GrowthOps

Trimantium GrowthOps Limited

ABN 80 621 067 678

Financial Report - 30 June 2019

Directors	Dominique Fisher - Chairman Phillip Kingston Paul Mansfield Melissa Field
Company secretary	Dustine Pang
Notice of annual general meeting	The details of the annual general meeting of Trimantium GrowthOps Limited are: 10:00am, Wednesday, 27 November 2019 at Level 50, Bourke Place, 600 Bourke Street Melbourne, VIC 3000
Registered office	Level 11, 31 Queen St Melbourne VIC 3000 Australia
Principal place of business	Level 11, 31 Queen St Melbourne VIC 3000 Australia
Share register	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Australia
Auditor	Deloitte Touche Tohmatsu Grosvenor Place 225 George Street Sydney, NSW 2000 Australia
Stock exchange listing	Trimantium GrowthOps Limited shares are listed on the Australian Securities Exchange (ASX code: TGO)
Website	www.growthops.com.au
Business objectives	In accordance with Listing Rule 4.10.19 the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX since its admission to the end of the reporting period in a way that is consistent with its business objectives.
Corporate Governance Statement	The directors and management are committed to conducting the business of Trimantium GrowthOps Limited in an ethical manner and in accordance with the highest standards of corporate governance. Trimantium GrowthOps Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Financial Report and can be found on the Investor Relations page at www.growthops.com.au/investors/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'GrowthOps') consisting of Trimantium GrowthOps Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were directors of Trimantium GrowthOps Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dominique Fisher - Non-Executive Chairman
Phillip Kingston - Executive Director
Paul Mansfield - Executive Director
Melissa Field - Non-Executive Director

Principal activities

The principal activities of the Group during the financial year were the provision of growth services to organisations seeking to acquire and retain new customers, build and launch transformational products, and scale operations. The Group performs the tasks required to create and implement a technology-driven new product, service or growth initiative, from start to finish, including: analysis of market opportunities and threats; leadership development; change management; cloud services; software development; systems integration; positioning and brand strategy; performance marketing and marketing communications.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The Group generated statutory revenue of $69.0 million, and statutory net loss after tax of $65.0 million for the year ended 30 June 2019 ('Financial Period'). For the year ended 30 June 2018, the Group comprised of the holding entity from 14 August 2017 until 16 March 2018, when the Group listed on the Australian Securities Exchange (IPO).

Statutory net loss after tax includes non-cash adjustments totalling $60.9 million:

- The accounting impact of non-cash, share-based payment expense of $30.5 million;
- The amortisation of identifiable intangible assets arising from acquisitions of $7.5 million; and
- Impairment of tangible and intangible assets of $22.9 million.

GrowthOps achieved several major milestones during this Financial Period, the Foundation Year. Critical to building the foundation for future growth, GrowthOps' management restructured and integrated the 8 businesses acquired at IPO and the operations of Asia Pacific Digital Limited ('APD') acquired in August 2018 (together the 'Foundation Companies'). The operations of the Foundation Companies were integrated into Practices focusing on client needs (e.g. Technology). The Group launched the new GrowthOps Brand into the market, while retaining and leveraging the equity of key brands: AJF GrowthOps (creative) and IECL by GrowthOps (organisational coach accreditation).

During the Financial Period GrowthOps developed and continued to refine the integrated GrowthOps service offering to help clients grow more effectively through the integration of creative, technology and coaching and leadership. This included the addition of performance marketing capabilities through the acquisition of APD, attracting and hiring a dedicated Salesforce Einstein team, and key business development and practice leadership hires. Foundation Entities were transitioned to one integrated Customer Relationship Management (CRM) system to drive cross sell opportunities and excellence in account management. Finance and payroll systems were integrated under one common platform and the transition to one whole-of-Group HR system commenced. The majority of office locations were shifted to 'campuses' driving collaboration and facilitating integrated, cross-skilled client teams. GrowthOps also expanded its geographic footprint in the growing Asia Pacific region through the acquisition of APD.

The GrowthOps operating model integrating creative, technology and coaching and leadership offerings results in a balanced revenue mix including a significant proportion of fixed multi-period retainers and recurring engagements, as well as time-and-materials projects. The acquisition of commercial property platform Xperior in December 2018 provides GrowthOps with an entry into a new growth sector as well as increasing revenue diversification through software-as-a-service products over time.

The Group's results for the Financial Period were impacted by challenging external conditions, including reduced business spending and deferred client purchasing decisions observed during the period leading up to the Australian Federal Election in May 2019.

Integrating the Foundation Companies into the GrowthOps operating model achieved $9.5 million in annualised cost savings in the Financial Period, while incurring a restructuring cost of $2.0 million.

Other key achievements in the Financial Period include:
- Reducing the Group's pro forma annual interest expense by $1.0 million through the refinancing of assumed APD debt with a new two-year, $14.0 million senior secured debt facility with Westpac Banking Corporation; and
- Generating pro forma revenue of $71.4 million and pro forma EBITDA of $8.6 million.

Operating and Financial Review
In its first year as a publicly listed company, GrowthOps devoted substantial resources to integrating the businesses acquired while also investing and refining its brand and capability.

GrowthOps acquired APD through an off-market takeover offer, which was approved on 2 August 2018, when APD shareholders representing greater than 90% of total shares outstanding accepted the offer and the acquisition became free of any conditions.

In November 2018, the Company entered a 2-year senior secured debt facility of $14.0 million with Westpac Banking Corporation, allowing it to refinance APD's existing debt facilities and achieve annualised interest savings of approximately $1.0 million.

On 24 December 2018, GrowthOps acquired the tenant portal property software business of Xperior from Xperior Group Pty Ltd.

The total purchase consideration for the companies acquired on 16 March 2018 was $95.6 million. Vendors received 50% of that purchase consideration, or $47.8 million, in cash at completion, and the other 50% in the form of 47.8 million of convertible redeemable preference shares ("CRPS"). The CRPS convert into ordinary shares over three years, subject to continued employment of the vendors, on the following schedule: 50% on the first anniversary of the IPO; 25% on the second anniversary of the IPO; and the final 25% on the third anniversary of the IPO.

The conversion ratio of these CRPS was finalised during the Financial Period per the terms of the share purchase agreements executed with vendors, resulting in an average conversion ratio of 1.09 ordinary shares for each 1 CRPS. The first tranche of the CRPS was converted into ordinary shares on 16 March 2019, with the issuance of 25,975,341 new GrowthOps ordinary shares.

On 15 March 2019 GrowthOps announced an on-market share buyback program of up to $5 million. The share buyback was suspended on 1 May 2019. A total of 108,754 shares were bought back and cancelled during the program for total consideration paid of $65,710.

Pro Forma results (unaudited)
The use of the term 'pro forma' relates to the period from 1 July 2018 to 30 June 2019, and its prior comparable period ('pcp') of 1 July 2017 to 30 June 2018. All acquisitions have been included in the pro forma financial reports as if owned for those full periods. In the preparation of the pro forma numbers, the statutory financial report has been adjusted for abnormal items relating to acquisition costs and restructuring costs, as well as the non-cash, share-based payments expense and impairment of tangible and intangible assets arising from the Group's prior acquisitions.

The GrowthOps Board of Directors believes that the presentation of pro forma results provides a useful measure of the underlying performance of the Group to users of this financial report. The use of pro forma financial results is non-IFRS financial information, and as such have not been audited in accordance with Australian Auditing Standards.

	Pro forma FY19 $ million	Pro forma FY18 $ million	FY19/FY18 actual change %
Revenue	71.4	87.0	(17.9%)
Media pass through income	29.3	29.4	
Media pass through expense	(29.3)	(29.4)	
Cost of sales	(10.6)	(13.5)	
Staff costs	(42.9)	(49.4)	
Occupancy	(0.4)	(0.9)	
Other	(8.9)	(8.8)	
EBITDA	8.6	14.4	(40.3%)

Pro forma Earnings before interest, tax, depreciation and amortization (EBITDA) of $8.6 million includes the impact from the early adoption of AASB 16 – Leases. As a result, rental expense of $3.3 million (FY18: $2.8 million) is no longer part of Occupancy cost. Adoption of AASB 16 resulted in recognition of right of use assets of $12.0 million (after depreciation and impairment charge for the period), recognition of lease liabilities of $13.0 million, recognition of depreciation expense $3.1 million (instead of rental expense) and interest expense of $0.5 million and reversal of liabilities in relation to lease incentives of $0.5m.

The restructuring and subsequent integration of the businesses during the Financial Period eliminated $9.5 million in abnormal (one-off) items. This consisted of $7.5 million of staff costs and $1.5 million of duplicated costs removed, as well as $0.5 million in acquisition related legal costs. In addition, $2.0 million of restructuring costs in the form of redundancy payments were incurred.

Overall, pro forma operating costs on a normalised view reduced from $59.1 million in FY18 to $52.2 million in FY19.

The acquisition of Xperior contributed to pro forma revenue and EBITDA of $0.6 million and $0.1 million, respectively, in the Financial Period.

Reconciliation of Statutory EBITDA to Pro forma EBITDA:

	$ million
Statutory loss before income tax	**(68.4)**
Net finance costs	1.0
Impairment of intangible assets	22.9
Depreciation and amortisation	11.5
Statutory EBITDA	**(33.0)**
Share-based payments	30.5
Restructuring costs	2.0
Abnormal (i.e. one-off) items	9.5
APD pre-acquisition EBITDA	(0.5)
Xperior contribution	0.1
Pro forma EBITDA	**8.6**

Significant changes in the state of affairs

- On the 15 June 2018, GrowthOps announced it had entered into a Bid Implementation Agreement with Asia Pacific Digital Limited ('APD') under which GrowthOps would make an off-market takeover bid to acquire 100% of the fully paid ordinary shares of APD by offering 1 TGO share for every 8.9 APD fully paid shares.

- On 6 July 2018, GrowthOps issued a Bidder Statement in relation to the off-market takeover. At the close of the offer period on 7 August 2018, GrowthOps had acquired a relevant interest of 96.7%. On 15 September 2018, GrowthOps compulsorily acquired the remaining shares in Asia Pacific Digital Limited, resulting in a relevant interest of 100% of APD's fully paid ordinary shares. The total consideration was settled through the issue of 16,196,527 fully paid TGO shares.

- On 24 December 2018, the Group acquired the tenant portal software business of Xperior from Xperior Group Pty Ltd. At completion, Xperior Group Pty Ltd was issued 2,000,000 TGO shares, and paid cash consideration of $2.0 million. Based on Xperior's operating performance in Calendar Year 2020, Xperior Group Pty Ltd is eligible to receive additional consideration (50% in cash and 50% in TGO shares, up to an aggregate cap for any future share consideration of 3.7 million shares).

  Xperior delivers a market-leading software product in the high-growth area of 'smart buildings' to commercial property groups and buildings throughout Australia and New Zealand. Xperior provides GrowthOps with a compelling entry into a new growth sector that, in combination with the Group's other growth services, is expected to add significant value to clients in the commercial property industry across the Asia Pacific region.

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

Matters subsequent to the end of the financial year

On 31 August 2019, the Group's net financial debt to EBITDA (financial covenant) ratio exceeded the compliance limit required by the Westpac debt facility. On 30 August 2019, Westpac granted a waiver to the Group from complying with the above financial covenant for the period from 31 August 2019 to 30 November 2019. Refer to the going concern disclosure in note 2 for further information.

Apart from the matter noted above, no matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

GrowthOps expects its near-term growth to be driven in large part by organic opportunities arising from the benefits of Listing as well as potential revenue synergies captured through collaboration.

The management team will seek to implement synergies as part of an on-going integration plan and to drive top-line growth, as well as effectively manage costs and appropriately hire to achieve that growth.

Near-term growth is expected to be supported in large part by the continued transition of corporate and government clients to public cloud infrastructure, and their resulting need for cloud native applications.

