CHANGE FINANCIAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

CORPORATE DIRECTORY

Directors

Teresa Clarke (Chair)

Ian Leijer (Executive Director)

Harley Dalton (appointed 11 December 2018)

Benjamin Harrison (appointed 11 December 2018)

Ashley Shilkin (resigned 11 December 2018)

Andrew Pipolo (resigned 30 September 2018)

Peter Clare (resigned 31 August 2018)

Company Secretary

Adam Gallagher (appointed 28 February 2019)

Gillian Nairn (resigned 28 February 2019)

Registered Office

Change Financial Limited
Level 11, 82 Eagle Street
Brisbane QLD 4000

Telephone: +61 7 3532 6990
Email: investors@chimpchange.me

Postal Address

Change Financial Limited
GPO Box 5011
Brisbane QLD 4001

Australian Company Number

150 762 351

Australian Business Number

34 150 762 351

Auditors

Pitcher Partners
Level 38
345 Queen Street
BRISBANE QLD 4000
Telephone: +61 7 3222 8444
Fax: +61 7 3221 7779
Website: www.pitcher.com.au

Share Registry

Link Market Services Limited
Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

Website

www.changefinancial.com

ASX Code

CCA

TABLE OF CONTENTS

CORPORATE DIRECTORY	2
TABLE OF CONTENTS	3
CHAIRMAN'S LETTER	4
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	18
CORPORATE GOVERNANCE STATEMENT	19
FINANCIAL REPORT	27
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	28
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	29
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	31
CONSOLIDATED STATEMENT OF CASH FLOWS	32
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	33
DIRECTORS DECLARATION	54
INDEPENDENT AUDITORS REPORT	55
ASX ADDITIONAL DISCLOSURE	59

CHAIR'S LETTER

On behalf of the Board of Directors, it gives me great pleasure to present the 2019 Annual Report for Change Financial Limited (ASX: CCA). The last year has been pivotal as the Company exited unprofitable businesses resulting in a significant reduction of operating losses. With this restructuring, the Company proceeded through the year with great clarity of purpose. Change put all of its resources behind the most promising of its verticals: its payments and card issuing platform. That investment paid off, as we have now completed the build of the platform, a key milestone, and are ready to commercialise it.

The final step towards completing the platform was achievement of Payment Card Industry (PCI) compliance, a set of stringent standards to ensure that the debit and credit card industry is securing customer data uniformly throughout the industry. The Company received word of this accomplishment just before this annual report was published.

At the conclusion of 2018, the board made several critical decisions: first, we decided to exit the mobile banking business; second, we decided to exit the blockchain business; third we undertook a capital raise to fund the ongoing development of what was then a partially built payments and card issuing platform. Shareholders should be pleased to know that over the course of the last twelve months, Change successfully executed on each of those strategic goals, and in addition, secured our first enterprise customer.

The payments and card issuing platform, the Company's focus at this time, is very promising. The barriers to entry for this business are very high: development costs and time to market are significant. The Company is the first newly certified Mastercard processor in the last five years.

The financial services industry is being disrupted with innovative fintech companies offering new products and services to consumer markets. The issuer processor business is dominated by large, legacy players who lack the capability to integrate innovation at the pace at which the industry is transforming. Our processor has been built to fill that gap. We provide flexible features that meet the demands of those disrupting the market.

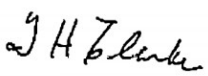
In December 2018 we welcomed Harley Dalton, Managing Director of Altor Capital, and Ben Harrison, Chief Investment Officer of Altor Capital, as directors of the Company. Altor Capital is an alternative asset manager that has been a long-term supporter of the Company and was a major shareholder prior to the Company's IPO. Harley has extensive experience in the funds management and investment industry, having founded and served as Chief Executive Officer at DNR Capital where he grew the business to in excess of A$1 billion funds under management. Ben sits on a number of Altor investee company boards and his experience extends across financing and M&A into; investment, strategy, financial management, corporate restructuring, corporate governance and general management.

I take this opportunity to thank our management and staff, especially our Chief Operating Officer, Clayton Fossett, for their exemplary hard work over the past year. I also thank my fellow directors for their dedication to turning this business around.

The effort undertaken by the management and the board has resulted in a significant turning point for the Company, which paved the way for what we have now: a completed payments and card issuing platform, ready for commercialisation. In the coming month, we look forward to onboarding our first enterprise customer and generating our first revenue from this line of business.

I look forward to updating you on our continued success in achieving operational and financial milestones over the course of the next year.

Teresa Clarke



Chair

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Change Financial Limited (**Change Financial** or **Company**) consisting of Change Financial Limited and the entities it controlled at the end of or during the year ended 30 June 2019 (**Group**).

Directors

The following persons were Directors of Change Financial Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Teresa Clarke (Chair)
Ian Leijer (Executive Director)
Harley Dalton (appointed 11 December 2018)
Benjamin Harrison (appointed 11 December 2018)
Ashley Shilkin (resigned 11 December 2018)
Andrew Pipolo (resigned 30 September 2018)
Peter Clare (resigned 31 August 2018)

Principal activities

The Group's principal continuing activity during the year was continuing the build of its payment processor and providing mobile banking services through its mobile application.

Background on Company and Review of Operations

During the financial year, the Company's operations have been focused on:

- advancing development of its innovative payments and card issuing platform;
- monetising the mobile banking consumer business; and
- divesting from non-core assets, specifically the Ivy Project.

During the first half of the year, the Company engaged management consultants specialised in the payments and digital financial services industry to review the payments and card issuing business, the Ivy Project and mobile banking consumer business. Following their review, the Company determined:

- to focus its efforts on completing the build of its Mastercard payments and card issuing platform, which it believes offers substantial opportunity given the significant size of the addressable market, the projected high growth in the market size over the next six years, the high revenue potential, the limited number of competitors, and the high barriers to entry for new players; and
- while the mobile banking consumer business is leading edge, the underlying revenue metrics and profitability have struggled to scale. As such, a strategic decision was made to look for other ways to monetise this operation.

Development of its payment and card issue platform

During the year the Company focused on development of its payment and card issuing platform (**Platform**). The Platform aims to provide a payments and financial technology to corporates, financial institutions, fintech companies, banks and others initially in the US, particularly those lacking a mobile strategy. The Company's aim is to provide enterprise customers (and their end customers) more innovative payment infrastructure than the complexity and legacy issues associated with incumbent providers. The Company is also aiming to leverage learning from its consumer business and will offer a turn-key mobile banking solution to those banks and institutions lacking technology capabilities and mobile strategies.

The Company will be the first to be certified Mastercard Network Gateway Services platform in the last 5 years and the second in the last 20 years.

The Platform will initially target more than 7,000 FDIC (Federal Deposit Insurance Corporation) banks, 6,000 credit unions and a host of innovative players in the financial services arena across the US with innovative mobile banking services. The addressable market in the US is approximately a US$50 billion market in 2019, growing at approximately 20% per annum through to 2025**.**

Benefits of the Platform

The Company is aiming to provide capabilities above that of incumbent payment processors to deliver a unique selling point for its Platform. The Company's Platform will also be paired with its integrated mobile banking technology to offer an innovative turn-key mobile solution to clients.

Change's innovative payments and card issuing platform includes the following features:

Program Dashboard – manage payment programs in real-time and configure program and account settings such as transaction limits and fees charged on an individual customer level.

Data Insights Dashboard – access to data rich information customers need to understand how their programs are performing. Allowing real-time insights that support day-to-day operations and drive growth.

API Connectivity – built for connecting and exposing digital assets providing the speed customers are seeking to roll out programs and new features. This allows delivery of customers' projects faster than ever before while also building infrastructure to increase productivity.

Dynamic Controls – refine payments and authorisation controls using a variety of business rules in real-time to reduce fraud. Includes controlling excess spending and other unwanted behaviour.

Banking as a Service – fully white-labelled customer banking application that allows banks, credit unions and other providers without a mobile strategy to offer innovative mobile banking applications under their own brand.

Mastercard Processor – payment processing capability built on Mastercard's new network gateway.

Ivy Project Divestment

On 11 January 2019, the Company announced it had monetised its investment in the Ivy Project for cash proceeds of US$1.5 million. The terms of the sale agreement entered into by Change Financial results in the Company selling its 33% equity stake. In addition, but separate to the sale, the Company has received a distribution of capital from Ivy Koin LLC. The Company's divestment of the Ivy Project together with the capital distribution, represent a significant return on investment.

Mobile Banking Consumer Business

On 21 January 2019, Change Financial reached an agreement with its US banking partner, Central Bank of Kansas City (**CBKC**), to restructure the operating cost of the ChimpChange business. Under the agreement, there is a reduction of fees payable by the Company to CBKC.

