MNF Group Limited ABN 37 118 699 853
Appendix 4E (ASX Listing Rule 4.3A)
Financial report for the year ended 30 June 2020

Results for announcement to the market

1. Reporting periods

Current reporting period:	1 July 2019 to 30 June 2020
Previous reporting period:	1 July 2018 to 30 June 2019

2. Results for announcement to the market

	% Change		$'000
2.1 Revenue from ordinary activities	7.1%	to	230,913
2.2 Profit after tax from ordinary activities attributable to members	20.2%*	to	11,947
2.3 Net profit for the period attributable to members	20.2%*	to	11,947

*Financial year 2019 numbers have been restated based on a correction of deferred tax made to the 30 June 2019 financial year. See Note 5 of the 2020 Financial Report.

2.4 Dividend information:	Amount per security	Franked amount per security
2020 interim dividend	2.5 cents	2.5 cents
2020 final dividend	3.6 cents	3.6 cents
Total dividend per share for the year	6.1 cents	6.1 cents

2.5 FY2020 final dividend dates:	
Record date	7 September 2020
Payment date	1 October 2020

A Dividend Reinvestment Plan (DRP) is in place for this dividend. The last date for the receipt of an election notice for participation in the DRP is 8 September 2020.

2.6 Brief explanation

Additional information supporting the Appendix 4E disclosure requirements can be found in the Director's Report and the consolidated financial report for the year-ended 30 June 2020 lodged with this document.

	30 Jun 2020	30 Jun 2019
3. Net tangible assets per security	0.5 cents	-10.6 cents*

*Financial year 2019 numbers have been restated based on a correction of deferred tax made to the 30 June 2019 financial year. See Note 5 of the 2020 Financial Report.

4. Entity over which control has been lost

During the year, Symmetry Networks Pty Ltd, a subsidiary of MNF Group Limited, was sold on 1 December 2019 for a total consideration of $0.3m.

This information should be read in conjunction with the 2020 Financial Report of MNF Group Limited and any public disclosures made by MNF Group Limited in accordance with the continuous disclosure requirements of the Listing Rules and the *Corporations Act 2001.*

The Appendix 4E and accompanying consolidated financial report have been audited and are not subject to any disputes or qualifications. The Independent Auditor's Report is included in the attached consolidated financial report.

Financial Report

For the year ended 30 June 2020

mnf group™

MNF Group Limited
ABN 37 118 699 853

Contents

Directors' Report

Your directors present this report, together with the financial statements of MNF Group Limited (the Company) and its controlled entities (the Group), for the financial year ended 30 June 2020.

Board of directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Terry Cuthbertson
Chairman, Non-Executive Director

Special responsibilities

Chair of the Risk Committee, Member of the Audit and Nomination Committees

Interest in:

Shares	Options
855,906	100,000

Qualifications

Bachelor of Business, qualified as a Chartered Accountant in Australia

Experience and expertise

Appointed as a Non-Executive Director in March 2006 and has been the Group Chairman since March 2006.

Mr Cuthbertson was previously a partner of KPMG and has extensive corporate finance expertise and knowledge.

Directorships of listed entities (last 3 years)

Chairman of Austpac Resources N.L. from 2004 (Director from 2001);
Chairman of South American Iron & Steel Corporation Ltd from 2009;
Chairman of Malachite Resources Ltd from 2013 (Director from 2012);
Interim Chairman of Mint Payments Ltd from January 2020;
Chairman of Australian Whisky Holdings Ltd from 2003 (resigned on 20 May 2019);
Director of Isentric Ltd from 2010 (resigned on 31 May 2019).

Mr Andy Fung
Non-Executive Director

Special responsibilities

Member of the Audit, Risk and Nomination Committees

Interest in:

Shares	Options
13,625,802	100,000

Qualifications

Bachelor of Engineering, Master of Commerce, MAICD

Experience and expertise

Appointed as Non-Executive Director in March 2012.

Mr Fung is a co-founder of MNF Group Limited and Symbio Networks Pty Ltd. He was formerly Managing Director of the Group from 2006 until 2012.

Mr Fung has had extensive telecommunications industry experience in Australia and Asia, having previously held senior management positions with Telstra, Australian Trade Commission, Optus and Lucent Technologies of US. He is also Executive Director of a private company with interests in trade and investments.