In addition, GrowthOps will leverage the team's combined 40+ years of operations experience and deep relationships in the Asian region to:

- extend existing client workstreams into whole-of-enterprise level services relationships;
- capitalise on fast-growing cloud vendors' expansion into Asia; and
- capture market share as the regional economy matures, and demand from mid-cap clients for our technology services grows.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Dominique Fisher
Title:	Independent Non-Executive Chairman
Qualifications:	Dominique Fisher holds a BA. (Hons.) University of Sydney and is a Member of the Australian Institute of Company Directors.
Experience and expertise:	Dominique is currently Chair of the Victorian Government's Innovation Expert Panel; Non-Executive Director of Integrity Life Australia Limited and Integrity Group; and Executive Chair & CEO of Paddl Co., an online experience and employment platform that connects next-generation talent through value-added professional experiences. Dominique has had extensive public company experience and has been actively involved in the commercialisation of technology and its related services in Australia for over 30 years. She has previously served as a Non-Executive Director at both high-profile public sector organisations and publicly listed companies, including: Australia Post; LaunchVic (Victorian Government's organisation charged with building the state's entrepreneurial and start-up ecosystem); Circadian Technologies Ltd previously (ASX:CIR), now Opthea (ASX:OPT); Pacific Brands Ltd previously (ASX:PBG); and Insurance Australia Group (ASX:IAG). In her capacity as a Non-Executive Director, she has also served on a number of committees, including those tasked with People & Remuneration and Audit & Risk responsibilities. Dominique brings to the GrowthOps Board significant operating experience from a wide range of startups and roles at private companies over the course of her career. She was Chair, Director and an Audit Committee member of Sky Technologies (business mobility software and consulting); Managing Director of Helix Digital (digital agency specialising in web applications and social media platforms); Principal & CEO of EC Strategies (technology commercialisation consulting); Vice President of the e-commerce division of OzEmail; CEO & Director of Weldon Information Enterprises (online publishing); Director & Deputy Chair NRMA Insurance Ltd; and held various positions at AUSSAT (Australia's satellite system), and the Director of Communications and Media Law Association. Dominique has served as a member of the ICT Advisory Board to the Minister for Communications; as a Director of Australian Council of the Arts and Chair of the Dance Board; and a Trustee of the Sydney Opera House.
Other current directorships:	None
Former directorships (last 3 years):	Dominique was previously Chair of Circadian Technologies Limited (now Opthea Limited ASX: OPT), a Non-Executive Director of LaunchVic, a Non- Executive Director of Pacific Brands Limited (ASX: PBG), and a Non-Executive Director of Insurance Australia Group (ASX: IAG).
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	495,380 ordinary shares
Interests in options:	None

Name:	Phillip Kingston
Title:	Founder and Managing Director
Qualifications:	Phillip holds both a Bachelor of Science in Mathematics & Statistics and a Bachelor of Commerce from the University of Melbourne, and is a Member of the Australian Institute of Company Directors.
Experience and expertise:	Phillip is the Founder, Managing Director of Trimantium GrowthOps Limited. Phillip founded KDIS in 2008, one of the eight businesses that form the GrowthOps Group. He is also the Founder and Managing Director of the diversified investment firm Trimantium Capital and co-founder and Managing Director of global pension operator, Sargon. Phillip has served as a Director of LaunchVic, the Victorian Government's company charged with building the state's entrepreneurial and start-up ecosystem. He founded and served as President of the B-Corp Certified Henley Club, and was a Non-Executive Director of the Centre for Sustainability Leadership and a Director of The New Palm Court Orchestra.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	27,586,301 ordinary shares and 154,500 Convertible Redeemable Preference Shares
Interests in options:	None

Name:	Paul Mansfield
Title:	Chief Executive Officer and Managing Director
Qualifications:	Paul holds a Bachelor of Commerce from the University of Wollongong.
Experience and expertise:	Mr Mansfield is co-founder and Board member at Skedulo, a scheduling SaaS product business. Paul was a strategic adviser to 3wks and Khemistry, two of the initial businesses that formed GrowthOps Group at the time of its March 2018 IPO. Paul has founded and exited multiple tech companies, including Weblinc (which sold to Cloud Sherpas in 2018) and as a foundation shareholder in Cloud Sherpas (which sold to Accenture in 2015) where he served as Asia Pacific Managing Director from 2012 to 2015. He was part of the executive team that listed QM Technologies on the ASX in late 2005 (which sold to Computershare in 2008).
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	18,238,450 ordinary shares
Interests in options:	None
Contractual rights to shares:	Up to $75,000 of ordinary shares as part of CEO variable remuneration

Name:	Melissa Field
Title:	Non-Executive Director
Qualifications:	Melissa holds a Bachelor of Commerce from Melbourne University, an MBA from Melbourne Business School, and is a member of Chartered Accountants in Australia and New Zealand and the Australian Institute of Company Directors.
Experience and expertise:	Melissa is also Chair of Mind Australia Ltd, independent member and Chair of the Surf Coast Audit and Risk Committee and Non-Executive Director and Chair of the Audit and Risk Committee of Attra Pty Ltd which provides specialised IT services to the cards and payment industry globally. Melissa was an Executive Director with EY's Strategic Growth Markets practice where she assisted early-stage, high-growth businesses and midcap public companies in becoming next-generation market leaders. She has also served as a Director of Trimantium Capital and as a Director and Chair of the Centre for Sustainability Leadership.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	247,690 ordinary shares
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Dustine Pang is Chief Financial Officer and Company Secretary of the Company. He was previously the Deputy Chief Executive Officer and Chief Financial Officer at eChoice Limited (formerly ASX: ECO), a FinTech business providing home loan advice to over 50,000 Australians. Working across the UK, Asia and Australia, he has held CFO and senior finance roles at AIMS Financial Group, Merrill Lynch HSBC, BNP Paribas Equities Group, and Jardine Fleming Ord Minnett (now J.P. Morgan). Dustine helped start Onceonline, and was one of the founding shareholders of DirectMoney. Dustine is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Chartered Accountants Australia and New Zealand.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dominique Fisher	14	14	3	3	5	5
Phillip Kingston	14	14	3	3	5	5
Paul Mansfield	14	14	3	3	4	5
Melissa Field	14	14	3	3	5	5

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board working through the Nomination and Remuneration Committee has engaged Guerdon Associates as an external remuneration consultant to advise on the structuring an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The objective of the reward framework is one that is designed for:
- having economic profit and revenue as a core component of plan design
- focusing on sustained growth in shareholder wealth and focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards
- providing opportunities to executives to participate as shareholders over time and directly benefit from potential growth in shareholder wealth through that participation

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of her own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The total amount paid to all non-executive directors' must not exceed in aggregate in any financial year the amount fixed by GrowthOps in a general meeting. This amount, being the fee pool limit, has been fixed at $200,000 per financial year.

These fees will be reviewed on an annual basis and any increases must be within the overall fee pool limit, unless this limit is increased with shareholder approval.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, revenue, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares may be awarded to executives based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. All cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will lead to profitable growth and increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants
During the financial period ended 30 June 2019, the Group, through the Nomination and Remuneration Committee, engaged Guerdon Associates, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in share-based payments remuneration in the form of options (LTI) being implemented. Guerdon Associates was paid $151,000 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the Company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the period ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Trimantium GrowthOps Limited:
- Dominique Fisher - Chairman
- Phillip Kingston - Executive Director
- Paul Mansfield - Executive Director
- Melissa Field - Non-Executive Director

And the following person:
- Dustine Pang - Chief Financial Officer and Company Secretary

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
For the 12 months ended 30 June 2019	$	$	$	$	$	$	$
Non-Executive Directors:							
Dominique Fisher	78,265	-	-	7,435	-	-	85,700
Melissa Field	53,699	-	-	5,101	-	-	58,800
Executive Directors:							
Phillip Kingston	15,000	-	-	1,425	-	-	16,425
Paul Mansfield	329,469	75,000	-	20,531	-	-	425,000
Other Key Management Personnel:							
Dustine Pang	299,469	85,000	-	20,531	-	-	405,000
	775,902	160,000	-	55,023	-	-	990,925

All amounts included in the table above represents remuneration from the date of appointment and/or up to the date of resignation.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
For the period from 14 August 2017 to 30 June 2018	$	$	$	$	$	$	$
Non-Executive Directors:							
Dominique Fisher	25,745	-	-	2,446	-	-	28,191
Melissa Field	19,308	-	-	1,834	-	-	21,142
Executive Directors:							
Phillip Kingston	9,375	-	-	119	-	63,839	73,333
Paul Mansfield	35,831	-	-	2,507	-	21,073	59,411
Other Key Management Personnel:							
Dustine Pang	259,481	85,000	-	19,902	-	100,000	464,383
	349,740	85,000	-	26,808	-	184,912	646,460

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

Name	Fixed remuneration For the 12 months ended 30 June 2019	Fixed remuneration For the period from 14 August 2017 to 30 June 2018	At risk - STI For the 12 months ended 30 June 2019	At risk - STI For the period from 14 August 2017 to 30 June 2018	At risk - LTI For the 12 months ended 30 June 2019	At risk - LTI For the period from 14 August 2017 to 30 June 2018
Non-Executive Directors:						
Dominique Fisher	-	100%	-	-	-	-
Melissa Field	-	100%	-	-	-	-
Executive Directors:						
Phillip Kingston	-	100%	-	-	-	-
Paul Mansfield	82%	100%	18%	-	-	-
Other Key Management Personnel:						
Dustine Pang	79%	60%	21%	18%	-	22%

The proportion of the cash bonus paid/payable is as follows:

Name	Cash bonus paid/payable For the 12 months ended 30 June 2019	Cash bonus paid/payable For the period from 14 August 2017 to 30 June 2018	Cash bonus forfeited For the 12 months ended 30 June 2019	Cash bonus forfeited For the period from 14 August 2017 to 30 June 2018
Executive Directors:				
Paul Mansfield	100%	-	-	-
Other Key Management Personnel:				
Dustine Pang	100%	100%	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Phillip Kingston
Title:	Executive Director
Agreement commenced:	10 November 2017
Term of agreement:	No fixed term
Details:	Base salary of $15,000 plus superannuation and 3 month notice period.

Name:	Paul Mansfield
Title:	Chief Executive Officer and Managing Director
Agreement commenced:	1 June 2018
Term of agreement:	3 years
Details:	Base salary of $329,469 plus superannuation and 3 month notice period. Short term incentives up to $75,000 and long term incentives up to $75,000.

Name:	Dustine Pang
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	22 August 2017
Term of agreement:	No fixed term
Details:	Base salary of $299,469 plus superannuation. In the 12 month period commencing from the first anniversary of the commencement date, an incentive payment of $85,000 linked to objectives agreed with the Company, and 3 month notice period.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial period by each director (directly held, controlled by and/or beneficially held) and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dominique Fisher	495,380	-	-	-	495,380
Melissa Field	247,690	-	-	-	247,690
Phillip Kingston	24,866,736	-	2,719,565	-	27,586,301
Paul Mansfield	1,238,450	-	17,000,000	-	18,238,450
Dustine Pang	100,000	-	14,000	-	114,000
	26,948,256	-	19,733,565	-	46,681,821

The number of convertible redeemable preference shares in the Company held during the financial period by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
Convertible redeemable preference shares					
Paul Mansfield*	102,000	-	-	(102,000)	-
Phillip Kingston	309,000	-	-	(154,500)	154,500
	411,000	-	-	(256,500)	154,500

*The shares were awarded for independent advisory services rendered to one of the acquired businesses prior to the execution of the share purchase agreement to acquire the business, and were forfeited in the year ended 30 June 2019.

Other transactions with key management personnel and their related parties
During the year ended 30 June 2019, the Group earned from provision of services on an arms-length commercial basis, $4,580,920 (2018: $1,192,194) from Sargon Capital Pty Ltd and its controlled entities (*). The amount receivable at 30 June 2019 is $1,193,007 (2018: $259,716).

During the year ended 30 June 2019, the Group earned interest income of $163,459 (2018: $nil) from short-term fully-realised investments of $6,000,000 and $3,500,000 on an arms-length commercial basis (interest rate of 5.55% p.a. on 7 business day withdrawal availability) from Certitude Financial Pty Ltd, an entity controlled by Sargon Capital Pty Ltd (*). The amount invested at 30 June 2019 was $nil (2018: $nil).

During the year ended 30 June 2019, the Group earned from provision of services on an arms-length commercial basis, $174,704 (2018: $nil) from Trimantium Insurance Partners Pty Ltd (*). The amount receivable at 30 June 2019 was $192,174 including GST (2018: $nil).

During the year ended 30 June 2019, the Group earned from provision of services on an arms-length commercial basis, $nil (2018: $500,000) from Trimantium Investment Management Pty Ltd (*). The amount receivable at 30 June 2019 is $nil (2018: $126,500).