In addition, Change Financial has granted CBKC the right to license ChimpChange to other clients in CBKC's portfolio. The Company retains all technical IP relating to ChimpChange. As part of the agreement, CBKC have agreed to give Change Financial the first right to perform transaction processing on completion of the Company's payments processor as well as ancillary services for the ChimpChange platform. This was a significant initial step in securing the first enterprise client for the Company's payments processor.

Successful Capital Raising

In addition to the new funding secured from Altor Capital in December 2018 the Company undertook an entitlement offer to existing shareholders which raised A$597,000. With the placement of shortfall totaling A$195,000, the Company raised a total of A$792,000 (US$546,100 net of fees).

Options exercised

During the year no shares were issued during the Financial Year pursuant to the exercise of options.

Matters subsequent to the end of the financial year

There were no matters subsequent to the end of the Financial Year other than as disclosed in Note 32.

Likely developments and expected results of operations

Refer to the Review of Operations for further details.

Information on directors

Teresa Clarke (Chair)

Experience and expertise

Ms. Clarke has 30 years experience spanning investment banking, corporate board directorships, and entrepreneurial starts ups. Teresa started her career at Goldman Sachs & Co. where she was promoted several times, and was ultimately named Managing Director in the investment banking division. Among other major transactions, she led the $3 billion merger to create the largest home building company in the US.

Her corporate directorships include CIM Finance (SEM:CIM), the first non-bank institution in Southern Africa to offer Mastercard and Visa credit cards (Corporate Governance Committee), and ATIO Corporation, a private systems integrator whose board she chaired. She served on the investment committee of a regional $120 million private equity fund. She currently serves on the advisory board of Indenseo, a Silicon Valley insurance tech start-up.

She was one of fifteen private sector leaders chosen to serve on President Obama's Advisory Board on Doing Business in Africa. She is a member of the Council on Foreign Relations, and Women Corporate Directors.

Ms Clarke is a California native who now spends her time between New York and South Africa, where she runs Africa.com, a tech/media holding company she founded. Ms. Clarke earned an A.B., *cum lau*de in Economics, M.B.A. from Harvard Business School, and J.D. from Harvard Law School.

Special responsibilities

Member of the Audit & Risk Committee

Other current ASX directorships

None

Former ASX directorships in last 3 years
None

Interests in shares and options
Nil

Harley Dalton (Non-Executive Director)

Experience and expertise

Founder and director of Altor Capital, responsible for the day to day management of the business. Responsible for sourcing and negotiating investments and building the capability of the business and the team.

Harley has over 20 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of business to publicly listed status in the Australian share market, providing capital raising, structuring, debt, equity; and board composition advice in this process.

Harley was the founder, director and CEO of Dalton Nicol Reid up to 2014, one of Australia's leading and recognised Australian Equities fund managers. He grew the business from start up to circa AUD $1billion in assets under management prior to his exit. Dalton Nicol Reid manages money on behalf of retail, wholesale and institutional clients both domestically and internationally.

Prior to founding Dalton Nicol Reid, Harley worked for Hartley Poynton Stockbroking.

Harley has a Bachelor of Science from Griffith University, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.

Other current ASX directorships
None

Former ASX directorships in last 3 years
None

Special responsibilities
Member of the Audit & Risk Management Committee

Interests in shares and options
402,235 shares in Change Financial Limited held beneficially
2,180,000 options in Change Financial Limited held by Altor Private Equity Ltd

Mr Dalton is the founder and director of Altor Capital Pty Limited (**Altor**). Altor Capital Management Pty Ltd (**Altor Capital Management**), a wholly owned subsidiary of Altor, holds convertible notes in the Company.

Subsequent to year end 19,205,112 convertible notes with a face value of A$1,920,511 were issued to Altor Capital Management Pty Limited as representative noteholder and security trustee holding Notes on behalf of investor. Mr Dalton does not have a beneficial interest in any of the convertible notes.

Ian Leijer (Executive Director)

Experience and expertise

Ian has been closely involved with Change Financial since its inception.

Ian is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Ian started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank.

Ian currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Ian also holds a Bachelor of Economics from the University of Sydney, Australia.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

None

Interests in shares and options

3,072,529 shares in Change Financial Limited.

Benjamin Harrison (Non-Executive Director)

Experience and expertise

Ben has extensive experience in advising and investing in companies. He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia. He later moved into investment banking, working for a leading corporate advisory house where over a 5 year period he executed over $2.0 billion in capital market transactions and $5.5 billion of public M&A transactions. Ben is active in the venture capital, private equity and private credit sectors. He currently holds board and advisory roles for a number of private companies.

Special responsibilities

Chair of the Audit & Risk Committee

Other current ASX directorships

Nil

Former ASX directorships in last 3 years

Nil

Interests in shares and options

60,335 shares in Change Financial Limited.

Company secretary

The Company secretary is Mr Adam Gallagher. Mr Gallagher was appointed to the position of Company secretary on 28 February 2019.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 Jun 2019, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Audit & Risk Committee meetings	
	A	B	A	B
Ian Leijer [1]	15	15	1	1
Ben Harrison	4	4	1	1
Harley Dalton	4	4	1	1
Teresa Clarke	14	15	1	1
Andrew Pipolo	5	7	0	0
Peter Clare	5	5	1	1
Ashley Shilkin	11	11	1	1

[1] Mr Leijer attended the Audit & Risk Committee meeting by invitation
A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year

Remuneration report (audited)

The Directors are pleased to present your Company's 2019 remuneration report which sets out remuneration information for Change Financial Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Change Financial Limited on 11 August 2015 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, an increase in the maximum aggregate annual non-executive directors' fees to A$500,000, with such fees to be allocated to the non-executive directors as the board of directors may determine.

Executive remuneration policy and framework

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 achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward.

The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- performance linkage / alignment of executive compensation;
- transparent;
- acceptable to shareholders;
- alignment to shareholders' interests;
- attracts and retains high calibre executives;
- alignment to program participants' interests;
- rewards capability and experience; and
- provides recognition for contribution.

The executive remuneration and reward framework has two components:

- base pay and benefits, including superannuation; and
- long term incentives.

(a) Elements of remuneration Base pay and benefits

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

(b) Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) of Change Financial Limited and the Group are set out in the following tables.

The key management personnel of Change Financial Limited includes the directors as listed below:

- Peter Clare (Chairman) (resigned from Board on 31 August 2018)
- Teresa Clarke (Chair) (Executive Chair from 1 September 2018 to 31 December 2018)
- Ashley Shilkin (Executive Director) (resigned from Board on 11 December 2018)
- Ian Leijer (Executive Director)
- Andrew Pipolo (Non-Executive Director) (resigned from Board on 30 September 2018)
- Ben Harrison (Non-Executive Director) (appointed 11 December 2018)
- Harley Dalton (Non-Executive Director) (appointed 11 December 2018)

In addition to the directors the following executives that report directly to the Board are key management personnel:

- Clayton Fossett (Chief Operating Officer)
- Young Lee (Chief Financial Officer) (resigned 31 December 2019)

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2019

Name	Short Term Benefits			Post Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees	Cash Bonus	Non Monetary Benefits				
	US$	US$	US$	US$	US$	US$	US$
Non-executive directors							
Teresa Clarke	34,773	-	-	-	-	-	34,773
Harley Dalton	17,695	-	-	-	-	-	17,695
Ben Harrison	17,695	-	-	-	-	-	17,695
Andrew Pipolo	8,570	-	-	-	-	-	8,570
Peter Clare	10,043	-	-	-	-	-	10,043
Subtotal	**88,776**	**-**	**-**	**-**	**-**	-	**88,776**
Executive directors							
Teresa Clarke[1]	200,000	-	-	-	-	-	200,000
Ashley Shilkin	90,726	-	11,154	-	-	(290,571)	(188,691)
Ian Leijer	102,471	-	-	-	-	-	102,471
Subtotal	**393,197**	**-**	**11,154**	**-**	-	(290,571)	**113,780**
Key Management							
Clayton Fossett	180,011	-	7,765	-	-	21,308	209,084
Young Lee	62,200	-	14,666	-	-	(19,030)	57,836
Subtotal	**242,211**	**-**	**22,431**	**-**	**-**	**2,278**	**266,920**
Total	**724,184**	**-**	**33,585**	**-**	**-**	**(288,293)**	**469,476**

[1] Ms. Clarke served in an executive capacity from 1 Sep 2018 to 31 Dec 2018

2018

Name	Short Term Benefits			Post Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees	Cash Bonus	Non Monetary Benefits				
	US$	US$	US$	US$	US$	US$	US$
Non-executive directors							
Peter Clare	54,178	-	-	-	-	-	54,178
Ben Harrison	41,081	-	-	-	-	-	41,081
Teresa Clarke	39,996	-	-	-	-	-	39,996
Andrew Pipolo	33,131	-	-	-	-	33,262	66,393
Subtotal	**168,386**	**-**	**-**	**-**	**-**	33,262	**201,648**
Executive directors							
Ashley Shilkin	214,796	-	19,579	10,000	-	133,741	378,116
Ian Leijer	68,253	-	-	-	-	-	68,253
Subtotal	**283,049**	**-**	**19,579**	**10,000**	-	**133,741**	**446,369**
Key Management							
Clayton Fossett	167,358	-	-	-	-	10,035	177,393
Young Lee	160,070	-	-	-	-	10,035	170,105
Subtotal	**327,428**	**-**	**-**	**-**	**-**	**20,070**	**347,498**
Total	**778,863**	**-**	**19,579**	**10,000**	**-**	**187,073**	**995,515**

The value of options issued to directors and employees as remuneration is expensed over the vesting period which may be a number of years. Therefore, the amount for share based payments is not a cash expense and represents the expense recognised in that financial year for options granted as remuneration in that year and prior years. In the 2018 financial year the amount shown for share based payments for Ashley Shilkin, Clayton Fossett and Young Lee is the expense recognised for options issued in the 2016 and 2017 financial years. In 2019 the negative amounts are the options forfeited but not yet vested at the time of forfeiture. There were no options issued to Key Management and Executive Directors in the 2018 and 2019 financial year.