Directorships of listed entities (last 3 years)

None

Mr Rene Sugo
Chief Executive Officer and Executive Director

Special responsibilities

Member of the Risk, Remuneration and Nomination Committees

Interest in:

Shares	Options
12,034,214	150,000

Qualifications

Bachelor of Engineering (Hons), GAICD

Experience and expertise

Appointed as CEO and Executive Director in March 2012.

Mr Sugo is a co-founder of MNF Group Limited. He is a strong industry advocate, and has been a director of both the Australian Communications Alliance and the INMS (Industry Number Management Services) since 2015.

Mr Sugo sits on various industry committees locally and overseas, regularly contributing articles and opinions on issues affecting the industry, such as the NBN, regulatory policy and innovation.

Mr Sugo started his career at the CSIRO. Prior to making the move into the Communications industry, Mr Sugo worked at Lucent Technologies Bell Labs in Australia, the USA and Asia.

Directorships of listed entities (last 3 years)

None

Mr Michael Boorne
Non-Executive Director

Special responsibilities
Chair of the Audit Committee

Interest in:

Shares	Options
384,605	100,000

Qualifications
Diploma in Electronics Engineering

Experience and expertise
Appointed as Non-Executive Director in December 2006.

Mr Boorne is a successful entrepreneur with extensive experience in combining technical expertise with commercial and corporate experience. He has founded start-up businesses Sprit Modems and Mitron, and is a director and committee member of numerous private companies and charitable foundations. He was previously a Non-Executive Director of Netcomm Ltd.

Directorships of listed entities (last 3 years)
None

Mr David Stewart
Non-Executive Director

Special responsibilities
Chair of the Remuneration and Nomination Committees

Interest in:

Shares	Options
200,000	-

Qualifications
GAICD

Experience and expertise
Appointed as Non-Executive Director on 13 August 2019.

Mr Stewart is an experienced CEO and successful entrepreneur with more than 30 years in management and business leadership roles.

Mr Stewart founded Banksia Technology Pty Limited in 1988 and became Managing Director of Netcomm Limited in 1997, remaining at the helm of the Company until December 2016. A year later he was appointed as a Non-Executive Director of NetComm Wireless, a position he held until June 30, 2019. Mr Stewart also joined the board of Lockbox Technologies in early 2018 until July 2020.

Directorships of listed entities (last 3 years)
Director of Beam Communications Holding Limited from November 2017;
Director of Netcomm Wireless Limited from 1997 (resigned on 30 June 2019).

Ms Catherine Ly
Company Secretary

Qualifications
Bachelor of Business and Certified Practising Accountant

Experience and expertise
Ms Ly joined the MNF Group in April 2006 as CFO and Company Secretary, and has focused on the role of Company Secretary and Treasurer since August 2013 following the expansion of the Group.

Board and Committees Meetings

From 1 July 2019 to 30 June 2020, the directors held 15 board meetings, 2 audit committee meetings and 1 remuneration meeting. Each director's attendance at those meetings is set out in the following table:

	Board		Audit		Remuneration	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Terry Cuthbertson (Board Chairman)	15	15	2	2	-	-
Mr. Michael Boorne (Audit Committee Chair)	15	15	2	2	1	1
Mr. Andy Fung	15	15	2	2	-	1
Mr. David Stewart (Remuneration Committee Chair)	14	14	2	2	1	1
Mr. Rene Sugo	15	15	2	2	1	1

During financial year, Mr David Stewart (Chair), Mr Michael Boorne and Mr Rene Sugo are the members of Remuneration Committee. Mr Andy Fung attended by invitation. In May 2020, a new Nomination Committee and a new Risk Committee were formed. No meetings were held during the financial year.

Principal activities and significant changes in nature of activities

The principal activity of the MNF Group is providing software and services for voice communication.

The overall nature of the business has not changed during the financial year.

In the financial year the MNF Group derived recurring and variable revenue from the sale of its software and services in Australia, New Zealand and internationally.

Business segments

Wholesale

The Wholesale business unit provides voice and communications capabilities including phone numbers, voice carriage services and telco cloud services.

Domestic Wholesale customers are predominantly Retail Service Providers (RSPs), Managed Services Providers (MSPs) and IT companies in Australia or New Zealand. Domestic Wholesale services are typically sold through subsidiary brands Symbio Networks, iBoss and Telcoinabox.