(*) Phillip Kingston is a founder, a shareholder and an executive director of Sargon Capital Pty Ltd. Trimantium Insurance Partners Pty Ltd and Trimantium Investment Management Pty Ltd are entities controlled by Phillip Kingston.

During the year ended 30 June 2019, the Group paid for services provided on an arms-length commercial basis, totalling $100,000 (2018: $nil) to Paddl Co., Pty Ltd, a company controlled by Dominique Fisher. There were no amounts outstanding at 30 June 2019 and 30 June 2018.

During the period year 30 June 2019, the Group paid rental expenses of $155,705 (2018: $13,436) to The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd. There were no amounts outstanding at 30 June 2019 and 30 June 2018.

During the year 30 June 2019, remuneration totalling $30,852 (2018: $41,564) was paid to a close family member of a key management personnel for services rendered.

This concludes the remuneration report, which has been audited.

Shares under option
There were 47,780,200 convertible redeemable preference ('CRPS') shares issued to the vendors of the acquired companies during the period ended 30 June 2018. There were 23,788,100 CRPS outstanding at 30 June 2019. Refer to note 41 for further information.

Shares under performance rights
Unissued ordinary shares of Trimantium GrowthOps Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
28/03/2019	16/03/2021	$0.00	1,350,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Refer to note 41 for further details.

Shares issued on the exercise of options
There were no ordinary shares of Trimantium GrowthOps Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

There were 25,975,343 ordinary shares issued on 16 March 2019 upon conversion of 23,890,100 CRPS.

Shares issued on the exercise of performance rights
There were no ordinary shares of Trimantium GrowthOps Limited issued on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability 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.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Dominique Fisher
Chairman

27 September 2019

Deloitte.

Deloitte Touche Tohmatsu
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225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
Trimantium GrowthOps Group Limited
Level 11, 31 Queen Street
Melbourne VIC 3000

27 September 2019

Dear Board Members,

Trimantium GrowthOps Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Trimantium GrowthOps Limited.

As lead audit partner for the audit of the financial report of Trimantium GrowthOps Limited for the year ended 30 June 2019, 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
- any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Carlo Pasqualini
Partner
Chartered Accountants

Contents

Trimantium GrowthOps Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Revenue			
Rendering of services	4	69,003	19,510
Media pass through income		28,041	5,395
		97,044	24,905
Other income		179	32
Interest revenue calculated using the effective interest method		270	125
Expenses			
Media pass through expense		(28,041)	(5,395)
Freelance, contractors, consumables and associated costs		(10,276)	(3,529)
Employee benefits	5	(50,546)	(8,393)
Share-based payments	5	(30,460)	(9,929)
Occupancy		(892)	(620)
Depreciation and amortisation	5	(11,564)	(1,601)
Impairment of assets	5	(22,860)	-
Professional and consultancy		(1,518)	(851)
Travel and entertainment		(2,074)	(390)
IT expenses		(1,786)	(283)
Marketing and advertising		(771)	-
Administration expenses		(3,034)	(504)
Acquisition expenses		(418)	(5,752)
Other expenses		(399)	(396)
Finance costs	5	(1,271)	(1)
Loss before income tax benefit/(expense)		(68,417)	(12,582)
Income tax benefit/(expense)	7	3,407	(1,018)
Loss after income tax benefit/(expense) for the year attributable to the owners of Trimantium GrowthOps Limited		(65,010)	(13,600)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(75)	15
Other comprehensive income for the year, net of tax		(75)	15
Total comprehensive income for the year attributable to the owners of Trimantium GrowthOps Limited		(65,085)	(13,585)
		Cents	**Cents**
Basic earnings per share	40	(55.21)	(28.21)
Diluted earnings per share	40	(55.21)	(28.21)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Consolidated statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Assets			
Current assets			
Cash and cash equivalents	8	7,924	21,608
Trade and other receivables	9	16,603	18,530
Contract assets	10	2,003	715
Income tax refund due	7	805	-
Other assets	11	1,560	497
Total current assets		28,895	41,350
Non-current assets			
Property, plant and equipment	12	2,265	815
Right-of-use assets	14	12,041	-
Intangibles	13	54,842	45,552
Deferred tax	7	180	-
Financial assets at fair value through profit or loss	15	458	-
Other	16	196	-
Total non-current assets		69,982	46,367
Total assets		98,877	87,717
Liabilities			
Current liabilities			
Trade and other payables	17	10,770	10,331
Contract liabilities	18	8,107	5,818
Borrowings	19	3	8
Lease liabilities - right-of-use assets	20	3,387	-
Income tax	7	-	2,077
Provisions	21	2,975	2,028
Total current liabilities		25,242	20,262
Non-current liabilities			
Borrowings	22	12,696	-
Lease liabilities - right-of-use assets	23	9,592	-
Deferred tax liabilities	7	-	3,404
Provisions	24	776	308
Contingent consideration		950	-
Total non-current liabilities		24,014	3,712
Total liabilities		49,256	23,974
Net assets		49,621	63,743
Equity			
Issued capital	25	88,307	67,399
Reserves	26	40,329	9,944
Accumulated losses		(79,015)	(13,600)
Total equity		49,621	63,743

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	**Issued capital $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 14 August 2017	-	-	-	-
Loss after income tax expense for the year	-	-	(13,600)	(13,600)
Other comprehensive income for the year, net of tax	-	15	-	15
Total comprehensive income for the year	-	15	(13,600)	(13,585)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 25)	67,399	-	-	67,399
Share-based payments (note 41)	-	9,929	-	9,929
Balance at 30 June 2018	67,399	9,944	(13,600)	63,743

Consolidated	**Issued capital $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2018	67,399	9,944	(13,600)	63,743
Adjustment for change in accounting policy (note 2)	-	-	(405)	(405)
Balance at 1 July 2018 - restated	67,399	9,944	(14,005)	63,338
Loss after income tax for the year	-	-	(65,010)	(65,010)
Other comprehensive income for the year, net of tax	-	(75)	-	(75)
Total comprehensive income for the year	-	(75)	(65,010)	(65,085)
Transactions with owners in their capacity as owners:				
Shares issued on business acquisition, net of transaction costs (note 25)	20,974	-	-	20,974
Share buy back (note 25)	(66)	-	-	(66)
Share-based payments (note 41)	-	30,460	-	30,460
Balance at 30 June 2019	88,307	40,329	(79,015)	49,621

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated For the 12 months ended 30 June 2019 $'000	Consolidated For the period from 14 August 2017 to 30 June 2018 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		114,177	25,290
Payments to suppliers and employees (inclusive of GST)		(113,215)	(21,432)
		962	3,858
Interest received		270	125
Other revenue		179	-
Income taxes paid		(2,379)	(1,698)
Net cash (used in)/from operating activities	39	(968)	2,285
Cash flows from investing activities			
Settlement of pre-acquisition dividend for business acquired in prior year		(3,760)	-
Net cash acquired on purchase of subsidiaries		356	-
Payment for purchase of subsidiaries, net of cash acquired	32	(1,989)	(40,936)
Transaction costs relating to business acquisition		(418)	(3,006)
Payments for investments		(458)	-
Payments for property, plant and equipment		(1,379)	(122)
Payments for intangibles		-	(14)
Loans repaid by/(provided to) other entities		-	(1,250)
Net cash used in investing activities		(7,648)	(45,328)
Cash flows from financing activities			
Proceeds from issue of shares	25	-	70,000
Proceeds from borrowings		14,000	-
Transaction costs associated with borrowings		(74)	-
Payments for share buy-backs		(66)	-
Share issue transaction costs		(62)	(5,347)
Repayment of borrowings principal and interest		(15,638)	-
Repayment of lease liabilities		(3,256)	-
Repayment of hire purchase liabilities		(5)	(2)
Net cash (used in)/from financing activities		(5,101)	64,651
Net (decrease)/increase in cash and cash equivalents		(13,717)	21,608
Cash and cash equivalents at the beginning of the financial year		21,608	-
Effects of exchange rate changes on cash and cash equivalents		33	-
Cash and cash equivalents at the end of the financial year	8	7,924	21,608

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Trimantium GrowthOps Limited as a consolidated entity consisting of Trimantium GrowthOps Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Trimantium GrowthOps Limited's functional and presentation currency.

Trimantium GrowthOps Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11, 31 Queen St
Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial report covers the 12 month period to 30 June 2019. The comparative period is from 14 August 2017, being the Company's date of incorporation, to 30 June 2018 and therefore may not be directly comparable.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Details of adoption of new Accounting Standards are provided below:

The Group has:

- adopted AASB 15 'Revenue from Contracts with Customers' from 1 July 2018 using the modified retrospective approach. The impact on the financial performance and position of the Group from the adoption of this Accounting Standard is detailed below;
- adopted AASB 9 'Financial Instruments' from 1 July 2018 using the modified retrospective approach. The impact on the financial performance and position of the Group from the adoption of this Accounting Standard is detailed below; and
- early adopted AASB 16 'Leases' from 1 July 2018 using the modified retrospective approach and as such comparatives have not been restated. Refer below for further details.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018, using the modified retrospective approach. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018, using the modified retrospective approach. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The Group has early adopted AASB 16 from 1 July 2018, using the modified retrospective approach. The standard replaced AASB 117 'Leases' and for lessees has eliminated the classifications of operating leases and finance leases. Subject to certain exceptions, a 'right-of-use' asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture that have total value less than $10,000) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease is also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition has been replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). For classification within the statement of cash flows, the lease payments are separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard has not substantially changed how a lessor accounts for leases.

Impact of adopting AASB 9 and AASB 15 on the financial statements
AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated. The adjustments are recognised in the opening balance sheet on 1 July 2018 as follows:

Note 2. Significant accounting policies (continued)

	Accumulated losses $'000	Deferred tax liabilities $'000	Allowance for expected credit losses $'000
Closing balance as reported in the 30 June 2018 Annual Report	(13,600)	(3,404)	(152)
Increase in allowance of expected credit losses for trade receivables and contract assets (AASB 9)	(579)	-	(579)
Deferred tax (AASB 9)	174	174	-
Opening balance at 1 July 2018	(14,005)	(3,230)	(731)

There were no material changes in the carrying amounts on adoption of AASB 15 standards as at 1 July 2018.

The adoption of AASB 9 and AASB 15 also resulted in the following reclassifications:
- interest receivable is now shown on the face of the profit or loss;
- provision for impairment of receivables is now reclassified as allowance for expected credit losses;
- work in progress is now reclassified as contract asset; and
- deferred revenue is now reclassified as contract liability.

Impact of adopting AASB 16 Leases
On initial application of AASB 16, using the transitional rules available, the Group elected to record right-of-use assets based on the corresponding lease liability adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position before the date of initial application. Right-of-use assets of $5,407,810 and lease obligations of $5,407,810 were recorded as of 1 July 2018. As a result, there was no net impact on retained earnings. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 July 2018, being the weighted-average rate of 4.6%.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern
The Group has prepared the financial statements for the year ended 30 June 2019 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2019, the Group recorded a net loss of $65,010,000 and used net cash in operating, investing and financing activities of $13,717,000. At 30 June 2019, the Group had cash and cash equivalents of $7,924,000, net current assets of $3,653,000 and net assets of $49,621,000.

At 30 June 2019, as detailed in note 22, senior debt of $12,696,000 was outstanding under a debt funding facility with Westpac Banking Corporation (Westpac). This debt funding facility is due to mature on 14 November 2020. At 30 June 2019, the Group complied with its financial covenants.

Note 2. Significant accounting policies (continued)

As disclosed in note 42 - Events subsequent to Balance date, the Group has obtained a waiver from Westpac for actual and anticipated financial covenant breaches for the period 31 August 2019 to 30 November 2019. The Westpac facility is due for its annual review on 14 November 2019.

The Directors have considered the Group's current financing and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- The Group has prepared financial forecasts for the next 12 months, which if achieved, will allow the Group to comply with the financial covenants beyond 30 November 2019 when the financial covenant waiver expires.
- The Group is actively considering alternative financing options, including a capital raising, in order to reduce its financial debt. The Group is in process of appointing an independent corporate adviser to perform a strategic review of the business and assess options for a financial restructuring program. This may lead to a capital raising and a resizing of the debt to a more appropriately sized working capital facility.
- In all reasonable financial forecast scenarios prepared by the Group, the underlying cash flow forecasts for the Group projects positive cash balances.