(c) Service agreements

Teresa Clarke (Chair) (Executive Chair from 1 Sep 2018 to 31 Dec 2018)

- Term of agreement – no fixed term;
- 1 July 2018 to 31 August 2018 – annual fee of US$40,000 payable monthly;
- 1 September to 31 December 2018 – monthly consulting fee of US$50,000 per month comprising US$5,833 per month for the role of Chair and US$44,167 per month for executive services;
- From 1 January 2019 - annual fee of A$70,000 for the role of Chair payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role

Ian Leijer (Executive Director)

- Services provided through Unimain Pty Ltd (**Unimain**);
- Term of agreement – 6 months unless terminated given one month's notice, automatically extended for additional periods of one month each until terminated or a new agreement is entered into. Unimain receives a consulting fee of A$2,000 per day for services provided by Mr Leijer; and
- Unimain is entitled to reimbursement of specified expenses incurred in providing services.

Harley Dalton (Non-Executive Director)

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role

Ben Harrison (Non-Executive Director)

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role

Clayton Fossett (COO)

- Term of agreement – no fixed term;
- Base salary is reviewed annually;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving four month's notice in writing; and
- Mr Fossett is employed under the laws of the State of California, US.

(d) Equity instrument disclosures relating to key management personnel

(i) Options issued to Key Management Personnel as remuneration

No options were issued as long-term incentives to Key Management Personnel as remuneration during the financial period.

(ii) Option Holdings

The numbers of options in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2019

Name	Balance at the start of the period	Exercised during the year	Lapsed and Forfeited during the year	Balance at the end of the period	Total Vested at 30 June 19	Exercisable at 30 June 19	Unexercis-able at 30 June 2019
Directors							
Peter Clare	450,000	-	(450,000)	-	-	-	-
Ashley Shilkin	3,500,000	-	(3,500,000)	-	-	-	-
Ian Leijer	250,000	-	(250,000)	-	-	-	-
Teresa Clarke	250,000	-	(250,000)	-	-	-	-
Andrew Pipolo	250,000	-	(250,000)	-	-	-	-
Other key management							
Clayton Fossett	550,000	-	(100,000)	450,000	366,667	366,667	83,333
Young Lee	500,000	-	(500,000)	-	-	-	-

2018

Name	Balance at the start of the period	Granted during the year	Exercised during the year	Balance at the end of the period	Total Vested at 30 June 18	Exercisable at 30 June 18	Unexercis-able at 30 June 2018
Directors							
Peter Clare	750,000	-	300,000	450,000	450,000	450,000	-
Ashley Shilkin	3,500,000	-	-	3,500,000	1,000,000	1,000,000	2,500,000
Ian Leijer	250,000	-	-	250,000	250,000	250,000	-
Teresa Clarke	250,000	-	-	250,000	250,000	250,000	-
Andrew Pipolo	-	250,000	-	250,000	250,000	250,000	-
Other key management							
Clayton Fossett	650,000	-	100,000	550,000	383,334	383,334	166,666
Young Lee	500,000	-	-	500,000	183,334	183,334	316,666

No option holder (Key Management Personnel or otherwise) has any right under the options to participate in new issues of securities in the Company made by the Company to its shareholders generally. In the event of a reconstruction of the capital of the Company or an issue of Bonus shares the option strike price, and/or the number of options will be adjusted such that no benefit is gained or lost by option holders as a result of that reconstruction or bonus share issue.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Year to 30 June 2019	**Balance at the start of the period**	**Balance at appointment/ (resignation)**	**Purchased**	**Balance at the end of the period**
Directors of Change Financial Limited				
Harley Dalton	-	335,156	67,039	402,235
Ben Harrison	-	43,668	16,667	60,335
Ian Leijer	2,872,529	-	200,00	3,072,529
Teresa Clarke	-	-	-	-
Peter Clare	500,000	(500,000)	-	-
Ashley Shilkin	11,901,965	(11,901,965)	-	-
Andrew Pipolo	-	-	-	-
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-
Young Lee	-	-	-	-

Year to 30 June 2018	**Balance at the start of the period**	**Received during the year on exercise of options**	**Other changes during the period**	**Balance at the end of the period**
Directors of Change Financial Limited				
Peter Clare	200,000	300,000	-	500,000
Ashley Shilkin	11,901,965	-	-	11,901,965
Ian Leijer	2,872,529	-	-	2,872,529
Teresa Clarke	-	-	-	-
Andrew Pipolo	-	-	-	-
Other key management personnel of the Group				
Clayton Fossett	-	-	-	-
Young Lee	-	-	-	-

The table below shows for the current year and prior years since listing the total remuneration cost of the key management personnel, earnings per share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end

Financial Year	Total Remuneration $	EPS A$	Dividends cents	Share Price $A
2016	2,154,698	(0.229)	0.0	0.56
2017	1,448,892	(0.135)	0.0	0.57
2018	995,515	(0.124)	0.0	0.67
2019	469,476	(0.057)	0.0	0.049

End of Remuneration Report

Shares under option

Grant Date	Expiry	Strike Price	Vesting Conditions	Number
31 Dec 2014	31 Dec 2019	A$0.40	No	1,500,000
1 Apr 2015	20 Oct 2019	A$0.49	Yes	100,000
1 Apr 2015	20 Oct 2020	A$0.49	Yes	100,000
18 Jan 2017	20 Jan 2020	A$0.657	Yes	740,000
18 Jan 2018	31 Jan 2021	A$0.92	Yes	500,000
12 Dec 2018	31 Dec 2020	A$0.01	No	4,000,000
TOTAL				**6,940,000**

No shares have been issued during or since the end of the year as a result of the exercise of options

Indemnity and Insurance of officers

Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

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

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 28 to the financial statements. Based on advice provided by the Audit and Risk Management Committee, the Directors have formed the view that the provision of non-audit services is compatible with the general standard of independence for auditors, and that the nature of non-audit services means that auditor independence was not compromised.

Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the year ending 30 June 2019.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

Auditor

Pitcher Partners 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) of the Corporations Act 2001.

Dated 30 September 2019

Teresa Clarke
Chair

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Change Financial Ltd
Level 11, 82 Eagle Street
Brisbane QLD 4000

Auditor's Independence Declaration

As lead auditor for the audit of Change Financial Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants.*

This declaration is in respect of Change Financial Ltd and the entities it controlled during the year.

PITCHER PARTNERS

J. J. EVANS
Partner

Brisbane, Queensland
30 September 2019

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing and maintaining good corporate governance policies.

Change Financial Limited's Corporate Governance Statement has been adopted and structured with reference to the Australian Securities Exchange (**ASX**) Corporate Governance Council - Corporate Governance Principles and Recommendations, 3rd Edition (**CGC Recommendations**). This statement reports against the CGC Recommendations.

The Company's practices are largely consistent with the CGC recommendations. Where the Company's corporate governance practices do not correlate with the CGC Recommendations, the Company is working towards compliance; however, the Board does not consider that all CGC Recommendations are currently appropriate for the Company due to the current size and scale and circumstances of its operations. The Board has offered full disclosure and reasons for the adoption of alternative Company practices and these are summarised in this Corporate Governance Statement.

The Board is of the view that with the exception of the departures from the CGC Recommendations 7777d below it otherwise complies with the CGC Recommendations.

The information in this statement is current as at 30 September 2019 and has been approved by the Board.

