following table. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparties default rates.

	Consolidated Group	
	2019	2018
	$ 000's	$ 000's
Trade receivables		
Counterparties with external credit rating (Moody's)		
AAA Federal government departments and instrumentalities	7,327	10,077
Counterparties without external credit rating	209,424	207,967
Total trade receivables	216,751	218,044
Cash at bank and short-term bank deposits		
AA-	21,082	15,678

To further minimise the credit risk for outstanding receivables from customers, the Group ensures that:

- 50% of ledger purchased from new customers are checked and validated with the end debtors.
- 20% of new invoices purchased from existing customers are checked and validated with the end debtors.
- Collections team chases for overdue invoices to make sure invoices are paid on time.

NOTE 21 Financial Risk Management (continued)

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group manages this risk through the following mechanisms:
- Preparing forward looking cash flow analysis in relation to its operational and financing activities;
- Ensuring that adequate capital raising activities are undertaken;
- Maintaining a reputable credit profile; and
- Investing surplus cash only with major financial institutions.

Please refer to Note 14 for more details on borrowings.

The following tables reflect undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments:

	Weighted average interest rate	0 to 12 Months	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying value
As at 30 June 2019		$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Trade and other payables		90,839	-	-	-	90,839
Borrowings	6.38%	68,464	44,505	-	-	112,969
Total financial liabilities		159,303	44,505	-	-	203,808

		0 to 12 Months	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying value
As at 30 June 2018		$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Trade and other payables		89,592	-	-	-	89,592
Borrowings	7.70%	84,273	44,166	-	-	128,439
Total financial liabilities		173,865	44,166	-	-	218,031

Fair value estimation
The carrying amounts of trade receivables, payables and current borrowings are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings approximates the carrying amount, as the impact of any discounting is not significant.

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 22 Contingent liabilities

There are 3 rental guarantees of $263,000 relating to the property at Miller Street, Queen Street and Plummer Street. The guarantee amount is payable if lease terms regarding the property are broken.

NOTE 23 Commitments

(a) *Lease commitments – Group as lessee*

Non-cancellable operating leases
The property lease at Brisbane expires on 31 October 2021. It is a 5 year lease with rent payable monthly in advance. Rental provisions with the lease agreement require the minimum lease payments shall increase by 3.5% per annum.

The property lease at North Sydney expires on 31 December 2022. It is a 5 year lease with rent payable monthly in advance. Rental provisions with the lease agreement require the minimum lease payments shall increase by 4% per annum.

The property lease at Melbourne expires on 30 May 2021. It is a 3 year lease with rent repayable monthly in advance. Rental provisions with the lease agreement require the minimum lease payments shall increase by 3.5% per annum.

(b) *Lease commitments – Group as lessee*
Commitments in relation to finance leases are payable as follows:

	2019	2018
	$ 000's	$ 000's
Non-cancellable operating leases contracted but not capitalised in the financial statements		
- Payable not later than one year	657	433
- Longer than 1 year and not longer than 5 years	1,335	1,154
	1,992	1,587

Notes to the Financial Statements for the year ended 30 June 2019

NOTE 24 Subsidiaries

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

	Country of Incorpor-ation	2019 %	2018 %
Ultimate Parent Entity			
CML Group Limited	Australia		
Controlled Entities			
CMLPayroll Pty Limited	Australia	100%	100%
Zenith Management Services Group Pty Limited	Australia	100%	100%
Lester Australia Limited	UK	100%	100%
Lester Payroll Services Pty Limited	Australia	100%	100%
Lester Associates Good Migration Pty Limited	Australia	100%	100%
Lester Associates Business Services Pty Limited	Australia	100%	100%
LesterPlus Pty Limited	Australia	100%	100%
Cashflow Finance Australia Pty Limited	Australia	100%	100%
Cashflow Advantage Pty Limited	Australia	100%	100%
180 Group Pty Limited	Australia	100%	100%
180 Capital Funding Pty Limited	Australia	100%	100%
1ST Cash Pty Limited	Australia	100%	100%

NOTE 24 Subsidiaries (continued)

Deed of Cross Guarantee
A deed of cross guarantee between CMLPayroll Pty Ltd and CML Group Limited was entered into during the 2015 financial year. Cashflow Finance Australia Pty Limited also entered the closed group during 2019 financial year.