Accordingly, the ability of the Group to continue as a going concern is dependent upon the achievement of its financial forecasts and the continued support of Westpac or the successful refinancing of the Westpac debt.

However, if these financial forecasts and ongoing Westpac support or debt refinancing are not achieved, such circumstances would indicate the existence of a material uncertainty that may cast significant doubt on ability of the Group to continue as a going concern and therefore it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in these financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 37.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trimantium GrowthOps Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Trimantium GrowthOps Limited 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 from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

Note 2. Significant accounting policies (continued)

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

Foreign currency translation
The financial statements are presented in Australian dollars, which is Trimantium GrowthOps Limited's functional and presentation currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
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.

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.

Note 2. Significant accounting policies (continued)

Advertising agency services
The Group earns revenue from rendering services as an advertising agency. These services include delivering brand strategy, digital strategy, social media, and marketing communication through marketing and advertising campaigns. Revenue is earned from providing retainer based and ad-hoc services. Retainer income is a fixed fee per month and is earned on the basis of providing dedicated teams for customers to deliver campaigns. Retainer income is recognised as performance obligation are satisfied over time as the customers simultaneously receives and consume the benefit.

Revenue from providing ad-hoc services are recognised as a performance obligation satisfied over time and is recognised based on the progress towards completion of the contract.

Technology services
Technology services include providing capabilities and enhancements to the customers' IT infrastructure, hosting services, designing and development of application and security software, and systems integration. Revenue is recognised during the period the services are provided based on time spent and on agreed delivery of outcomes. Performance obligation for Technology Services are satisfied over time as the customers simultaneously receives and consumes the benefits provided, and an asset is created or enhanced that the customer controls.

Leadership and coaching
The Group earns revenue from delivering leadership training and courses to corporate and public customers. Revenue is recognised when the training and courses are delivered. Advanced payments received is recognised as contract liabilities. Where the Group provides leadership coaching, training and course that involve multiple stages, revenue is recognised by reference to the progress towards completion of the contract.

Agency marketing services
The Group earns revenue by providing performance based digital marketing services for its customers. These services include online advertising for customer acquisitions, affiliate marketing, paid search, search engine optimisation and email marketing automation through email and SMS. Revenue is recognised over time as the customers simultaneously receives and consume the benefit. Any payments in advance are recognised as contract liabilities until the performance obligation of the contract is satisfied.

Media pass through income
Media pass through income arises in creative business and comprises the value of advertising production costs of clients that are subcontracted by the Group to external parties. Media pass through income also comprises media spends and other marketing and agency costs of clients that are subcontracted by the Group to media partners. The Group acts as principal for the production of these services. Media pass through income is recognised when services have been provided by the subcontractors with a corresponding disbursement expense recognised in profit or loss.

Interest income
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.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences and tax losses at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 2. Significant accounting policies (continued)

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

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
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.

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 Group 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.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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

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

Note 2. Significant accounting policies (continued)

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

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	over the term of the lease
Plant and equipment	2-5 years
Fixtures and fittings	2-5 years
Motor vehicles	2-5 years
Office equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
Group as a lessee
At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

Note 2. Significant accounting policies (continued)

Right-of-use assets
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from one to ten years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

Lease liabilities - right-of-use assets
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (items with total value less than $10,000). The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

Group as lessor
Amounts due from customers under finance leases and contract purchase agreements are recorded as receivables. Finance and contract purchase receivables are initially recognised at an amount equal to the present value of the minimum instalment payment receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the contract term. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the contracts.

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.

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.

Brand names
Brand names acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 2. Significant accounting policies (continued)

Customer relationships
Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 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 3 to 5 years.

Other intangibles
Other intangibles consists of intellectual properties acquired in a business combination and capitalised costs in relation to the formation of the Group. Other intangibles are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 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.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 2. Significant accounting policies (continued)

Employee benefits

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

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

Share-based payments
Equity-settled share-based compensation benefits may be provided to employees or other parties.

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

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

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

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

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

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

If equity-settled awards are cancelled, they are treated as if they have vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

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

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

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

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.

Note 2. Significant accounting policies (continued)

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Trimantium GrowthOps Limited, 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 financial year.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

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

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Note 2. Significant accounting policies (continued)

New Conceptual Framework for Financial Reporting
A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the Group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the Group may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Leases
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Out of the 13 leases that the Group has, the extension option is expected to be used only for 8 leases and this has added $5.2 million to the lease liability.

The lease payments are discounted using the Group’s incremental borrowing rate which is based on the Group’s best estimate.

Revenue from Contracts with Customers
For contracts to provide services over time, revenue is recognised by reference to the stage of completion and where outcome of the contract can be estimated reliably. Estimation of contract outcome and stage of completion involves some judgements.

The preparation of the consolidated financial statements requires management to make other judgements, estimates and assumptions discussed below.

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. 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 discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 13 for assumptions used.

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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Share-based payment transactions
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by referencing to the fair value of ordinary shares at the grant date. The fair value consideration also takes into account the terms and conditions upon which the instruments were granted. 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.

Note 4. Revenue from contracts with customers

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

Consolidated - For the 12 months ended 30 June 2019	Creative $'000	Technology $'000	Coaching and leadership $'000	Total $'000
Major service lines				
Advertising agency services	25,737	-	-	25,737
Technology services	-	26,230	-	26,230
Leadership and coaching	-	-	8,802	8,802
Marketing agency services	8,234	-	-	8,234
	33,971	26,230	8,802	69,003
Geographical regions				
Australia	32,644	14,572	7,859	55,075
New Zealand	832	-	-	832
Hong Kong	-	3,610	359	3,969
Singapore	-	2,849	584	3,433
Malaysia	-	5,199	-	5,199
Philippines	495	-	-	495
	33,971	26,230	8,802	69,003
Timing of revenue recognition				
Services transferred at a point in time	1,327	-	8,802	10,129
Services transferred over time	32,644	26,230	-	58,874
	33,971	26,230	8,802	69,003

Note 5. Expenses

	Consolidated	
	For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	383	38
Plant and equipment	190	55
Fixtures and fittings	66	2
Motor vehicles	2	-
Office equipment	248	20
Right-of-use assets	3,142	-
Total depreciation	4,031	115
Amortisation		
Brand name	693	197
Customer relationships	6,389	1,226
Software	79	6
Other intangibles	372	57
Total amortisation	7,533	1,486
Total depreciation and amortisation	11,564	1,601
Impairment		
Goodwill	22,250	-
Right-of-use assets	610	-
Total impairment	22,860	-
Finance costs		
Interest and finance charges paid/payable	1,271	1
Employee benefits expense		
Employee benefits expense excluding superannuation	46,851	7,738
Defined contribution superannuation expense	3,695	655
Total employee benefits expense	50,546	8,393
Share-based payments expense		
Share-based payments expense	30,460	9,929

Note 6. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments: Creative, Technology and Coaching and leadership. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 6. Operating segments (continued)

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

The information reported to the CODM is on a monthly basis.

Types of products and services

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

Creative	develop simple, powerful brand and communication strategies through the services we offer including brand strategy, positioning, digital strategy, marketing communications, performance marketing, customer retention, social media, graphic design etc.
Technology	provide technology transformation services to build strong foundations in security, automation and cloud. Our services include AI and machine learning, application design and development, cloud solutions, mobile, security software development, system integration etc.
Coaching and leadership	develop exceptional and adaptive leaders as well as provide advice to solve complex business issues including financial performance, business strategy and operational structure.
Other segments	head office revenue and expenses including certain group expenses that have not been allocated such as amortisation and impairment of acquired identifiable intangible assets. Assets of other segments comprise mainly cash and cash equivalents, intangible assets arising from business combinations and right-of-use assets. Liabilities of other segments comprise mainly provision for income tax, deferred tax liabilities and lease liabilities.

Intersegment transactions
Intersegment transactions were made at market rates and are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
During the year ended 30 June 2019, no one customer contributed more than 10% to the Group's external revenue (2018: nil).

Note 6. Operating segments (continued)

Operating segment information

Consolidated - For the 12 months ended 30 June 2019	Creative $'000	Technology $'000	Coaching and leadership $'000	Other segments $'000	Total $'000
Revenue					
Sales to external customers	33,971	26,230	8,802	-	69,003
Intersegment sales	1,197	192	-	-	1,389
Total sales revenue	35,168	26,422	8,802	-	70,392
Media pass through income	26,448	1,593	-	-	28,041
Other income	-	-	-	179	179
Interest revenue	23	2	4	241	270
Total segment revenue	61,639	28,017	8,806	420	98,882
Intersegment eliminations					(1,389)
Total revenue					97,493
EBITDA (before share-based payment and impairment of assets)	2,984	(2,262)	577	(3,831)	(2,532)
Depreciation and amortisation	(675)	(252)	(78)	(10,559)	(11,564)
Impairment of goodwill (note 32)	-	-	-	(22,250)	(22,250)
Impairment of right-of-use assets	(424)	(186)	-	-	(610)
Share-based payment expense	(21,936)	(6,272)	(2,252)	-	(30,460)
Interest revenue	23	2	4	241	270
Finance costs	(57)	(1)	-	(1,213)	(1,271)
Loss before income tax	(20,085)	(8,971)	(1,749)	(37,612)	(68,417)
Income tax					3,407
Loss after income tax					(65,010)
Assets					
Segment assets	13,850	12,512	5,170	70,358	101,890
Intersegment eliminations					(3,013)
Total assets					98,877
Liabilities					
Segment liabilities	13,095	9,444	3,620	27,652	53,811
Intersegment eliminations					(4,555)
Total liabilities					49,256

Note 6. Operating segments (continued)

Consolidated - For the period from 14 August 2017 to 30 June 2018	Creative $'000	Technology $'000	Coaching and leadership $'000	Other segments $'000	Total $'000
Revenue					
Sales to external customers	10,094	6,377	3,039	-	19,510
Media pass through income	5,395	-	-	-	5,395
Other income	-	-	-	32	32
Interest	18	-	2	105	125
Total revenue	15,507	6,377	3,041	137	25,062
EBITDA (before share-based payment)	3,523	2,087	553	(7,339)	(1,176)
Depreciation and amortisation	(65)	(16)	(9)	(1,511)	(1,601)
Share-based payment expense	(5,452)	(3,995)	(382)	(100)	(9,929)
Interest revenue	18	-	2	105	125
Finance costs	-	(1)	-	-	(1)
Profit/(loss) before income tax expense	(1,976)	(1,925)	164	(8,845)	(12,582)
Income tax expense					(1,018)
Loss after income tax expense					(13,600)
Assets					
Segment assets	18,360	6,720	5,327	58,366	88,773
Intersegment eliminations					(1,056)
Total assets					87,717
Liabilities					
Segment liabilities	8,500	3,030	4,367	5,932	21,829
Intersegment eliminations					2,145
Total liabilities					23,974

Geographical information

	Sales to external customers		**Geographical non-current assets**	
	For the 12 months ended 30 June 2019 $'000	**For the period from 14 August 2017 to 30 June 2018 $'000**	**2019 $'000**	**2018 $'000**
Australia	55,074	18,107	67,579	44,401
New Zealand	832	-	49	4
Hong Kong	3,970	1,161	20	1,962
Singapore	3,433	242	1,139	-
Malaysia	5,199	-	1,000	-
Philippines	495	-	17	-
	69,003	19,510	69,804	46,367

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 7. Income tax

	Consolidated For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Income tax (benefit)/expense		
Current tax	157	1,955
Deferred tax - origination and reversal of temporary differences	(2,941)	(937)
Adjustment recognised for prior periods	(623)	-
Aggregate income tax (benefit)/expense	(3,407)	1,018
Deferred tax included in income tax (benefit)/expense comprises:		
Increase in deferred tax assets	(2,941)	(937)
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
Loss before income tax benefit/(expense)	(68,417)	(12,582)
Tax at the statutory tax rate of 30%	(20,525)	(3,775)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	62	31
Non-deductible transaction costs	-	1,926
Impairment of assets	6,750	-
Share-based payments	9,138	2,979
Acquisition costs	124	-
Blackhole expenditure deduction	(356)	-
Notional interest on lease liabilities	157	-
Sundry items	3	(160)
	(4,647)	1,001
Adjustment recognised for prior periods	(623)	-
Current year tax losses not recognised	2,247	-
Prior year temporary differences not recognised now recognised	(368)	-
Difference in overseas tax rates	(50)	17
Adjustment to deferred tax balances as a result of change in statutory tax rate	34	-
Income tax (benefit)/expense	(3,407)	1,018

Note 7. Income tax (continued)

	Consolidated 2019 $'000	Consolidated 2018 $'000
Deferred tax asset/(liability)		
Deferred tax asset/(liability) comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Intangible assets	(4,462)	(4,472)
Tax losses	2,035	252
Employee benefits	1,101	656
Provision for lease make good	152	45
Allowance for expected credit losses	274	-
Blackhole expenditure deduction	1,080	-
Other	-	115
Deferred tax asset/(liability)	180	(3,404)
Amount expected to be recovered within 12 months	(59)	(547)
Amount expected to be recovered after more than 12 months	239	(2,857)
	180	(3,404)
Movements:		
Opening balance	(3,404)	-
Credited to profit or loss	2,941	937
Additions through business combinations (note 32)	643	(4,341)
Closing balance	180	(3,404)

	Consolidated 2019 $'000	Consolidated 2018 $'000
Income tax refund due		
Income tax refund due	805	-
Provision for income tax payable		
Provision for income tax payable	-	2,077

Note 8. Current assets - cash and cash equivalents

	Consolidated 2019 $'000	Consolidated 2018 $'000
Cash at bank	7,924	21,608

GrowthOps

Note 9. Current assets - trade and other receivables

	Consolidated 2019 $'000	2018 $'000
Trade receivables	17,416	17,040
Less: Allowance for expected credit losses	(912)	(152)
	16,504	16,888
Loan receivable[a]	-	1,250
Other receivables	99	392
	16,603	18,530

[a] Loan receivable represents a short-term interest-bearing loan to Asia Pacific Digital Limited, which became a subsidiary of the Group on 2 August 2019. The facility limit was $2 million which expired on 14 October 2018. Interest was charged at 10% per annum.