Principle 1 – Lay solid foundations for management and oversight

Functions, powers & responsibilities of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin the Company's corporate governance framework. Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.
Without limiting those matters, the Board expressly considers itself responsible for the following:

- ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all other relevant laws;
- providing leadership and developing, implementing and monitoring strategic operational and financial objectives for the Company and the overall performance of the Company;
- appointing appropriate staff, consultants and experts to assist in the Company's operations;
- ensuring appropriate financial and risk management controls are implemented;
- setting, monitoring and ensuring appropriate accountability and a framework for remuneration of Directors and executive officers;
- establishing and overseeing the Company's process for making timely and balanced disclosure of all material information in accordance with the ASX Listing Rules;
- implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- implementing and overseeing the Compa*ny's risk management framework* to enable risk to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within;
- appointing the Chairperson;
- appointing and removing the Chief Executive Officer and Company Secretary;
- approving the appointment and, where appropriate, removal of members of Management;
- contributing to and approving Management's development of corporate strategy and performance objectives;
- monitoring Management's implementation of strategy and performance generally, and ensuring appropriate resources are available to Management;

- monitoring the effectiveness of the Company's governance practices;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving the annual budget;
- liaising with the Company's external auditors;
- approving and monitoring financial and other reporting systems of the Company (including external audit) and the integrity of these systems; and
- appointing and overseeing Committees where appropriate to assist in the above functions and powers.

The Board has delegated to the Executive Chair day to day responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. The Board also delegates to senior management the responsibilities for the day-to-day activities leading toward achievement of the Company's strategic direction within agreed boundaries and authority limitations.

Structure of the Board

The policy and procedures for the selection and appointment of new Directors is that candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, and credibility within the Company's scope of activities. Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.

The Company has procedures in place to ensure that all material information in its possession relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders.

At each Annual General Meeting the following Directors automatically retire and are eligible for re-appointment:

- any Director who has been elected in the office for a period in excess of three consecutive years or until the third annual general meeting following her/his appointment, whichever is longer, without submitting him/herself for re-election;
- any Director who was appointed by the Directors during the year to fill a casual vacancy or as an addition to the existing Directors;
- one-third of the Directors or, if their number is not a multiple of three, then the greatest of one or the number nearest to but not exceeding one-third.

Director and senior executive agreements

New Directors receive a letter of their appointment setting out the material terms of their engagement and a deed of indemnity, insurance and access. Non-executive Directors are not appointed for fixed terms. All senior executives, including Executive Directors, also have written agreements, which set out the material terms of engagement, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Contract details of senior executives, which are key management personnel, are summarized in the Remuneration Report in the Annual Report.

Company Secretary

The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A copy of the Constitution is available on the Company website under Corporate Governance and the details of the Company Secretary are set out in the Directors' Report contained within the Annual Report.

Diversity

The Board has not adopted a formal Diversity Policy at this stage. The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measurable objectives, having regard to the nature and scale of its activities.

Board reviews

The Company does not have a formal process for evaluating the performance of the Board, its committees and individual directors. Due to the Company's limited resources during the reporting period, no formal performance evaluation of the Board or its Committees was undertaken during the period.

In the normal course of events the Board informally reviews the performance of Directors and the Board as a whole.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.

Management reviews

The Company did not during the reporting period have a formal process for periodically evaluating the performance of its senior executives and the Board did not conduct a formal performance evaluation of senior executives during the reporting period. The Board regularly informally reviews the performance of the Company's senior executives and assesses the achievement of goals and business development and evaluates compliance issues.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Nomination committee

The Board has not formally established a Nominations Committee as the Directors consider that the Board is not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate Nomination Committee and in doing so, the Board will be guided by the Nomination Charter which is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

Skills and experience

Details of the current Directors, their skills, experience and qualifications plus a record of attendance at meetings is included in the Directors' Report within the Annual Report.

The Company has established a Board Skills Matrix.

At this stage of the Company's development the Board believes there is an appropriate mix of skills, experience and diversity on the Board. However the Board will continue to monitor its composition with a view to ensuring is has an appropriate mix of skills and diversity to enable it to discharge its responsibilities effectively.

Independence and length of service

The Company's Board is comprised of Teresa Clarke, Harley Dalton, Benjamin Harrison and Ian Leijer. The Chair and the Board other than Ian Leijer are non executive directors.

The length of service of each Director as at the date of this financial report is set out below and can be found in the Directors' Report within the Annual Report.

Name	Appointment date	Length of service
Teresa Clarke	14 October 2016	35 months
Ian Leijer	16 January 2015	56 months
Harley Dalton	11 December 2018	9 months
Benjamin Harrison	11 December 2018	9 months

Based on the factors listed in the CGC Recommendations as being relevant to assessing independence, the Board considers the directors, other than Ian Leijer and Harley Dalton, to be independent Director on the Board as at 30 September 2019. Mr Leijer is considered not to be independent as he is retained in an executive capacity. Mr Dalton is not considered to be independent as a he is a director of Altor Private Equity Pty Ltd and shareholder of Altor Capital Pty Ltd who holds 100% of the shares in Altor Private Equity Limited.

Principle 3 – Act ethically and responsibly

Code of conduct

The Company has established a Corporate Code of Conduct and Corporate Ethics Policy. The Codes require that Directors, management and employees maintain high standards of integrity and ensure that all business activities are conducted legally and ethically in compliance with the letter and spirit of both the law and Company policies. The Code of Conduct and Ethics Policy is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Audit Committee

CGC recommendation 4.1 states that the audit committee should consist of a majority of independent Directors and all be non-executive Directors.

Given the small size of the Board, the Board did not have a separate Audit and Risk Management Committee during 2019. The Board as a whole, discharged the responsibilities normally undertaken by the Audit Committee as set out in the Audit and Risk Committee Charter.

The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.

The Company has adopted an Audit and Risk Management Committee Charter setting out the Committee's responsibilities once a Committee is re-established as well as reporting requirements. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Audit and Risk Management Committee, once re-established, with respect to

audit are to:

- review and make recommendations to the Board in relation to whether the Company's financial statements reflect the understanding of the members of the Committee, and otherwise provide a true and fair view of the financial position and performance of the Company;
- review and make recommendations to the Board in relation to the appropriateness of the accounting judgments or choices exercised by Management in preparing the Company's financial statements;
- ensure that the quality of financial controls is appropriate for the business of the Company;
- review the scope, results and adequacy of external and internal audits;
- require the external auditors to report to the Committee;
- monitor corporate conduct and business ethics and ongoing compliance with laws and regulations;
- maintain open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged;
- review matters of significance affecting the financial welfare of the Company;
- ensure that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate and making recommendations in this regard;
- review the Company's internal financial control system;
- consider and make recommendations regarding the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor; and
- develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and make recommendations on any proposal by the external auditor to provide non-audit services.

External auditor

Pitcher Partners was appointed as the Company's external auditor by shareholders at a General Meeting held on 30 November 2015. Pitcher Partners has advised the Company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

Representatives of Pitcher Partners attend the Annual General Meeting and are available to answer shareholder questions regarding the audit or the individual statements.

Chief Executive Officer and Chief Financial Officer certification of financial statements.

Prior to the approval of the Group's financial statements each year, the Chief Operating Officer (acting in the function of Chief Executive Officer) and the Finance Director (acting in the function of Chief Financial Officer) confirm in writing to the Board that the financial reports of the Company for the financial year:

- present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 5 – Make timely and balanced disclosure

Disclosure and Communications Policy

The Company has adopted a Continuous Disclosure Policy within its Corporate Governance Charter to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*. The policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, Senior Executives and staff to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner and that all information provided to the ASX is posted on the Company's website as soon as possible after its disclosure to ASX.

The Company Secretary is responsible for communications with, and coordinating disclosure of information to, the ASX.

Directors will receive copies of all announcements released to the ASX and copies of announcements, including related information, such as financial statements and public presentations, and are aware of and accountable for the Company's compliance with regard to continuous disclosure.

Respect the rights of security holders

Shareholder Communication

The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:

- The annual report which is distributed, or otherwise made available, to all shareholders;
- The quarterly activities report;
- The half-year financial report;
- The Annual General Meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate;
- Company announcements; and
- All of the information available on the Company's website www.changefinancial.com

The Company welcomes questions from shareholders at any time and these are answered unless the information requested is market sensitive and not in the public domain. All announcements to be made by the Company to the ASX (except disclosures of a routine compliance or administrative nature) will be posted to the Company's website.

Information about the Company and its operations including information about the Company's corporate governance policies is located at: www.changefinancial.com

Facilitate participation at meetings of security holders.

The Company encourages shareholder participation at its AGMs including by making notices of meetings available on its website. The Company's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the audit report.

Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy.

Principle 7 – Recognise and manage risk

Risk committee

The Board as a whole has undertaken the responsibilities of the Audit and Risk Management Committee which are set out in the Audit and Risk Management Committee Charter. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Board with respect to risk management are to:

- review the adequacy of the Company's processes for managing risks, including:
  - (a) in relation to any incident involving fraud or other break down of the Company's internal controls;
  - (b) in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with the business;
- ensure the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems and to oversee this framework;
- define and periodically review risk management as it applies to the Company and clearly identifying all stakeholders;
- ensure the Board clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;
- ensure that the Board and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
- review methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;
- make informed decisions regarding business risk management, internal control systems, business policies and practices and disclosures; and
- consider capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management under the guidance of the Committee.