Global Wholesale customers are predominantly international UCaaS, CPaaS and CCaaS vendors, software and app developers and global telecom providers. Global Wholesale services are typically sold through Symbio Networks and TNZI.

Direct

The Direct business unit provides mobile, conferencing and collaboration services directly to residential, small business, enterprise and Government customers, predominantly in Australia.

Enterprise and Government customers are served through the MNF Enterprise brand in Australia and Supernet in Singapore. Small business customers are served by Connexus and Express Virtual Meetings, while residential customers are served by Pennytel and MyNetFone.

Operating Result

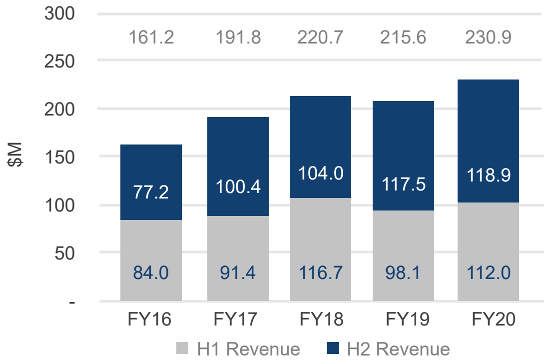
Excluding costs associated with acquisitions, earnings before net interest, tax expense, depreciation and amortisation expense (EBITDA) increased by 40.5% to $38.2m, with net profit after tax (NPAT) increasing by 20.2%* to $11.9m, compared to the prior year.

The total dividend for the full year is 6.1 cents per share (fully franked), with the Company declaring a final dividend of 3.6 cents per share for the second half of the 2020 financial year. The full year dividend payments represent 41% of the 2020 full year EPS.

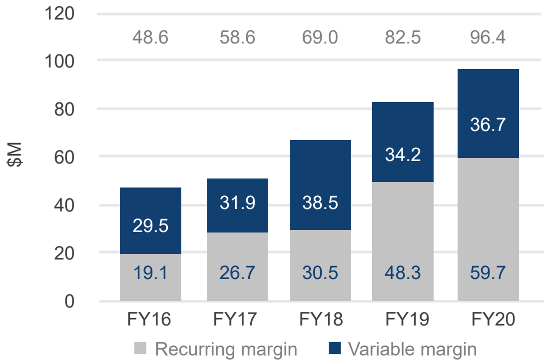
*Restated based on a correction of deferred tax made to the 30 June 2019 financial year. See Note 5 of the consolidated financial statements for details.