Allowance for expected credit losses
The Group has recognised a net loss of $306,000 (2018: net loss of $6,000) in profit or loss in respect of allowance for expected credit losses for the period ended 30 June 2019.

The group applies the AASB 9 simplified approach to measuring expected credit losses ('ECL') which uses a lifetime expected loss allowance for all trade receivables and contract assets. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The average credit period on sales of services is 55 days. No interest is charged on outstanding trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of the loss rates based on the payment profiles of sales over a period of 12 month before 30 June 2019. The historical loss rates are adjusted to reflect current and forward looking information affecting the ability of the customers to settle the receivables.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	**2019 %**	**2018 %**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Not overdue	1.05%	-	11,503	11,586	121	-
0 to 3 months overdue	8.90%	-	4,104	4,101	365	-
3 to 6 months overdue	12.10%	-	1,037	905	125	-
Over 6 months overdue	39.00%	34.00%	772	448	301	152
			17,416	17,040	912	152

Note 9. Current assets - trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Opening balance	152	-
Additional provisions recognised due to change in accounting policy	579	-
Additional provisions recognised	306	6
Additions through business combinations	-	146
Receivables written off during the year as uncollectable	(110)	-
Unused amounts reversed	(15)	-
Closing balance	912	152

Note 10. Current assets - contract assets

	Consolidated 2019 $'000	Consolidated 2018 $'000
Accrued income	2,003	715

Note 11. Current assets - other assets

	Consolidated 2019 $'000	Consolidated 2018 $'000
Prepayments	781	411
Security deposits	779	86
	1,560	497

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2019 $'000	Consolidated 2018 $'000
Leasehold improvements - at cost	1,545	328
Less: Accumulated depreciation	(421)	(38)
Exchange differences	(18)	-
	1,106	290
Plant and equipment - at cost	681	423
Less: Accumulated depreciation	(245)	(55)
	436	368
Fixtures and fittings - at cost	193	50
Less: Accumulated depreciation	(68)	(2)
	125	48
Motor vehicles - at cost	7	7
Less: Accumulated depreciation	(2)	-
	5	7
Office equipment - at cost	858	122
Less: Accumulated depreciation	(268)	(20)
Exchange differences	3	-
	593	102
	2,265	815

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

Consolidated	Leasehold improvements $'000	Plant and equipment $'000	Fixtures and fittings $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Balance at 14 August 2017	-	-	-	-	-	-
Additions	25	70	2	-	25	122
Additions through business combinations	303	353	48	7	97	808
Depreciation expense	(38)	(55)	(2)	-	(20)	(115)
Balance at 30 June 2018	290	368	48	7	102	815
Additions	989	258	143	-	438	1,828
Additions through business combinations (note 32)	228	-	-	-	298	526
Exchange differences	(18)	-	-	-	3	(15)
Depreciation expense	(383)	(190)	(66)	(2)	(248)	(889)
Balance at 30 June 2019	1,106	436	125	5	593	2,265

Note 13. Non-current assets - intangibles

	Consolidated 2019 $'000	Consolidated 2018 $'000
Goodwill - at cost	61,278	30,593
Less: Impairment	(22,250)	-
	39,028	30,593
Brand name - at cost	3,398	3,398
Less: Accumulated amortisation	(890)	(197)
	2,508	3,201
Customer relationships - at cost	19,842	12,615
Less: Accumulated amortisation	(7,615)	(1,226)
	12,227	11,389
Software - at cost	834	42
Less: Accumulated amortisation	(85)	(6)
	749	36
Other intangible assets - at cost	759	390
Less: Accumulated amortisation	(429)	(57)
	330	333
	54,842	45,552

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

Consolidated	Goodwill $'000	Brand name $'000	Customer relationships $'000	Software $'000	Other intangibles $'000	Total $'000
Balance at 14 August 2017	-	-	-	-	-	-
Additions	-	-	-	14	-	14
Additions through business combinations	30,593	3,398	12,615	28	390	47,024
Amortisation expense	-	(197)	(1,226)	(6)	(57)	(1,486)
Balance at 30 June 2018	30,593	3,201	11,389	36	333	45,552
Additions	-	-	-	-	192	192
Additions through business combinations (note 32)	30,476	-	7,227	792	177	38,672
Revaluation increments	209	-	-	-	-	209
Impairment of assets	(22,250)	-	-	-	-	(22,250)
Amortisation expense	-	(693)	(6,389)	(79)	(372)	(7,533)
Balance at 30 June 2019	39,028	2,508	12,227	749	330	54,842

Note 13. Non-current assets - intangibles (continued)

Impairment testing
Goodwill acquired through business combinations has been allocated to the following CGU's:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Creative	13,697	13,546
Asia Pacific Digital ANZ (APD ANZ)	359	-
Technology	16,279	16,153
Asia Pacific Digital Asia (APD Asia)	3,998	-
Xperior	3,869	-
Management consulting	826	894
Total goodwill	39,028	30,593

Goodwill and the CGU to which it belongs is tested annually for impairment or at the end of each reporting date where an indicator impairment exists.

Recoverable amount of goodwill
The recoverable amount of the Group's goodwill has been determined by value-in-use calculations. The calculations use cash flow projections based on a five year discounted cash flow model, with a terminal value applied to the discounted cash flows after year five. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below.

Key assumptions
Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive. The following key assumptions were used in the Value-in-use ('VIU') model at 30 June 2019:

Xperior CGU
(a) Revenue growth rate of 63% in FY19, 49% in FY20, 33% in FY21, 18% in FY24 and 5% onward
(b) Operating cost growth rate of 55% in FY19, 40% in FY20, 25% in FY21, 10% in FY24 and 2% onward
(c) Pre-tax discount rate: 15.4% and
(d) Terminal growth rate of 2%

Creative, Technology and Management Consulting, APD ANZ and APD Asia CGUs
(a) Revenue growth rate of 5%
(b) Operating cost growth rate of 2%
(c) Pre-tax discount rate: 15.4% (30 June 2018: 19.5%) and
(d) Terminal growth rate of 2% (30 June 2018: 1%)

Impairment testing results

Creative, Management consulting and Xperior CGUs
No impairment existed at 30 June 2019. Based on the VIU calculation methodology and assumptions stated above, the carrying amount of each CGU at balance sheet date does do not exceed its recoverable amount.

The directors believe that any reasonably possible change in any of the key assumptions will not result in an impairment.

Technology CGU
No impairment existed at 30 June 2019. Based on the VIU calculation methodology and assumptions stated above, the carrying amount of each CGU at balance sheet date does do not exceed its recoverable amount.

The directors believe that any reasonably possible change in any of the key assumptions below on which the recoverable amount is based will cause the aggregate carrying amount to equal the aggregate recoverable amount.

Note 13. Non-current assets - intangibles (continued)

Key assumptions	Assumptions used in VIU model	Assumptions that will result in impairment	Differences
Revenue growth rate	5.0%	Growth rate below 3.2%	(1.8%)
Operating cost growth rate	2.0%	Growth rate above 4.2%	2.2%
Pre-tax discount rate	15.4%	Discount rate above 20.8%	5.4%

APD ANZ and APD Asia CGUs
During the half year ended 31 December 2018, management have recognised a goodwill impairment loss of $15,900,000 for the APD Asia CGU and $6,350,000 million for the APD ANZ CGU.

Management have re-assessed the recoverable amount of the two CGUs as at 30 June 2019. Based on the VIU calculation methodology and assumptions stated above, the carrying amount of each CGU at balance sheet date does not exceed its recoverable amount. Any reasonably possible change in any of the key assumptions below on which the recoverable amount is based will cause the aggregate carrying amount to equal the aggregate recoverable amount of APD Asia CGU.

Key assumptions	Assumptions used in VIU model	Assumptions that will result in impairment	Differences
Revenue growth rate	5.0%	Growth rate below 3.5%	(1.5%)
Operating cost growth rate	2.0%	Growth rate above 4.0%	2.0%
Pre-tax discount rate	15.4%	Discount rate above 19.8%	4.4%

Note 14. Non-current assets - right-of-use assets

	Consolidated 2019 $'000	Consolidated 2018 $'000
Right-of-use assets	15,793	-
Less: Accumulated depreciation	(3,142)	-
Less: Impairment expense	(610)	-
	12,041	-

Note 14. Non-current assets - right-of-use assets (continued)

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

	Right-of-use assets $'000
Adoption of AASB 16 on 1 July 2018	5,408
Additions	7,741
Additions through business combinations	2,644
Depreciation expense	(3,142)
Impairment expense	(610)
Balance at 30 June 2019	12,041

Note 15. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	2019 $'000	**2018 $'000**
Unlisted ordinary shares	458	-

Refer to note 29 for further information on fair value measurement.

Note 16. Non-current assets - other

	Consolidated	
	2019 $'000	**2018 $'000**
Rent security deposits	196	-

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2019 $'000	**2018 $'000**
Trade payables	5,759	2,399
Accrued expenses	1,911	840
GST payable	1,017	1,301
Other payables[a]	2,083	5,791
	10,770	10,331

Refer to note 28 for further information on financial instruments.

[a] Other payables at 30 June 2019 comprise mainly of other creditors, superannuation, PAYG and payroll tax liability. Other payables at 30 June 2018 include pre-acquisition dividend payable to some business vendors of $3.4 million.

Note 18. Current liabilities - contract liabilities

	Consolidated 2019 $'000	Consolidated 2018 $'000
Contract liabilities	8,107	5,818

Note 19. Current liabilities - borrowings

	Consolidated 2019 $'000	Consolidated 2018 $'000
Hire purchase	3	8

Assets pledged as security
The hire purchase liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 20. Current liabilities - lease liabilities - right-of-use assets

	Consolidated 2019 $'000	Consolidated 2018 $'000
Lease liability	3,387	-

Refer to note 28 for further information on financial instruments.

Note 21. Current liabilities - provisions

	Consolidated 2019 $'000	Consolidated 2018 $'000
Annual leave	1,833	1,068
Long service leave	1,056	960
Lease make good	86	-
	2,975	2,028

Note 22. Non-current liabilities - borrowings

	Consolidated 2019 $'000	Consolidated 2018 $'000
Bank loans	12,696	-

Refer to note 28 for further information on financial instruments.

Note 22. Non-current liabilities - borrowings (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Bank loans	12,696	-
Hire purchase	3	8
	12,699	8

The bank loan is a two-year $14,000,000 senior secured debt facility with Westpac Banking Corporation and expires on 14 November 2020. The facility has a variable interest rate based on BBSY 90 days which was approximately 4.31% for the financial year ended 30 June 2019. The facility has standard banking covenants commensurate with a facility of this type.