A relief was obtained from preparing financial statements for CMLPayroll Pty Ltd and Cashflow Finance Australia Pty Limited under ASIC Class Order 2016/785. Under the deed, CML Group Limited, CML Payroll Pty Ltd and Cashflow Finance Australia Pty Limited guarantee the debts of each other and are the members of the closed group. CML Payroll Pty Ltd and Cashflow Australia Pty Limited are the only parties to the deed of cross guarantee. The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the closed group is set out below:

		Closed Group	
		2019 $000	2018 $000
Financial information in relation to:			
(i)	Statement of profit or loss and other comprehensive income:		
	Profit/ (loss) before income tax	11,103	(6,998)
	Income tax (expense)/ credit	(3,304)	1,754
	Profit (loss) after income tax	7,799	(5,244)
	Profit/ (loss) attributable to members of the parent entity	7,799	(5,244)
(ii)	Statement of financial position:		
	CURRENT ASSETS		
	Cash and cash equivalents	14,930	645
	Trade and other receivables	197,800	123,027
	Other current assets	927	766
	TOTAL CURRENT ASSETS	213,657	124,438
	NON-CURRENT ASSETS		
	Property, plant and equipment	394	80
	Intangible assets	18,426	19,571
	Deferred tax assets	2,010	1,760
	TOTAL NON-CURRENT ASSETS	20,519	21,411
	TOTAL ASSETS	234,176	145,849
	CURRENT LIABILITIES		
	Trade and other payables	90,766	1,146
	Tax liabilities	1,619	(6,066)
	Borrowings	68,464	84,273
	Other liabilities	49	41
	Short-term provisions	688	41
	TOTAL CURRENT LIABILITIES	161,586	79,435

NOTE 24 Subsidiaries (continued)

	Closed Group 2019 $000	Closed Group 2018 $000
NON-CURRENT LIABILITIES		
Long-term borrowings	44,505	44,166
Long-term provisions	83	2
Other liabilities	98	19
TOTAL NON-CURRENT LIABILITIES	44,686	44,187
TOTAL LIABILITIES	206,272	123,622
NET ASSETS	27,904	22,227
EQUITY		
Issued capital	39,952	39,783
Reserves	441	441
Retained earnings	(12,489)	(17,997)
	27,904	22,227

NOTE 25 Parent Entity Disclosures

The individual financial statements for the parent entity show the following aggregate amounts:	Consolidated Group 2019 $ 000's	Consolidated Group 2018 $ 000's
Statement of Financial Position		
Current assets	5,872	2,137
Non-current assets	127,045	144,294
Total assets	132,917	146,431
Current liabilities	71,060	79,559
Non-current liabilities	44,544	44,187
Total liabilities	115,604	123,746
Net Assets	17,313	22,685
Shareholders' equity		
Contributed equity	39,950	39,783
Retained losses	(22,637)	(17,098)
Total equity	17,313	22,685
Net Loss for the year after tax	(5,539)	(7,765)
Total Comprehensive Loss	(5,539)	(7,765)

The parent entity, Cashflow Finance Pty Limited and CMLPayroll Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

NOTE 26 Remuneration of Auditors

	Consolidated Group	
	2019	2018
During the year the following fees were paid or payable for services provided by the auditors of the parent entity:	$	$
Audit and review of the financial statements	119,900	114,327
Other services:		
Taxation and corporate secretarial services	-	-
	119,900	114,327

NOTE 27 Subsequent events

The Group has declared on 22 August 2019 a Final Dividend of 1.4 cents per share, fully franked. Group has a Dividend Reinvestment Plan (DRP) in place, in which eligible shareholders may participate.