MNF Group performance at a glance

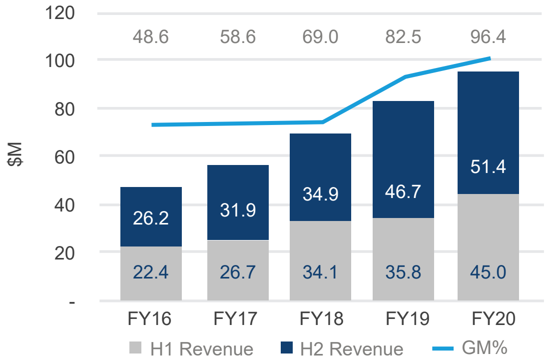
Revenue $230.9m



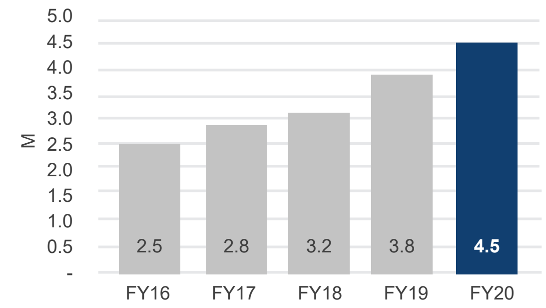
Group recurring margin increase $11.4m



Margin $96.4m

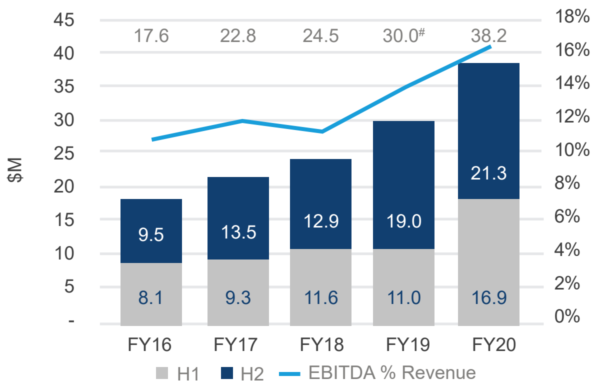


Phone numbers 4.5m

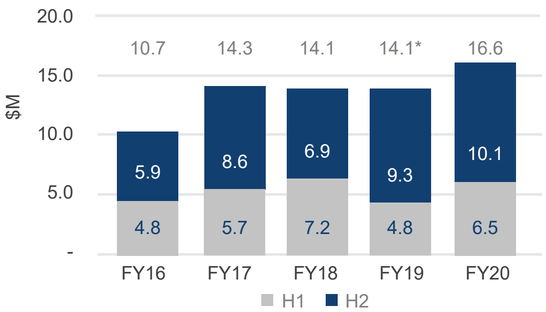


EBITDA $38.2m

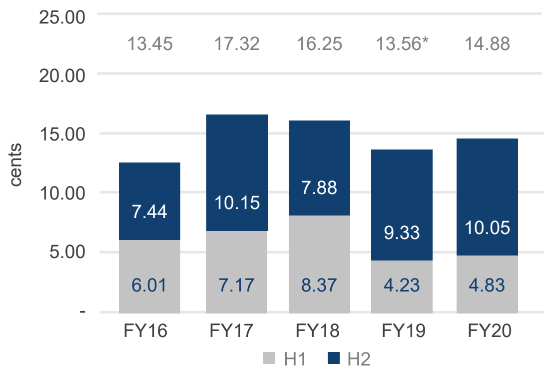
FY19 EBITDA has been adjusted to reflect the impact of AASB 16 Lease accounting



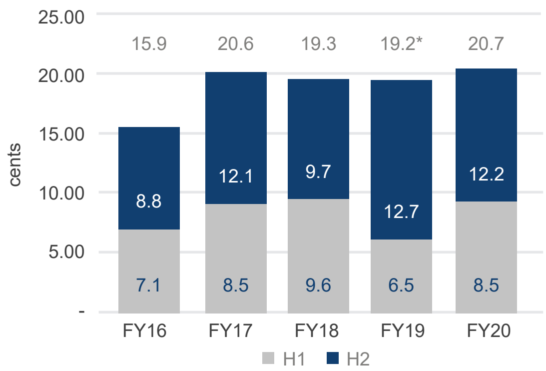
Underlying NPAT-A $16.6m^



EPS 14.88 cents



Underlying EPS-A 20.7 cents^



^ Underlying NPAT-A & EPS-A exclude acquisition costs, amortisation of acquired customer contracts & acquired software and tax effected restructure costs only

* Prior year restated based on a correction of deferred tax made to the 30 June 2019 financial year. See Note 5 of the consolidated financial statements for details.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations are as follows:

Record Margin and EBITDA

Margin increased $13.9m (16.9%) on the prior year to a record $96.4m (2019: $82.5m). EBITDA of $38.2m was up 40.5% on the prior year. Net profit after tax (NPAT) for the year was up at $11.9m (2019*: $9.9m) with Earnings per share (EPS) increasing to 14.88 cents per share (2019*: 13.56 cents per share).

	Year ended 30 June 2020	Year ended 30 June 2019	% change
Revenue	$230.9m	$215.6m	7.1%
Gross profit	$96.4m	$82.5m	16.9%
EBITDA	$38.2m	$27.2m	40.5%
NPAT	$11.9m	$9.9m*	20.2%
EPS	14.88 cents	13.56 cents*	9.7%

The current pandemic is creating greater demand for voice and collaboration technology as the working environment evolves to a more remote working model. The Group has seen a small percentage of customers struggle in these difficult times and assess each case individually to offer a suitable tailored plan to assist their circumstance. The Group has ensured allowance for doubtful debts is updated to reflect the change in risk of default since initial recognition, based on current economic environment.