Assets pledged as security
The facility is secured by all existing and future assets and undertakings of all Australia operating entities within the Group.

At 30 June 2019, the carrying amounts of these assets pledged as security was $25,987,000.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Total facilities		
Bank loans	14,000	-
Used at the reporting date		
Bank loans	12,696	-
Unused at the reporting date		
Bank loans	1,304	-

Note 23. Non-current liabilities - lease liabilities - right-of-use assets

	Consolidated 2019 $'000	Consolidated 2018 $'000
Lease liability	9,592	-

Refer to note 28 for further information on financial instruments.

Total lease liabilities (current and non-current) are set out below:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current	3,387	-
Non-current	9,592	-
	12,979	-

Note 23. Non-current liabilities - lease liabilities - right-of-use assets (continued)

Reconciliation
Reconciliation of lease liabilities (current and non-current) at the beginning and end of the financial year are set out below:

	Consolidated 30 June 2019 $'000
Adoption of AASB 16 on 1 July 2018	5,408
Additions	7,660
Additions through business combinations	2,644
Repayment of lease liabilities	(3,256)
Interest	523
	12,979

Below is the reconciliation from operating lease commitments disclosure at 30 June 2018 to the opening lease liability balance at 1 July 2018:

	Consolidated 1 July 2018 $'000
Operating lease commitment disclosed as at 30 June 2018	2,722
Opening balance adjustments*	186
Discounted using the incremental borrowing rate	(131)
Short term leases recognised on a straight line bases	(208)
Adjustments as a results of a different treatment of extension and termination options	2,839
Lease liability recognised at 1 July 2018	5,408

* The opening balance in respect of the lease commitment as at 30 June 2018 has been understated by $186,000. This has been reconciled as part of the detailed lease liability calculation and is reflected in the value as at 30 June 2019.

Note 24. Non-current liabilities - provisions

	Consolidated	
	2019 $'000	**2018 $'000**
Long service leave	278	158
Lease make good	498	150
	776	308

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 24. Non-current liabilities - provisions (continued)

Movements in provisions
Movements in each class of provision (current and non-current) during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	Lease make good $'000
Carrying amount at the start of the year	150
Additional provisions recognised	243
Additions through business combinations	231
Amounts used	(40)
Carrying amount at the end of the year	584
Including:	
Current	86
Non-current	498
	584

Note 25. Equity - issued capital

	Consolidated			
	2019 Shares	**2018 Shares**	**2019 $'000**	**2018 $'000**
Ordinary shares - fully paid	138,932,122	94,869,006	88,307	67,399
Convertible redeemable preference shares (refer below)	23,788,100	47,780,200	-	-
	162,720,222	142,649,206	88,307	67,399

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$'000**
Balance	14 August 2017	-		-
Issue of shares	14 August 2017	120	$1.00	-
Share split (109,584 for 1)	16 October 2017	13,149,960	$0.00	-
Share split (1.88358 for 1)	14 March 2018	11,618,926	$0.00	-
Issue of shares on IPO	15 March 2018	70,000,000	$1.00	70,000
Capitalisation of share issue expense		-	$0.00	(2,601)
Issuance of shares	15 March 2018	100,000	$0.00	-
Balance	30 June 2018	94,869,006		67,399
Issue of shares on acquisition of subsidiary	10 August 2018	15,669,669	$1.20	18,804
Issue of shares on acquisition of subsidiary	18 September 2018	526,858	$1.20	632
Issue of shares on acquisition of business	24 December 2018	2,000,000	$0.80	1,600
Issuance of shares on conversion of Convertible Redeemable Preference shares	16 March 2019	25,975,343	$0.00	-
Shares buy back	16 April 2019	(108,754)	$0.00	(66)
Transaction costs		-	$0.00	(62)
Balance	30 June 2019	138,932,122		88,307

Note 25. Equity - issued capital (continued)

Movements in convertible redeemable preference shares

Details	Date	Shares	Issue price	$'000
Balance	14 August 2017	-		-
Issue of convertible redeemable preference shares	15 March 2018	47,780,200	$0.00	-
Balance	30 June 2018	47,780,200		-
Conversion to ordinary shares	16 March 2019	(23,890,100)	$0.00	-
Forfeited		(102,000)	$0.00	-
Balance	30 June 2019	23,788,100		-

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Convertible redeemable preference shares
Preference shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

Preference shares only have voting rights in limited circumstances. In these circumstances, each preference share shall have one vote.

Each convertible redeemable preference share ('CRPS') can convert into a minimum of 0 ordinary shares and a maximum of 2 ordinary shares, depending on the achievement of the financial year ended 30 June 2018 specified performance measures of the individual businesses acquired by GrowthOps (each a 'GrowthOps Business'). 47,780,200 CRPS will be converted to 51,950,681 ordinary shares based on an agreed conversion ratio of 1:1.09. On 16 March 2019, 23,890,100 CRPS have converted to 25,975,433 ordinary shares. Conversion remains subject to vesting conditions and provided these are met, a further 25% on each of the second and third anniversaries of the IPO.

Share buy-back
On 15 March 2019, the Group announced an open-market share buy back program. The Group bought back 108,754 ordinary shares.

On 1 May 2019, the Group suspended the open-market share buy back program.

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 2018 Annual Report.

Note 26. Equity - reserves

	Consolidated 2019 $'000	2018 $'000
Foreign currency reserve	(60)	15
Share-based payments reserve	40,389	9,929
	40,329	9,944

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

Share-based payments reserve
The reserve is used to recognise the value of equity-settled benefits provided to the vendors of acquired subsidiaries, and employees as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $'000	Share-based payments $'000	Total $'000
Balance at 14 August 2017	-	-	-
Foreign currency translation	15	-	15
Share-based payments	-	9,929	9,929
Balance at 30 June 2018	15	9,929	9,944
Foreign currency translation	(75)	-	(75)
Share-based payments	-	30,460	30,460
Balance at 30 June 2019	(60)	40,389	40,329

Note 27. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 28. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures when necessary. However, the Group's exposures to foreign currency risk, price risk and interest rate risk are insignificant at 30 June 2019. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board') from time to time. Finance identifies, evaluates and hedges financial risks, when necessary within the Group's operating units. Finance reports to the Board on a monthly basis.

Note 28. Financial instruments (continued)

Market risk

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

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

The Group's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign denominated financial commitments in a timely and cost-effective manner. The Group will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors as at 30 June 2019 were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as not being significant.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Hong Kong dollars	531	793	660	866
US dollars	920	1,012	4	32
Singapore dollars	1,469	190	1,238	134
Chinese Yuan	341	330	288	-
Philippines Peso	393	-	243	8
Malaysia ringgit	1,418	-	1,242	-
New Zealand dollars	163	-	138	-
	5,235	2,325	3,813	1,040

The Group had net assets denominated in foreign currencies of $1,422,000 (assets of $5,235,000 less liabilities of $3,813,000 as at 30 June 2019 (2018: net assets of $1,285,000). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $170,000 lower/$170,000 higher and equity would have been $142,000 lower/$142,000 higher (2018: profit before tax for the period would have been $117,000 lower/$117,000 higher and equity would have been $117,000 lower/$117,000 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements during the year and the spot rate at each reporting date.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group is exposed to the risk of changes in market interest rates relates to the bank loan with variable interest rate. The analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. If interest rates had been 50 basis points decrease/increase and all other variables were held constant, the Group’s loss before tax for the year would have been $63,000 lower/$63,000 higher (2018: $nil). This is mainly attributable to the Group’s exposure to interest rates on its variable rate borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the reporting date.

Note 28. Financial instruments (continued)

	Consolidated	
	2019	**2018**
	$'000	**$'000**
Bank loans	12,696	-

	Consolidated	
	2019	**2018**
	$'000	**$'000**
Effect on loss before tax:		
-50 basis points	63	-
+50 basis points	(63)	-

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

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

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2019	**2018**
	$'000	**$'000**
Bank loans	1,304	-

The bank loan is a 2 year term loan facility, expiring on 14 November 2020, with Westpac Banking Corporation of which the total facility is $14,000,000. The loan has a variable interest rate being the base rate plus margin rate based on BBSY, which is approximately 4.31% for the financial year ended 30 June 2019.

Note 28. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	5,759	-	-	-	5,759
Other payables	-	5,011	-	-	-	5,011
Interest-bearing - variable						
Bank loans	4.31%	-	12,696	-	-	12,696
Interest-bearing - fixed rate						
Hire purchase	2.50%	3	-	-	-	3
Lease liability	4.60%	3,387	3,231	6,221	140	12,979
Total non-derivatives		14,160	15,927	6,221	140	36,448

Consolidated - 2018	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,399	-	-	-	2,399
Other payables	-	7,932	-	-	-	7,932
Interest-bearing - fixed rate						
Hire purchase	2.50%	8	-	-	-	8
Total non-derivatives		10,339	-	-	-	10,339

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 29. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets at fair value through profit or loss - unlisted ordinary shares	-	-	458	458
Total assets	-	-	458	458
Liabilities				
Contingent consideration	-	-	950	950
Total liabilities	-	-	950	950

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

As at 30 June 2019, the unquoted investment and contingent consideration has been valued using a discounted cash flow model.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Unlisted ordinary shares $'000	Contingent consideration $'000	Total $'000
Balance at 14 August 2017	-	-	-
Balance at 30 June 2018	-	-	-
Additions	458	(950)	(492)
Balance at 30 June 2019	458	(950)	(492)

Note 30. Key management personnel disclosures

Compensation
The aggregate compensation made to the members of key management personnel of the Company is set out below:

	Consolidated	
	For the 12 months ended 30 June 2019 $	For the period from 14 August 2017 to 30 June 2018 $
Short-term employee benefits	935,902	434,740
Post-employment benefits	55,023	26,808
Share-based payments	-	184,912
	990,925	646,460

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and its network firms:

	Consolidated	
	For the 12 months ended 30 June 2019 $	For the period from 14 August 2017 to 30 June 2018 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	305,000	167,500
Other services - Deloitte Touche Tohmatsu		
Services providing during IPO and acquisition process	-	464,000
Preparation of the tax return	-	50,000
Indirect tax compliance services	-	35,800
Tax compliance services	155,000	-
Due diligence for potential acquisition	-	110,000
	155,000	659,800
	460,000	827,300
Other services - network firms		
Tax compliance services	50,000	-

Note 32. Business combinations

Acquisition of Asia Pacific Digital Limited
On 2 August 2018 the Group obtained control of Asia Pacific Digital Limited ('APD') for the total consideration of $19,436,000 settled in Trimantium GrowthOps Limited ordinary shares. The acquisition of APD will help cement the Group's position as an independent, regional provider of integrated consulting, creative and technology-driven services with the scale and local market experience to serve multinational corporate and government clients. The expansion of APD's technology services and geographic footprint within the Asia Pacific market will diversify GrowthOps' client base and strengthen its competitive edge against global players that operate in the region. The goodwill of $26,607,000 is attributable mainly to the workforce and APD's footprint in Asia. APD contributed revenue of $18,133,000 and loss before tax of $6,114,000 to the Group for the period from 2 August 2018 to 30 June 2019. If the acquisition occurred on 1 July 2018, the contributions would have been revenue of $20,106,000 and loss before tax of $6,792,000.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	356
Trade receivables	7,125
Prepayments	448
Other financial assets	548
Leasehold improvements	228
Office, computers and other equipment	298
Customer relationships	7,046
Software and other intangibles	177
Deferred tax assets*	2,725
Right-of-use asset	2,603
Trade payables	(4,528)
Other payables	(3,764)
Provision for income tax	(159)
Deferred tax liability	(1,790)
Employee benefits	(1,051)
Deferred revenue	(1,170)
Bank loans	(13,660)
Lease liability	(2,603)
Net liabilities acquired	(7,171)
Goodwill	26,607
Acquisition-date fair value of the total consideration transferred	19,436
Representing:	
Trimantium GrowthOps Limited shares issued to vendor	19,436
Acquisition costs expensed to profit or loss	363
Cash used to acquire business, net of cash acquired:	
Net cash received from acquisition	356

On acquisition date, APD had cumulative tax losses in Australia of approximately $32,000,000. Management have recognised a deferred tax asset of $2,035,000 that relates to tax losses available for use in the foreseeable future.

Following the acquisition, management have re-assessed and implemented strategies and initiatives to transition APD to a profit-neutral contributor to the Group in the short-term. As a result of this assessment, management have recognised an impairment of goodwill of $22,250,000 for the financial year ended 30 June 2019.