Internal audit

The Company does not have an internal audit function due to its current size. The Board gains sufficient assurance from management undertaking ongoing evaluation of the Company's internal control and risk management processes.

Sustainability risks

As a digital banking company, Change Financial faces inherent risks in its activities, primarily financial, operating and system risks but also including economic, environmental and social sustainability risks. The Board does not consider that it has material exposure to economic, environmental and social sustainability risks other than its exposure to general economic conditions in the markets in which it operates.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management.

Review of risk management framework

The Board did not conduct a formal review of the Company's risk management processes in the 2019 financial year. During the 2019 financial year the identification and evaluation of risks and the development and implementation of risk mitigation plans was undertaken by management with oversight from the Board.

Principle 8 – Remunerate fairly and responsibly

Remuneration committee.

The Board has not formally established a Remuneration Committee due to the small size of the Board.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Disclosure of Executive and Non-Executive Director Remuneration policy

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be paid as to a fixed amount for each Director. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. All Directors have the opportunity to qualify for participation in the Company's share option plan, subject to the approval of shareholders.

Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors and senior Executives including fee rates are set out in the Remuneration Report in the Annual Report.

Share Trading Policy.

The Company's Share Trading Policy specifically prohibits Directors and senior executives from engaging in short-term trading in the Company's securities. The Policy also stipulates that Directors and senior executives and closely related parties not enter into transactions which limit the economic risk relating to unvested options held by Directors and Senior Executives. The Share Trading Policy is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

FINANCIAL REPORT

These financial statements are the consolidated financial statements of the consolidated entity consisting of Change Financial Limited and its subsidiaries.

The financial statements are presented in the United States currency.

Change Financial Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 11, 82 Eagle Street
Brisbane QLD 4000

Its principal place of business is:

Chimpchange LLC
800 Wilshire Blvd,
Los Angeles, CA 90017, USA

A summary of the Group's operations and its principal activities is included in the directors' report on page 5, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 September 2019. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.changefinancial.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 30 June	Note	2019 US$	2018 US$
Revenue	4	1,833,301	1,076,868
Employee benefits expense		(1,958,503)	(3,631,036)
Advertising & marketing expense		(163,283)	(1,899,480)
Program Expenses		(655,102)	(1,977,616)
Professional services & insurance		(810,903)	(662,997)
Consulting		(538,694)	(538,285)
Technology & Hosting		(294,242)	(361,758)
Depreciation & amortisation expense	5	(175,369)	(521,451)
Impairment of software development	13	(891,944)	-
Finance Expense	5	(98,859)	-
Investment in associate – option cost		(250,000)	-
Other expense		(761,290)	(532,214)
Profit (loss) before tax		(4,764,888)	(9,047,969)
Income tax (expense) benefit		-	-
Profit (loss) from continuing operations		(4,764,888)	(9,047,969)

Basic loss per share (US cents per share)	21	(5.7)	(12.4)
Diluted loss per share (US cents per share)	21	(5.7)	(12.4)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2019 US$	2018 US$
Loss of the year		(4,764,888)	(9,047,969)
Other comprehensive income (loss)			
Items that may be reclassified to profit and loss			
Exchange differences on translation of parent operations		(109,296)	(82,157)
Total comprehensive income/(loss) from continuing operations		**(4,874,184)**	**(9,130,126)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June	Notes	2019 US$	2018 US$
Current assets			
Cash	7	1,464,976	1,665,967
Trade and other receivables	8	172,554	109,660
Other current assets	9	-	69,847
		1,637,530	**1,845,474**
Assets held for resale	10	99,999	-
Total current assets		**1,737,529**	**1,845,474**
Non-current assets			
Property, plant & equipment	11	12,981	86,341
Investment in associate	12	-	99,999
Intangible assets	13	1	956,869
Total non-current assets		**12,982**	**1,143,209**
TOTAL ASSETS		**1,750,511**	**2,988,683**
Current liabilities			
Trade and other payables	14	236,496	237,164
Provisions	15	121,354	192,363
Borrowings	16	1,050,447	-
Other current liabilities	17	39,885	262,466
Total current liabilities		**1,448,182**	**691,993**
NET ASSETS		**302,329**	**2,296,690**
Equity			
Contributed equity	18	29,582,499	26,607,205
Reserves	19	3,942,740	4,147,507
Retained earnings	25	(33,222,910)	(28,458,022)
TOTAL EQUITY		**302,329**	**2,296,690**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity US$	Reserves US$	Retained Earnings US$	Total Equity US$
Balance at 30 June 2017	25,921,031	3,865,897	(19,410,053)	10,376,875
Profit (loss) for the year	-	-	(9,047,969)	(9,047,969)
Exchange differences on translation of the parent operation	-	(82,157)	-	(82,157)
Total comprehensive income for the year	-	(82,157)	(9,047,969)	(9,130,126)
Transactions with owners in their capacity as owners				
Options issued	-	363,767	-	363,767
Contributions	686,174	-	-	686,174
Total	**686,174**	**363,767**	**-**	**1,049,941**
Balance at 30 June 2018	**26,607,205**	**4,147,507**	**(28,458,022)**	**2,296,690**
Balance at 1 July 2018	26,607,205	4,147,507	(28,458,022)	2,296,690
Profit (loss) for the year	-	-	(4,764,888)	(4,764,888)
Exchange differences on translation of the Parent operation	-	(109,296)	-	(109,296)
Total comprehensive income for the year	**-**	**(109,296)**	**(4,764,888)**	**(4,874,184)**
Transactions with owners in their capacity as owner				
Options issued	-	(95,471)	-	(95,471)
Contributions net of capital raising expenses	2,975,294	-	-	2,975,294
Total	**2,975,294**	**(95,471)**	**-**	**2,879,823**
Balance at 30 June 2019	**29,582,499**	**3,942,740**	**(33,222,910)**	**302,329**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June	Notes	2019 US$	2018 US$
Cash flow from operating activities			
Receipts from customers		379,182	948,927
Payments to suppliers and employees		(5,773,710)	(9,314,410)
Interest received		3,072	24,490
R&D tax offset		-	79,240
Net cash used in operating activities	20	**(5,391,456)**	**(8,261,753)**
Cash flow from investing activities			
Distribution received		1,300,000	-
Payment for property, plant & equipment		-	(15,838)
Payment for software development		(82,013)	(273,893)
Payment for investment in Ivy Koin		-	(100,000)
Net cash provided by/(used in) investing activities		**1,217,987**	**(389,731)**
Proceeds from financing activities			
Proceeds from share issue		3,167,148	686,176
Cost of share issues		(191,854)	-
Proceeds from borrowings		1,264,744	-
Costs of establishing borrowing facilities		(112,638)	
Net cash provided by financing activities		**4,127,400**	**686,176**
Net increase (decrease) in cash held		**(46,069)**	**(7,965,308)**
Reconciliation of cash			
Cash at the beginning of the financial year		1,665,967	9,467,512
Net increase (decrease) in cash held		(46,069)	(7,965,308)
Foreign exchange difference on cash holding		(154,922)	163,763
Cash and cash equivalents at end of the year		**1,464,976**	**1,665,967**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with the other requirements of the law. Accounting Standards include Australian Accounting Standards.

The principal accounting policies adopted in preparing the financial report of the Company and its consolidated entities (Consolidated Entity or Group) for the year ended 30 June 2019 are stated to assist in a general understanding of the financial report. For the purposes of preparing the financial report the Company is a for profit entity.

Change Financial Limited is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange.

(a) Compliance with IFRS

The Consolidated Financial Report of Change Financial Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of Preparation

The Consolidated Financial Report of Change Financial Limited has been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

(c) Application of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current financial year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Change Financial Limited include:

(i) AASB 15 Revenue from contracts with customers

The new standard has been applied from 1 July 2018 replacing AASB 118 Revenue and establishes a comprehensive framework for determining the timing and quantum of revenue recognised. AASB 15 requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue is also required to be allocated to each performance obligation and recognised as the performance obligations have been achieved, which can be at a point in time, or over time.

AASB 15 has been applied from 1 July 2018 using the modified retrospective method. The application of this standard has had no impact on the assessment of revenue and no adjustment to the opening balance of the Group's equity.

(ii) AASB 9 Financial instruments

This standard has been applied from 1 July 2018 and replaces AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for the calculation of impairment of financial assets, and new general hedge accounting requirements. It also carries forward guidance on recognition and derecognition of financial instruments from AASB 139. The group applies AASB 9 prospectively, with an initial application date of 1 July 2018. The Group has not restated the comparative information which continues to be reported under AASB 139.