Reconciliation of NPAT to EBITDA

	2020 $'000	2019 $'000
NPAT	**11,947**	**9,943***
Add back:		
Depreciation & Amortisation[1]	16,117	8,973
Income tax expense	4,703	4,450*
Net interest	2,769	1,744
Costs related to acquisition	-	1,168
Discontinued data product	-	500
Restructuring costs	1,300	-
Non-cash share option costs	1,377	420
EBITDA	**$38,213**	**27,198**

[1] Following the adoption of AASB 16 Leases, depreciation and interest in the current period include amounts accounted for under the new requirements. Prior period has not been restated. Refer to Note 2 for further details.

* Financial year 2019 numbers have been restated based on a correction of deferred tax made to the 30 June 2019 financial year. See Note 5 of the 2020 Financial Report.

Cash and debt

The cash balance as at 30 June 2020 was $46.1m (2019: $15.5m). Total debt as at 30 June 2020 is $30.0m (2019: $55.6m).

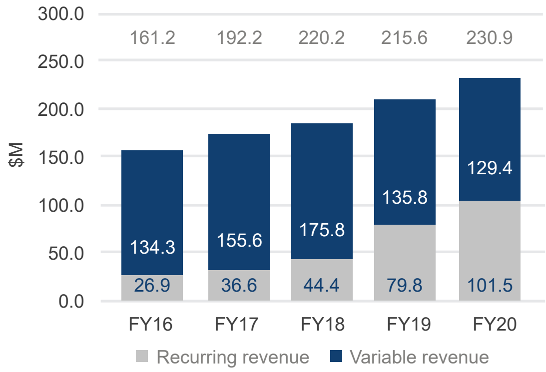
During the year, the Group raised $52.1m ($49.7m net) by way of share placement of 10,410,000 shares at $5 per share. This allowed the Group to repay $25.6m of debt. The Group retains its finance facilities totalling $60.0m revolving credit facility, of which $30.0m is undrawn at 30 June 2020.

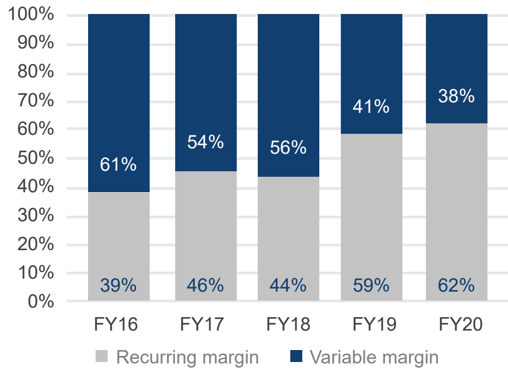
The Group's balance sheet is well positioned to support future acquisitions with $46.1m in cash and $30.0m of undrawn facilities.

Business outlook

The MNF Group operates with three solid independent segments – Domestic Wholesale, Global Wholesale and Direct. Inside each segment are multiple product lines with excellent diversity of customers and profit contribution. All segments operate in our core area of specialisation, being enabling new and disruptive voice communications through software development and network deployment. Each segment has a well-defined strategy for investment and growth.

The Group is focussed on growing Monthly Recurring Revenue (MRR) across all three segments. These recurring revenue streams tend to be high gross margin and very sticky for customers. There is a transition away from transactional (or usage) based revenues which tend to be low margin and dynamic in nature. The Group grew recurring revenues by 37% on prior year to $101.5m during the year, with corresponding recurring gross margins growing 24% to $59.7m during the year (and 62% of overall margin is now off recurring sources).





MNF Group is confident of long-term sustainable organic Monthly Recurring Revenue (MRR) and gross margin growth across all three segments.

Trio of Industry Tailwinds

The Company is experiencing strong organic growth in its core product areas – being hosting of next generation voice services in the cloud. This growth is being driven by strong structured tailwinds in the industry - comprising of:

a) cease sale of legacy PSTN/ISDN services,

b) the NBN Roll out,

c) the UCaaS, CPaaS and CCaaS communications revolution.

The Company is well positioned to leverage all three tailwinds thanks to its network infrastructure, software assets and customer relationships.

The COVID-19 Pandemic – Ongoing Business Operations

The Company's key priorities are the health and safety of its people and the reliable continuity of business operations, maintaining its high standard of service whilst continuing software development that underpins and enables critical communications services across the globe.