Note 32. Business combinations (continued)

Acquisition of Xperior Group Pty Limited
On 24 December 2018, the Group acquired from Xperior Group Pty Ltd the software business that provides software and services to commercial property groups throughout Australia and New Zealand, delivered under the 'Xperior' trading name. Xperior provides GrowthOps with an entry into a new growth sector that, in combination with other GrowthOps growth services, is expected to add value to clients in the commercial property industry across the Asia Pacific region. This acquisition is aligned to the Group's strategic objective of diversifying its revenue stream. The provisional goodwill of $3,869,000 is attributable mainly to Xperior's footprint in the industry. Xperior contributed revenue of $354,000 and profit before tax of $56,000 to the Group for the period from 24 December 2018 to 30 June 2019. If the acquisition occurred on 1 July 2018, the contributions would have been revenue of $649,000 and profit before tax of $120,000. The values identified in relation to the acquisition of Xperior are provisional at 30 June 2019.

Details of the acquisition are as follows:

	Fair value $'000
Software	792
Customer relationships	181
Deferred tax liability	(292)
Provisions	(11)
Net assets acquired	670
Goodwill	3,869
Acquisition-date fair value of the total consideration transferred	4,539
Representing:	
Cash paid or payable to vendor	1,989
Trimantium GrowthOps Limited shares issued to vendor	1,600
Contingent consideration	950
	4,539
Acquisition costs expensed to profit or loss	52
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	4,539
Less: contingent consideration	(950)
Less: shares issued by Company as part of consideration	(1,600)
Net cash used	1,989

Contingent consideration includes contingent cash payment and contingent share payment, which was calculated based on estimated earned revenue for the calendar year ending 31 December 2020. At 30 June 2019, the value identified in relation to the acquisition is a provisional amount.

Note 32. Business combinations (continued)

Prior year business combinations
On 15 March 2018, the Company acquired the shares of 10 companies for a total cash consideration of $47,780,201.

Details of the entities companies acquired are as follows:

Subsidiary acquired	Principal activity	Ownership acquired %	Operating segment
AJF Partnership Pty Ltd	Creative agency	100%	Creative
First Floor Films Pty Ltd	Creative agency	100%	Creative
Moshi Asia Pty Ltd	Enterprise IT consulting	100%	Technology
GrowthOps IECL Pty Ltd	Coaching and leadership development	100%	Coaching and leadership
GrowthOps 3wks Pty Ltd	Enterprise cloud and software solutions	100%	Technology
GrowthOps Khemistry Pty Ltd	Digital creative agency	100%	Creative
GrowthOps Jtribe Pty Ltd	Mobile application developer	100%	Technology
GrowthOps Voodoo Pty Ltd	Web development & graphic design	100%	Technology
GrowthOps KDIS Pty Ltd	Digital marketing solutions	100%	Technology
The Unit Co Pty Ltd	Non-operating	100%	Other

The businesses were acquired to complement their existing portfolio of service providers and innovation initiatives with an entrepreneurial partner designed to deliver a new product, service, or growth strategy quickly, which will enable Trimantium GrowthOps Limited as a group to deliver end-to-end value proposition to clients.

Note 33. Contingent liabilities

The Group had no other contingent liabilities as at 30 June 2019, except lease guarantees liability of $577,000 which is in respect of office leases (2018: $nil).

Note 34. Commitments

	Consolidated 2019 $'000	Consolidated 2018 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	255
Lease commitments - operating (no longer applicable at 30 June 2019 following the adoption of AASB 16)		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	1,486
One to five years	-	1,236
	-	2,722
Hire purchase commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	3	8
Total commitment	3	8
Less: Future finance charges	-	-
Net commitment recognised as liabilities	3	8
Representing:		
Hire purchase liability - current	3	8

Capital commitments includes contracted amounts for office fit outs and purchase of equipment.

Operating lease commitments includes contracted amounts for offices under non-cancellable operating leases expiring within 1 to 3 years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

Hire purchase commitments includes contracted amounts for motor vehicles with a written down value of $3,000 (2018: $7,000) under hire purchase expiring within 1 years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 35. Related party transactions

Parent entity
Trimantium GrowthOps Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

Note 35. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated For the 12 months ended 30 June 2019 $	Consolidated For the period from 14 August 2017 to 30 June 2018 $
Sale of goods and services:		
Sale of services to Sargon Capital Pty Ltd and its controlled entities*	4,580,920	1,192,194
Sale of services to Trimantium Investment Management Pty Ltd*	-	500,000
Sale of services to Trimantium Insurance Partners Pty Ltd*	174,704	-
Payment for goods and services:		
Payment for services from Paddl Co., Pty Ltd, a company controlled by Dominique Fisher	100,000	-
Rent of office from The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd	155,705	13,436
Other transactions:		
Remuneration to close member of a key management personnel for services rendered	91,027	41,654

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2019 $	Consolidated 2018 $
Current receivables:		
Trade receivables from Sargon Capital Pty Ltd and its controlled entities*	1,193,007	259,716
Trade receivables from Trimantium Investment Management Pty Ltd*	-	126,500
Trade receivables from Trimantium Insurance Partners Pty Ltd*	192,174	-
Trade receivables from other related party	-	18,000
Current payables:		
Remuneration payable to Phillip Kingston	25,919	9,494

* Phillip Kingston is a founder, a shareholder and an executive director of Sargon Capital Pty Ltd. Trimantium Investment Management Pty Ltd and Trimantium Insurance partners Pty Ltd are companies controlled by Phillip Kingston.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 36. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	2018 %
AJF Partnership Pty Ltd	Australia	100%	100%
First Floor Films Pty Ltd	Australia	100%	100%
GrowthOps Voodoo Pty Ltd	Australia	100%	100%
GrowthOps Jtribe Pty Ltd	Australia	100%	100%
GrowthOps IECL Pty Ltd	Australia	100%	100%
Institute of Executive Coaching and Leadership (Hong Kong) Limited	Hong Kong	100%	100%
Moshi Asia Pty Ltd	Australia	100%	100%
GrowthOps KDIS Pty Ltd	Australia	100%	100%
GrowthOps 3wks Pty Ltd	Australia	100%	100%
GrowthOps Khemistry Pty Ltd	Australia	100%	100%
IECL SG Pte Ltd	Singapore	100%	-
IECL Shanghai Company Ltd	China	100%	100%
GrowthOps Software Services Pty Ltd	Australia	100%	100%
Rumble Asia Limited	Hong Kong	100%	100%
Trimantium GrowthOps Hong Kong Limited	Hong Kong	100%	100%
Trimantium GrowthOps Singapore Pte. Ltd.	Singapore	100%	100%
The Unit Co Pty Ltd	Australia	100%	100%
GrowthOps Holdings Pty Ltd	Australia	100%	-
GrowthOps Services Pty Ltd	Australia	100%	-
GrowthOps APD Ltd	Australia	100%	-
ACN 123 287 025	Australia	100%	-
GrowthOps APD Australia Pty Ltd	Australia	100%	-
Asia Pacific Digital Pte Ltd	Singapore	100%	-
APD Interact Holdings Pty Ltd	Australia	100%	-
Asia Venture Pty Ltd	Australia	100%	-
APD Engage Holdings Pty Ltd	Australia	100%	-
GrowthOps Services Philippines Pte Ltd	Singapore	100%	-
APD Holdings Pte Ltd	Singapore	100%	-
Next Digital Shanghai Co. Ltd	China	100%	-
APD Interact Pty Ltd	Australia	100%	-
GrowthOps APD NZ Limited	New Zealand	100%	-
Asia Pacific Digital Manila (Branch)	Philippines	100%	-
GrowthOps Pte Ltd	Singapore	100%	-
APD Digital Services SDN BHD	Malaysia	100%	-
APD Services Limited	Hong Kong	100%	-
American Next Digital IT Consultants	Mexico	100%	-
Jericho Digital Asia Pte Ltd	Singapore	100%	-
APD ENGAGE PTY LTD	Australia	100%	-

Note 37. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Loss after income tax	(6,451)	(7,108)
Total comprehensive income	(6,451)	(7,108)

Statement of financial position

	Parent	
	2019 $'000	2018 $'000
Total current assets	4,349	12,820
Total assets	110,562	70,693
Total current liabilities	1,212	473
Total liabilities	14,859	473
Net assets	95,703	70,220
Equity		
Issued capital	88,307	67,399
Share-based payments reserve	40,388	9,929
Accumulated losses	(32,992)	(7,108)
Total equity	95,703	70,220

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity is a party to a deed of cross guarantee (refer note 38), under which it guarantees the debts of certain of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no other contingent liabilities as at 30 June 2019, except lease guarantees liability of $577,000, which is in respect of office leases (2018: $nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Note 37. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.
- The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Note 38. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Trimantium GrowthOps Limited
AJF Partnership Pty Ltd
First Floor Films Pty Ltd
GrowthOps Voodoo Pty Ltd
GrowthOps Jtribe Pty Ltd
GrowthOps IECL Pty Ltd
Institute of Executive Coaching and Leadership (Hong Kong) Limited
Moshi Asia Pty Ltd
GrowthOps KDIS Pty Ltd
GrowthOps 3wks Pty Ltd
GrowthOps Khemistry Pty Ltd
IECL SG Pte Ltd
GrowthOps Software Services Pty Ltd
Rumble Asia Limited
Trimantium GrowthOps Hong Kong Limited
Trimantium GrowthOps Singapore Pte. Ltd.
The Unit Co Pty Ltd
GrowthOps Holdings Pty Ltd
GrowthOps Services Pty Ltd
GrowthOps APD Ltd
ACN 123 287 025 Pty Ltd.
GrowthOps APD Australia Pty Ltd
APD Interact Holdings Pty Ltd
Asia Venture Pty Ltd
APD Engage Holdings Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Trimantium GrowthOps Limited, they also represent the 'Extended Closed Group'.

Note 38. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	For the 12 months ended 30 June 2019 $'000
Rendering of services	59,920
Media pass through income	26,449
Other income	179
Interest revenue calculated using the effective interest method	269
Media pass through expense	(26,449)
Freelance, contractors, consumables and associated costs	(8,840)
Employee benefits	(43,208)
Share-based payments	(30,460)
Depreciation and amortisation	(11,363)
Impairment of assets	(22,860)
Professional and consultancy	(1,368)
Travel and entertainment	(1,722)
IT expenses	(1,677)
Marketing and advertising	(766)
Administration expenses	(2,659)
Acquisition expenses	(418)
Other expenses	(108)
Finance costs	(1,271)
Profit/(loss) before income tax	(66,352)
Income tax	3,478
Profit/(loss) after income tax	(62,874)
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	(62,874)

Equity - retained profits/(accumulated losses)	For the 12 months ended 30 June 2019 $'000
Accumulated losses at the beginning of the financial year	(1,681)
Profit/(loss) after income tax	(62,874)
Retained profits/(accumulated losses) at the end of the financial year	(64,555)

Note 38. Deed of cross guarantee (continued)

	2019
Statement of financial position	**$'000**
Current assets	
Cash and cash equivalents	7,167
Trade and other receivables	14,384
Contract assets	2,000
Income tax refund due	850
Other assets	1,034
	25,435
Non-current assets	
Receivables (intercompany)	17,807
Property, plant and equipment	1,330
Right-of-use assets	12,041
Intangibles	53,927
Deferred tax	161
Financial assets at amortised cost	295
Financial assets at fair value through profit or loss	458
	86,019
Total assets	111,454
Current liabilities	
Trade and other payables	8,665
Contract liabilities	7,537
Borrowings	3
Lease liabilities - right-of-use assets	3,387
Provisions	2,773
	22,365
Non-current liabilities	
Borrowings	12,696
Lease liabilities - right-of-use assets	9,592
Provisions	693
Contingent consideration	950
	23,931
Total liabilities	46,296
Net assets	65,158
Equity	
Issued capital	87,806
Reserves	41,907
Retained profits/(accumulated losses)	(64,555)
Total equity	65,158

In the prior period the statement of profit or loss and other comprehensive income and statement of financial position was substantially the same as the Group and therefore have not been separately disclosed.