(d) Accounting Standards issued but not effective

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. As a result of this review the Directors have determined that the following standard will have a material impact on the Group:

AASB 16 – This new standard replaces AASB 117 and some lease-related Interpretations. It requires all leases to be accounted for "on balance sheet" by lessees, other than for short-term and low value asset leases. The standard also provides new guidance on the definition of a lease and on sale and leaseback accounting and requires new and different disclosures about leases. The accounting requirements for lessors remains largely unchanged from AASB 117. Upon implementation on 1 July 2019, based on the leases in effect at 30 June 2019, this standard will have a material impact on the lease assets / lease receivables and financial liabilities recorded in the statement of financial position, which we expect to increase by $484,986 and $476,849, respectively. Retained earnings will increase by $8,137 because the carrying amount of the lease assets are greater than the carrying amount of the lease liabilities, due largely to the sub-lease arrangement. We expect the impact on net profit in FY2020 will be a $13,665 net increase in profit before tax. We intend to adopt the modified retrospective approach with practical expedients available under AASB 16.

The Directors have further determined that there will be no material impacts of any other new or revised Standards and Interpretations on the group, and therefore, no change is necessary to Group accounting policies.

(e) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(f) Foreign Currency Translations and Balances

Presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

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

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re- statement are recognised as revenues and expenses for the financial year.

- Current assets and liabilities are translated at the closing rate on reporting date;
- Non-current assets are translated at historical cost
- Income and expenses are translated at actual exchange rates or average exchange rates for the period where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(g) Revenue

Revenue from contracts with customers

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

Revenue from services includes fees charged whenever a ChimpChange customer makes a purchase using ChimpChange mobile banking platform. The fees are usually a percentage of the transaction value and are recognised when the transaction has been completed.

Revenue from administration services is recognised in the period it is earned.

Distribution Income

Distribution income is recognised when the right to receive payment has been established.

Interest income

Interest revenue is recognised on a proportional basis using the effective interest method taking into account the interest rates applicable to the financial assets.

(h) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred 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.

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

(i) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.
The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

(j) Property, plant & equipment

Plant and equipment

Plant and equipment carried at cost less accumulated depreciation and, where applicable, any accumulated impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	Depreciation rates	Depreciation basis
Motor vehicles under lease	12.5%	Straight line
Office equipment	25%	Straight line
Office fit-out	10%	Straight line

(k) Software development

Software development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the software will generate probable future economic benefits; the entity has sufficient resource and intent to complete the development and its costs can be measured reliably.

Capitalised software development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over three years. The asset carrying value is reviewed for impairment annually and amounts are written off to the extent that realisable future benefits are considered to be no longer probable.

(l) Impairment of non-financial assets

Intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(m) Employee benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short- term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled wholly within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(n) Goods and services tax (GST)

Revenues, expenses and purchased assets in Australia are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest dollar, unless otherwise indicated.

(p) Intangible digital assets

The company has elected to measure its digital assets at cost less amortization and impairment in accordance with AASB138 Intangible Assets as market volume to date does not demonstrate an active market.

(q) Ongoing operations

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2019 the Group had net current assets of $289,347 including $1,464,976 of cash and cash equivalents. Current borrowings of $1,050,447 were repaid by the issue of convertible notes subsequent to year end. For the year to 30 June 2019 the Group incurred an operating cash outflow of $5,391,456 and a net loss for the period of $4,764,888.

As set out in the Group's ASX announcements, the Company underwent a restructure during the year, including the sale of its interest in the Ivy Project and undertaken a successful capital raising. As a result of these actions the Company continues to have sufficient funds to meet its short-term objectives of launching its payments and card issuing platform.

However, the Company will require further capital in the next 12 months in order to develop the business before it is cash flow positive. This may include further funding from Altor. Nevertheless, the Directors have concluded that raising additional capital is subject to material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board will continue to monitor and pursue the development of fund raising opportunities and assess its commitment to ongoing expenditure requirements to achieve a sustainable business model.

The Directors believe that the company will be successful in carrying out its plans described above, therefore, these financial statements have been prepared on a going concern basis.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as going concerns.

(r) Investment in Associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(s) Cash and cash equivalents

For cash-flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

2. Critical Accounting Judgements

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

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

Estimated impairment of intangible assets and other non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of those assets. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the Group and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Share- based payments 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 using either the Black-Scholes or Binomial model taking 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 or equity.

Digital Assets

At the date of preparation of these financial statements, no Accounting Standard has been developed that specifically addresses the issue of accounting for digital assets. In the opinion of the directors, the accounting approach that most aligns with the existing suite of Accounting Standards is to recognise digital asset holdings as intangible assets. The Company has elected to measure its digital assets at cost in accordance with Accounting Standard AASB138 Intangible Assets.

3. Operating Segments

The Group is organised into a single operating segment being the provision of digital banking services.

4. Revenue and other income

	2019 US$	2018 US$
Revenue from contracts with customers		
Revenue from service fees – volume based	340,989	828,138
Revenue from service fees – non-volume based	110,000	145,000
	450,989	973,138
Other revenue and income		
Interest revenue	3,072	24,490
Distribution received	1,300,000	-
Research & development tax refund	79,240	79,240
Total Revenue	**1,833,301**	**1,076,868**

5. Expenses

	2019 US$	2018 US$
Profit / loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	29,563	33,639
Amortisation of software development costs	145,806	487,812
Total amortization and depreciation	**175,369**	**521,451**
Share based payments	(254,766)	363,767
Finance Expense		
Interest expense	60,011	-
Amortisation of borrowing costs	38,848	-
Total Finance Expense	98,859	-
Amortisation of borrowing costs	38,848	-
Minimum operating lease payments	158,090	149,900

6. Income Tax Expense

	2019 US$	2018 US$
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,764,888)	(9,047,969)
Tax expense (credit) at the Australian tax rate of 30% (2018: 30%)	(1,429,466)	(2,713,391)
Differences in overseas tax rates	196,678	384,448
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Impairment expense	267,583	
Share based payments expense	(76,430)	109,130
Option fee expense	75,000	-
Other	19,970	(5,117)
Current year tax losses not recognised	946,665	2,224,930
Income tax expense	-	-

Deferred tax assets of $9,492,337 (2018: $8,234,432) in respect of temporary differences and tax losses have not been recognized.

7. Current assets - Cash and cash equivalents

	2019 US$	2018 US$
Cash at Bank	1,464,976	1,665,967

8. Trade and other receivables

	2019 US$	2018 US$
Trade & other receivables	172,554	109,660

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.

9. Current assets – Other assets

	2019 US$	2018 US$
Prepayments	-	69,847

10. Assets held for resale

	2019 US$	2018 US$
Investment in associate	99,999	-

The investment in associate has been sold with the sale completing after year end.
Refer Note 32 Post Balance Date Events for further details.

11. Property, plant and equipment

	2019 US$	2018 US$
Motor vehicles under lease	-	6,302
Accumulated depreciation	-	(1,870)
Closing carrying value	-	4,432
Office fit-out at costs	-	51,605
Accumulated depreciation	-	(7,735)
Closing carrying value	-	43,870
Office equipment at cost	63,909	98,419
Accumulated depreciation	(50,928)	(60,380)
Closing carrying value	12,981	38,039
Total property, plant & equipment	**12,981**	**86,341**

Reconciliation of movement

Reconciliation of the carrying amounts of property, plant & equipment at the beginning and end of the financial year

	Motor Vehicle US$	Office Fit Out US$	Office Equipment US$	Total US$
2019				
Opening carrying amount	4,432	43,870	38,039	86,341
Depreciation expense	(206)	(5,161)	(24,196)	(29,563)
Disposals/Writeoffs	(4,226)	(38,709)	(862)	(43,797)
Closing carrying amount	-	-	**12,981**	**12,981**
2018				
Opening carrying amount	5,050	49,031	50,620	104,701
Additions	-	-	15,279	15,279
Depreciation expense	(618)	(5,161)	(27,860)	(33,639)
Closing carrying amount	**4,432**	**43,870**	**38,039**	**86,341**

12. Investment in associate

	2019 US$	2018 US$
Investment in associate[1]	-	99,999

[1] *Investment in associate reclassified as an asset held for resale in 2019*

13. Intangible assets

	2019 US$	2018 US$
Patents, trademarks & licenses at costs	-	1,131
ivyKoin tokens at cost	1	1
Software development at cost	2,192,927	2,110,914
Accumulated amortisation	(1,300,983)	(1,155,177)
Impairment	(891,944)	-
Total intangible assets	**1**	**956,869**