Note 39. Cash flow information

Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated	
	For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Loss after income tax benefit/(expense) for the year	(65,010)	(13,600)
Adjustments for:		
Depreciation and amortisation	11,564	1,601
Impairment of goodwill	22,860	-
Share-based payments	30,460	9,929
Foreign exchange differences	(75)	15
Investing and financing expenses	1,271	5,753
Allowance for expected credit losses	181	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	9,350	(5,199)
Increase in contract assets	(1,288)	-
(Increase)/decrease in other assets	(811)	65
Increase/(decrease) in trade and other payables	(5,289)	4,182
Increase in contract liabilities	1,119	-
Increase/(decrease) in provision for income tax	(2,723)	257
Decrease in deferred tax liabilities	(2,941)	(937)
Increase in provisions	364	219
Net cash (used in)/from operating activities	(968)	2,285

Non-cash investing and financing activities

	Consolidated	
	For the 12 months ended 30 June 2019 $'000	For the period from 14 August 2017 to 30 June 2018 $'000
Shares issued in relation to business combinations	21,036	-

Note 39. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Bank loans $'000	Hire purchase liability $'000	Lease liability right-of-use asset $'000	Total $'000
Balance at 14 August 2017	-	-	-	-
Net cash used in financing activities	-	(1)	-	(1)
Changes through business combinations (note 32)	-	9	-	9
Balance at 30 June 2018	-	8	-	8
Net cash used in financing activities	(1,712)	(5)	(3,256)	(4,973)
Adoption of AASB 16	-	-	5,408	5,408
Additions	-	-	7,660	7,660
Changes through business combinations (note 32)	13,660	-	2,644	16,304
Interest and other changes	748	-	523	1,271
Balance at 30 June 2019	12,696	3	12,979	25,678

Note 40. Earnings per share

	Consolidated For the 12 months ended 30 June 2019 $'000	Consolidated For the period from 14 August 2017 to 30 June 2018 $'000
Loss after income tax attributable to the owners of Trimantium GrowthOps Limited	(65,010)	(13,600)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	117,741,217	48,208,694
Weighted average number of ordinary shares used in calculating diluted earnings per share	117,741,217	48,208,694
	Cents	**Cents**
Basic earnings per share	(55.21)	(28.21)
Diluted earnings per share	(55.21)	(28.21)

Convertible redeemable preference shares have been excluded from the weighted average number of ordinary shares used in calculating diluted loss per share as they are considered anti-dilutive.

Note 41. Share-based payments

Convertible redeemable preference shares
On 15 March 2018, 47,780,200 convertible redeemable preference shares ('CRPS') were issued to the vendors of the acquired companies. The shares issued do not form part of total purchase price for the acquired entities and instead have been treated as a share based payment in accordance with AASB 2 'Share Based Payments' as the CRPS are subject to vesting conditions linked to service and will be expensed over the vesting period. Subject to terms and conditions each CRPS converts into ordinary shares on the following dates (each a conversion Date) and in the following tranches:

Note 41. Share-based payments (continued)

	Number of shares
15/03/2019 - First anniversary of the Completion Date	23,890,100
15/03/2020 - Second anniversary of the Completion Date	11,945,050
15/03/2021 - Third anniversary of the Completion Date	11,945,050
	47,780,200

Conversion of the CRPS into Shares is subject to performance and retention hurdles:

- Performance – Based on the individual performance of each of the acquired businesses in FY18, 47,780,200 CRPS will be converted into 51,950,681 ordinary shares.
- Retention – Conversion will be staggered so that 50% of the CRPS will convert on the first anniversary of Completion and a further 25% on each of the second and third anniversaries of Completion. Conversion will only occur if the Partner who represents the relevant Vendor continues to be employed by GrowthOps at the time (other than in exceptional circumstances). On 16 March 2019, 23,890,100 CRPS have been converted to 25,975,433 ordinary shares.

The CRPS had a fair value of $1.00 per share on the date they were issued.

During the year ended 30 June 2019, the Group recognised a share-based payment expense of $30,460,000 (2018: $9,929,000) including $30,112,000 (2018: $9,829,000) with respect to the convertible redeemable preference shares issued on 15 March 2018. The table below summarises the estimated share-based payment expense from FY18 to FY21 in relation to this CRPS scheme:

	30 June 2018 $'000	30 June 2019 $'000	30 June 2020 $'000	30 June 2021 $'000	Total $'000
Share-based payment expense in relation to CRPS scheme*	9,829	30,112	8,949	3,060	51,951

* Share-based payment subject to changes if there are changes in conversion ratio or retention hurdles not being met.

Set out below are summaries of the redeemable preference shares issued in accordance with the Sales Price Agreement:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Converted to ordinary shares	Expired/ forfeited/ other	Balance at the end of the year
15/03/2018	15/03/2021	$0.00	47,780,200	-	(23,890,100)	(102,000)	23,788,100
			47,780,200	-	(23,890,100)	(102,000)	23,788,100

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Converted to ordinary shares	Expired/ forfeited/ other	Balance at the end of the year
15/03/2018	15/03/2021	$0.00	-	47,780,200	-	-	47,780,200
			-	47,780,200	-	-	47,780,200

Performance rights
On 28 March 2019, the Group issued 1,450,000 performance rights to its employees for no cash consideration. The performance rights are subject to vesting conditions linked to service and will be expensed over the vesting period. Upon satisfying the vesting condition, each performance right will convert to one ordinary share on the following dates (each a conversion date) and in the following tranches:

Note 41. Share-based payments (continued)

	Number of performance rights vest
01/07/2019	725,000
16/03/2020	312,500
30/06/2020	100,000
16/03/2021	312,500
	1,450,000

Conversion of the performance rights into shares is subject to retention hurdles. Conversion will only occur if the eligible employees continue to be employed by the group on the conversion date. Each performance right has a fair value of $0.455 being the market value of the Group's ordinary shares on grant date.

Set out below are summaries of performance rights granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
28/03/2019	16/03/2021	$0.00	-	1,450,000	-	(150,000)	1,300,000
			-	1,450,000	-	(150,000)	1,300,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.7 years.

During the year ended 30 June 2019, the Group recognised a share-based payment expense of $343,098 (2018: nil). The table below summarises the estimated share based payment expense from FY19 to FY21 in relation to the performance right scheme:

	30 June 2019 $'000	30 June 2020 $'000	30 June 2021 $'000	Total $'000
Share-based payment expense in relation to performance right scheme	343	152	32	527

Note 42. Events after the reporting period

On 31 August 2019, the Group's net financial debt to EBITDA (financial covenant) ratio exceeded the compliance limit required by the Westpac debt facility. On 30 August 2019, Westpac granted a waiver to the Group from complying with the above financial covenant for the period from 31 August 2019 to 30 November 2019. Refer to the going concern disclosure in note 2 for further information.

Apart from the matter noted above, no matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- 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 directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dominique Fisher

Dominique Fisher
Chairman

27 September 2019

Deloitte.

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Independent Auditor's Report to the Members of Trimantium GrowthOps Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Trimantium GrowthOps Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that for the year ended 30 June 2019 the Group recorded a net loss of $65,010,000 and used net cash in operating, investing and financing activities of $13,717,000. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- inquiring of management and the directors as to knowledge of events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- challenging the assumptions contained in management's forecast in relation to the Group's ability to continue as a going concern; and
- assessing the adequacy of the disclosures related to going concern in Note 2.

Deloitte.

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 for the current year. 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for acquisitions On 6 July 2018, GrowthOps issued a Bidder Statement in relation to the off-market takeover of Asia Pacific Digital Limited ("APD"). At the close of the offer period on 7 August 2018, GrowthOps had acquired a relevant interest of 96.7% and provided notice to APD shareholders who had not accepted the offer that it would begin the process of compulsorily acquiring their shares. The acquisitions were satisfied through an off-market takeover bid to acquire 100% of the fully paid ordinary shares of APD, where GrowthOps offered 1 TGO ordinary share for every 8.9 APD fully paid ordinary shares and 1 TGO ordinary share for every 65 placement shares. Accounting for acquisitions is a complex and judgemental exercise requiring management to determine: • The accounting treatment for the acquisitions; • Acquisition date; • The fair value of the total purchase consideration; and • The identification of intangible assets and their measurement	Our procedures included, but were not limited to: • Understanding of the terms and conditions in relation to the transaction with APD; • Reviewed and performed assessment of management's acquisition accounting papers; • Evaluating the competency and objectivity of management experts used to identify and measure the fair value of intangible assets acquired; • Evaluating the criteria applied by the management expert when identifying intangible assets acquired specifically on customer relationship, including rates applied for amortisation; • Review the opening balance sheets of the acquired entity; • In conjunction with our valuation specialists, assessing the valuation methodology, cash-flow assumptions including contributory asset charges, discount rates and the reasonableness of the valuation outputs; and • Assessing the appropriateness of the disclosures in the financial statements.
Carrying value of Goodwill and Intangible Assets As at 30 June 2019, the Group has recognised goodwill of $39 million, customer relationship of $12.2 million and other intangible assets of $3.6 million as a result of the acquisitions as disclosed in Note 32. In respect of GMS and APD Asia, management undertook an impairment test of these two CGUs at the half-year as they identified indicators of impairment at that time. As a result of this impairment test, management recognised an impairment loss of $22.5 million ($15.9 million APD Asia and $6.6 million GMS) at the half-year ended 31 December 2018.	Our procedures included, but were not limited to: • Evaluating the Group's categorisation of CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business. This evaluation included performing an analysis of the Group's internal reporting; • Engaging with our valuation specialists to assist with: - Comparing the discount rate utilised by management to an independently calculated discount; - Comparing the Groups forecast cash flows to management's forecasts and challenging the growth rates used; and

Management performed an impairment assessment as at 30 June 2019 of all CGU's and no further impairment was required. The directors' assessment of the recoverability of goodwill and intangible assets requires the exercise of significant judgement, including: • Identifying the cash generating units (CGUs) to which goodwill has been allocated; and • Estimating the future growth rates, nominal discount rates and the expected cash flows of each CGU to which goodwill has been allocated.	- Challenged the key assumptions adopted by management by performing sensitivity analysis on the growth and discount rates; • Assessing the appropriateness of the disclosures in the financial statements.

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 2019, 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's 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 year 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.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 14 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Trimantium GrowthOps Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini

Partner

Chartered Accountants

Sydney, 27 September 2019

Trimantium GrowthOps Limited
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 9 September 2019.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	654	-
1,001 to 5,000	309	-
5,001 to 10,000	48	-
10,001 to 100,000	107	-
100,001 and over	62	-
	1,180	-
Holding less than a marketable parcel	671	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Asia Selangor Investments Pty Ltd	20,000,000	14.40
TGO Holdings 2 Pty Ltd	17,000,000	12.24
TGO Holdings Pty Ltd (TC Special Operations Trust 7)	16,380,782	11.79
Pattani Private Capital Pty Ltd	14,712,359	10.59
Valuestream Investment Management Ltd (Co-Investor No3 Pipefund A/C)	6,395,152	4.60
Adam James Francis Pty Ltd (Francis Family A/C)	4,105,369	2.95
AJF Fabbro Pty Ltd (AJF Fabbro Family A/C)	4,105,369	2.95
JL Stephens Pty Ltd (JL Stephens Family A/C)	4,105,369	2.95
Trimantium Capital Pty Ltd	3,820,673	2.75
AJF Foote Pty Ltd (AJF Foote Family A/C)	3,605,369	2.60
Grand Circle Opportunities Pty Ltd	3,400,000	2.45
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	3,093,848	2.23
TGO Holdings Pty Ltd (TGO Trust 2 A/C)	2,972,281	2.14
Trimantium Limited	2,431,045	1.75
Bricktowne II LLc	2,189,492	1.58
Ms Jennifer Dryan Smorgon	2,030,221	1.46
Xperior Group Pty Ltd	2,000,000	1.44
Growthops Holdings Pty Ltd (TGO Trust 1 A/C)	1,981,520	1.43
Ward Portfolio Pty Ltd	1,893,369	1.36
Asia Selangor Investments Pty Ltd	1,867,743	1.34
	118,089,961	85.00

Unquoted equity securities

	Number on issue	Number of holders
Redeemable convertible preference shares	23,788,100	15

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Phillip James Kingston	27,586,301	19.86
Asia Selangor Investments Pty Ltd	21,867,743	15.74
Paul Mansfield	18,238,450	13.13
Pattani Private Capital Pty Ltd	18,112,359	13.04
North Ridge Partners Pty Ltd	8,865,692	6.38

Voting rights
The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.