	Patents, trademarks & licenses US$	IvyKoin Tokens US$	Software Development US$	Total US$
2019				
Opening carrying amount	1,131	1	955,737	956,869
Additions	-	-	82,013	82,013
Amortisation expense		-	(145,806)	(145,806)
Write off	(1,131)	-	-	(1,131)
Impairment	-	-	(891,944)	(891,944)
Closing carrying amount	-	1	-	1
2018				
Opening carrying amount	1,131	-	1,169,655	1,170,786
Additions	-	1	273,893	273,894
Amortisation expense	-	-	(487,812)	(487,812)
Net foreign currency movement	-	-	-	-
Closing carrying amount	**1,131**	**1**	**955, 737**	**956,869**

14. Trade and other payables

	2019 US$	2018 US$
Unsecured liabilities		
Accounts payable	236,496	237,164

These amounts represent liabilities for goods and services provided to the consolidated entity 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. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

15. Provisions

	2019 US$	2018 US$
Unsecured liabilities		
Employee leave provisions	121,354	192,363

16. Current borrowing

	2019 US$	2018 US$
Altor funding	1,283,532	-
Less costs of Altor funding	(233,085)	-
Total current borrowings	**1,050,447**	**-**

Movement in capitalized cost of Altor funding		
Opening Balance	-	-
Costs of Altor funding – non cash settled by way of share based payments	159,295	-
Costs of Altor funding – cash	112,638	-
Amortisation of borrowing costs	(38,848)	-
Closing Balance	**233,085**	**-**

The cost of Altor funding including the value of options issued to Altor of US$159,295 (non cash) and cash costs of US$112,638. The borrowing costs are being amortised over the expected term of the facility (including conversion to convertible notes) being 3.5 years. Amortisation for the period was US$38,848. On 31 August 2019 Altor loan funding were repaid by the issue of convertible notes in accordance with the shareholders resolution passed on 12 February 2019.

A summary of the rights and liabilities attaching to the convertible notes (**Notes**) is detailed below. The summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of noteholders, Altor or the Company.

Summary of Convertible Note Terms	
Face Value of Notes	A$0.10
Maturity	31 August 2022
Interest	The Notes bear interest from the date of issue at 10% per annum, due quarterly in arrears. Interest can be paid in Notes or in cash as the Company's election.
Security	The Notes are secured by a first ranking general security over the Company's assets
Conversion	The Noteholders can convert all of the Notes then on issue at any time. Each Note shall convert into such number of shares as determined in accordance with the following formula (with fractional entitlements to shares to be rounded up to the nearest whole share): S = (N x V) / P Where: S - the number of Shares in the Company into which each Note will convert N - number of Notes V - Face Value P - (a) the lower of 75% of the 10 day VWAP prior to conversion ; or (b) $0.10 per Share
Repayment	If not converted earlier the Notes plus any capitalised interest will automatically convert at maturity. After 24 month the Company can elect to repay the Notes.

17. Other current liabilities

	2019 US$	2018 US$
Other liabilities	39,885	262,466

18. Issued capital

(i) Share Capital

As at 30 Jun	2019 US$	2018 US$
92,807,174 fully paid ordinary shares[1] (30 June 2018: 73,564,879)	29,582,499	26,607,205

[1] This amount excludes 6,036,457 shares (30 June 2018– 6,036,457) issued under the Loan Funded Share Plan (LFSP). These shares will be recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid.

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each is share is entitled to one vote.

(ii) Movements in ordinary share capital

	Number	US$
Balance at 30 June 2017[1]	**71,844,410**	**25,921,031**
Exercise of options – 2018	1,720,469	686,174
Balance at 30 June 2018[1]	**73,564,879**	**26,607,205**
July 2018 Placement	6,034,483	2,600,850
July 2018 Placement – issue costs	-	(171,656)
February 2019 Entitlement issue	13,207,812	566,298
February 2019 Entitlement offer – issue costs	-	(20,198)
Balance at 30 June 2019	**92,807,174**	**29,582,499**

[1] Excludes shares issued under the Loan Funded Share Plan (LFSP). These shares are recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid. At 30 June 2019 6,036,457 such shares were excluded (2018: 6,036,457). Total fully paid shares on issue at 30 June 2019 was 98,843,631 (2018: 79,601,336).

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each is share is entitled to one vote.

Capital Management

Management controls the capital of the Company to ensure the Company can fund its operations and continue as a going concern.

19. Reserves

	2019 US$	2018 US$
Share based payment reserve	3,925,361	4,020,832
Foreign currency translation reserve	17,379	126,675
Total reserves	**3,942,740**	**4,147,507**

(a) Share based payment reserve		
Balance at the start of the period	4,020,832	3,657,065
Options issued / (lapsed)	(95,471)	363,767
Closing balance	**3,925,361**	**4,020,832**

(a) Foreign currency translation reserve		
Opening balance	126,675	208,832
Exchange differences on translation of parent operation	(109,296)	(82,157)
Closing balance	**17,379**	**126,675**

Share based payment reserve

The reserve is used to recognise the value of options issued to employers, directors and other parties as part of their remuneration of as part of their compensation for services provided to the Group.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of the holding company to United States dollars.

20. Reconciliation of profit after income tax to net cash inflow from operating activities

(i) Reconciliation of profit after income tax to net cash used in operating activities

	2019 US$	2018 US$
Loss for the year	(4,764,888)	(9,047,969)
Depreciation and amortisation	175,369	521,451
Amortisation of borrowing costs	38,848	-
Share based payments	(254,766)	363,767
Loss on disposal of assets	44,927	-
Capitalised interest	60,011	-
Distribution received	(1,300,000)	-
Impairment expense	891,944	-
Decrease (increase) in current receivables	(81,010)	(105,046)
Decrease (increase) in other current assets	69,476	(33,843)
Increase (decrease) in accounts payable	(668)	(59,938)
Increase (decrease) in provisions	(50,465)	91,859
Increase (decrease) in other current liabilities	(220,234)	7,966
Net cash used in operating activities	**(5,391,456)**	**(8,261,753)**

(ii) Non-cash financing and investing activities

	2019 US$	2018 US$
Borrowing costs settled by way of share based payments	159,295	-

21. Earnings per share

	2019 US$	2018 US$
Loss attributable to ordinary equity holders of Change Financial Limited	(4,764,888)	(9,047,969)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	84,171,251	72,872,544
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	84,171,251	72,872,544

Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

22. Dividend

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

23. Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as direction in specific areas.

Market Risk

Foreign currency risk
Foreign currency 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 does not use foreign currency hedges.

At balance date, the Group had the following exposures to Australian dollars (A$).

As at 30 June	**2019** **US$**	**2018** **US$**
Cash at bank	68,381	621,713
Current assets	58,937	67,979
Current liabilities	(1,359,345)	(71,195)
Net monetary assets / liabilities designated in AUD	(1,232,027)	618,497

Interest rate risk
The Group's main interest rate risk arises from borrowings and cash. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Cash at variable rates expose the Group to cash flow interest rate risk. No hedging instruments are used. As at the reporting date, the Group had cash and cash equivalents of $1,464,976 (2018: $1,665,967) subject to variable interest rates of 0.2% (2018: 0.6%). At 30 June 2019, if interest rates had changed by +/- 1% from the year-end rates with all other variables held constant the impact would be immaterial.

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

Credit Risk

Credit risk refers to the risk that a counterparty will default on it contractual obligations resulting in a financial loss to the Group. The Group deemed its credit risk to be minimal as its financial assets are mainly cash held at BankWest which is a subsidiary of Commonwealth Bank of Australia. No financial assets are past due and none are impaired.

Liquidity Risk

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

Financing arrangements
The Group does not have access to any undrawn borrowing facilities at the end of the reporting period.

Maturities of financial liabilities
At period end the Group had accounts payable of $236,496 (2018: $237,164) and current borrowings of $1,050,447 (2018: nil) all of which have a maturity of less than 6 months. The current borrowings were repaid on 31 August 2019 by the issue of convertible notes (refer Note 32 – Post Balance Date Events) The Group has no other financial liabilities.

24. Subsidiaries

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries:

Name of Entity	**Country of Incorporation**	**Equity Type**	**Holding 2019 %**	**Holding 2018 %**
Chimpchange LLC	US	Membership units	100	100
Change Labs NZ Pty Ltd (dormant)	Australia	Ordinary Shares	100	100

25. Accumulated Losses

As at 30 June	**2019 US$**	**2018 US$**
Opening balance of accumulated losses	(28,458,022)	(19,410,053)
Loss for the period	(4,764,888)	(9,047,969)
Closing balance of accumulated losses	(33,222,910)	(28,458,022)

26. Parent entity financial information

The individual financial statements for the Parent entity show the following aggregate amounts:

As at 30 June	2019 US$	2018 US$
Current assets	242,624	1,514,498
Non-current assets	1,185,964	22,030,562
Total assets	1,428,589	23,545,060
Current liabilities	1,126,260	150,441
Total liabilities	1,126,260	150,441
Net Assets	**302,329**	**23,394,619**
Shareholders' equity		
Issued Capital	29,582,499	26,607,205
Reserves	3,942,740	4,147,507
Retained Earnings	(33,222,910)	(7,360,093)
Total shareholders' equity	**302,329**	**23,394,619**
Loss for the period	(25,862,816)	(1,332,128)
Total comprehensive loss	(25,862,816)	(1,332,128)

27. Key management personnel disclosures

Directors

The following persons were directors of Change Financial Limited during the financial year:

Non-executive directors
Peter Clare (resigned 31 August 2018)
Teresa Clarke
Benjamin Harrison (appointed 11 December 2018)
Harley Dalton (appointed 11 December 2018)
Andrew Pipolo (resigned 30 September 2018)

Executive Directors
Ashley Shilkin (resigned 11 December 2018)
Ian Leijer – Executive Director

Other key management personnel

The following persons also had responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. They are employed by Chimpchange LLC

Clayton Fossett – Chief Operating Officer
Young Lee – Chief Financial Officer (resigned 31 December 2018)

Key management personnel compensation

	2019 US$	2018 US$
Short term employee benefits	724,184	778,863
Non monetary benefits	33,585	19,579
Post employment benefits	-	10,000
Share based payments	(288,296)	187,073
Total	469,473	995,515

Detailed remuneration disclosures are provided in the remuneration report.

28. Remuneration of auditors

The auditor of Change Financial Limited is Pitcher Partners

As at 30 June	**2019 US$**	**2018 US$**
Amounts received or due and receivable for current auditors:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	64,529	58,020
Other services in relation to the entity and any other entity in the consolidated group – tax compliance, tax structuring, independent expert report for the initial public offering	16,976	31,657
Total	112,911	89,677

29. Related Party Transactions

Compensation paid to some directors were paid to director related entities with further details set out in the Remuneration Report.

Total interest of A$75,219 payable on the Altor loan was capitalised into the loan balance. Interest on that loan is at the rate of 10% payable quarterly.

A total of 2,180,000 option were issued to Altor. These options were valued at US$159,295 using the Black & Scholes method of option valuation.

30. Contingent liabilities

The Group has no contingent liabilities.

31. Commitments

The Group has a property lease commitment relating to the occupancy of the group's current premise. This lease was entered into on 1 August 2016 for a 65 month term. The group has future lease payments which are contracted but not capitalized in the financial statements. This property has been sublet for a similar monthly rental. The amounts shown below include the gross rental commitment and do not include the future sublease payments. The total sublease payments to be received in the next 12 month period are $183,99 and in the period later than 12 months and less than 5 year sublease payments of $334,856 are receivable.

	2019 US$	2018 US$
Payments contracted for but not recognised in the financial statements:		
Not later than 12 months	162,830	158,090
Later than 12 months but not later than five years	259,434	422,264
Later than 5 years	-	-
Total	**422,264**	**580,354**

32. Post Balance Date Events

Convertible Notes

On 31 August 2019 the loan balance with Altor was repaid with the proceeds from the issue of convertible notes in accordance with the shareholder resolution passed at the extraordinary general meeting held on 12 February 2019.

The total amount owing under the loan as at 31 August 2019 (including capitalised and accrued interest and a further drawdown of A$50,000) was A$1,920,511. The amount owing was repaid by the issue of 19,205,112 convertible notes.

As a result of this issue the amount shown as current borrowing in the balance sheet as at 30 June 2019 will become a non-current liability of the Company.

Investment in Associate

Subsequent to year end the Company received US$200,000 proceeds from the realisation of its investment in Ivy Koin LLC and Ivy Blockchain Pty Ltd.

DIRECTORS DECLARATION

In the opinion of the directors:

(a) the financial statements and notes set out on pages 27 to 53 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving 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

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

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Executive Chair and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Chair
30 September 2019

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

Independent auditor's report to the members of Change Financial Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

(b) 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 1(q) in the financial report which states that the Group's ability to develop its processor business before it is cash flow positive is dependent on the Group's ability to raise further funding. The matters set forth in Note 1(q) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
Going Concern *Refer to Note 1(q) in the Annual Report*	
The Group has recorded operating losses and operating cash outflows for a number of years. The Group has undergone a restructure during the year which involved the sale of its IvyKoin investment and the renegotiation of its mobile banking business agreement with Central Bank of Kansas City, retaining certain engineering and customer support functions. This restructure was undertaken with the view of reducing cost and focusing on its Enterprise Platform. The Directors have continued to adopt the going concern basis of preparation in preparing the Group Financial Statements, having prepared detailed cash flow forecasts that are subject material uncertainty as to whether the Group will have sufficient cash resources to pay its forecast liabilities for a period of at least 12 months from the date these Financial Statements were approved. The Director's assessment of the Group's going concern ability was an area of focus as it requires significant judgement in determining the key assumptions supporting the expected future cash flows, including but not limited to: • planned capital raise and drawdowns on existing convertible note facility; • forecast development expenditure on enterprise platform; and • forecast operating expenses.	Our procedures included, amongst others: • Checking to satisfy ourselves that the cash flow forecast prepared by the Directors is consistent with that approved by the Board and that it has been subject to the appropriate review and approval processes and controls; • Discussing with those charged with governance their funding, business and cash flow strategies for a period of at least 12 months from date of signing the financial report; • Obtaining supporting documentation in relation to alternative funding strategies and options that the Directors are considering; • Understanding the Directors' assumptions for forecast cash outflows during the period under review; and • Assessing the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Directory, Directors' Report, Corporate Governance Practices & Conduct and ASX Additional Information which was obtained as at the date of our audit report, and any additional other information that will be 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 accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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.

When we read the additional other information in the Annual Report not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgment to determine the appropriate action to take.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the Directors' Report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Change Financial 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.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
30 September 2019

ASX ADDITIONAL DISCLOSURE

Shareholder information at 28 September 2019

33. Shareholding Distribution and Unmarketable Parcels

Size of Shareholder	Number of Shares	% of Issued Capital	Number of Holders	% of Holders
100,001 and Over	75,105,791	75.98	131	6.22
50,001 to 100,000	8,076,191	8.17	103	4.89
10,001 to 50,000	11,112,108	11.24	448	21.28
5,001 to 10,000	2,311,249	2.34	292	13.87
1,001 to 5,000	1,958,534	1.98	717	34.06
1 to 1,000	279,758	0.28	414	19.67
Total	98,843,631	100.00	**2,105**	100.00
Unmarketable Parcels	4,559,641	4.61	1,424	67,65

34. Top 20 Shareholders

Rank	Name	Number of Shares	% of Issued Capital
1	ASHLEY SHILKIN	11,901,965	12.04%
2	AVATAR INDUSTRIES PTY LTD	10,231,820	10.35%
3	LEMEURICE PTY LTD	3,676,112	3.72%
4	BART PROPERTIES PTY LTD	2,907,388	2.94%
5	NAREENEN PTY LTD	2,672,529	2.70%
6	BOND STREET CUSTODIANS LIMITED	2,255,000	2.28%
7	DR ALAN ZHANG	2,096,405	2.12%
8	BOND STREET CUSTODIANS LIMITED	1,700,000	1.72%
9	MR KIRIL BOITCHEFF + MRS SUZANNE BOITCHEFF	1,350,000	1.37%
10	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,193,555	1.21%
11	MR DAVID FREDERICK OAKLEY	1,135,000	1.15%
12	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	1,003,950	1.02%
13	MINTON TRADING PTY LTD	1,000,000	1.01%
14	SAPELE PTY LTD	900,000	0.91%
15	FALCASTLE PTY LTD	820,200	0.83%
16	MR COLIN MACLEOD + MRS LINDA MACLEOD	700,000	0.71%
17	MR NEIL EDWIN CASTLES	675,000	0.68%
18	MR ROSS ALLEN MC DONALD	658,239	0.67%
19	MR GRAEME DREW + MRS BARBARA JANE DREW	650,000	0.66%
20	MR MANFRED DIETER LAGERMAN	590,578	0.60%
	Top 20 Total	**48,117,741**	**48.68**
	Total Shares on Issue	**98,843,634**	**100.00%**

35. Unquoted Options

Option ex price and expiry	Number of Options	Number of Holders
Options @ $0.49 expiry 20-Oct-19	100,000	1
Options @$0.40 expiry 31-Dec-19	1,500,000	1
Options @$0.657 expiry 31-Jan-20	740,000	4
Options @$0.49 expiry 20-Oct-20	100,000	1
Options @$0.01 expiry 31-Dec-20	4,000,000	11
Options @$0.92 expiry 31-Jan-21	500,000	5
Total	**6,940,000**	**23**

36. Substantial Shareholders

Substantial holders as disclosed in substantial holder notices given to the Company were as follows:

Name of substantial shareholder	Number of shares over which the relevant interest is held	% of issued capital
Ashley Shilkin	11,901,965	12.04%
Avatar Industries Pty Limited	10,231,820	10.35%