The Company successfully pivoted all global employees into a working-from-home mode prior to it being mandated by Governments in many jurisdictions. This was made possible due to pre-existing Business Continuity Plans, as well as strong leadership from the executive and people experience teams. The Company has implemented several initiatives to monitor the mental health and well-being of its staff globally. This has been supplemented by regular staff surveys, manager interviews and deployment of additional training and resources to support the broader team during what has been a challenging and stressful time. Overall the Company can report that morale and productivity levels have been maintained at all time high levels for the duration of the pandemic thus far.

The Company continues to monitor the COVID-19 pandemic closely and continues to provide advice to staff with regards to ongoing safety and well-being. The corporate offices globally continue to operate only on skeleton staff where necessary. The Company has conducted extensive return-to-workplace planning in preparation for an eventual return to the office setting. This includes implementing best-practice policies to ensure the safety of staff within the office environment for when they are required to return to the offices. The Company has also accelerated the implementation of its global "MNF Flex" initiative allowing for long-term flexible working arrangements to support employees globally past the pandemic crisis. MNF Group is confident it can continue business operations to its usual high standard for the long term should the lock down restrictions continue for a protracted period.

The COVID-19 Pandemic – Trading Update and Outlook

The COVID-19 pandemic has caused large amounts of economic and social disruption globally. Despite these disruptions MNF Group has overall been a net beneficiary from the structural changes to the global economy caused by the pandemic.

The COVID-19 pandemic created a greater demand for voice communications and collaboration technology as work and school shifted to a work-from-home mode, and the demand for information and connectivity through technology increased. The demands for voice communications have been from a very broad base of business, enterprises and Governments, domestically and globally, and underscore the continued importance of real-time high-quality voice communications to the global economy.

As a key provider of software and services for telecommunications and unified communication technologies, MNF experienced strong demand for its core products from existing and new customers. Overall the Company has been able to respond positively to all requests from customers to provide augmentation and additional services. In order to move quickly, the Company had to divert resources from other projects as well as expend additional capital expense to ensure sufficient capacity was maintained.

There have however been major disruptions to the Australian Telecommunications industry's number portability processes due to other carriers losing their operational capabilities offshore during lockdowns. This disruption to porting has adversely impacted future growth in recurring revenues in H2 for all MNF Group segments. This will cause roll-forward knock on effects for recurring revenues into FY21. While number portability services are now largely restored, it will take up to 6 months to clear the backlog of orders that were accumulated during the affected period. MNF Group is working closely with its carrier peers to clear the back logged orders as quickly as possible.

The Domestic Wholesale segment benefitted strongly from the additional demand for domestic voice minutes from existing and established customers. Sales to new domestic wholesale customers has remained strong during the pandemic despite the obvious challenges of operating during a lock down. There were some industry wide disruptions to number portability which are causing some negative impact to recurring revenue growth in this segment. Backlogs in customer orders remain and normality is not expected to be restored until January 2021. Overall the Domestic Wholesale business remains in a strong position for growth into the future and will be a net long-term beneficiary of the structural changes due to the pandemic.

The Global Wholesale segment experienced a positive impact from a surge in usage of collaboration, CPaaS and UCaaS services, with voice minutes volumes consistently up 80% during most business days in April relative to February. While there has been some softening in volumes recently, it appears that these segments have undergone positive structural change, and elevated volumes can be expected to continue into the future. There were some industry wide disruptions to number portability which are causing some negative impact to recurring revenue growth in this segment. Backlogs in customer orders remain and normality is not expected to be restored until January 2021. Overall the Global Wholesale business remains in a very strong position for growth into the future and will be a net long-term beneficiary of the structural changes due to the pandemic.

MNF's Direct segment experienced higher than normal usage volumes, given the surge in demand for voice services from small business, enterprise and Government customers as they seek to remain connected. The Express Virtual Meetings service, (formerly known as CCI), experienced the strongest demand in this segment with conferencing minutes in March up 186% from the prior month. As the pandemic and the associated lockdowns continued, business and enterprise customers adapted quickly to the new normal. This has seen a greater adoption of "online" collaboration tools and a shift away from traditional tools like audio conferencing. As such the gains made in MNF's Direct business should be considered short term. Usage volumes in the direct business have now restored to pre-pandemic levels and may continue to decline as customers continue to migrate to online collaboration tools.

Domestic Wholesale Segment

Operating under the Symbio brand, the Domestic Wholesale segment offers a complete range of wholesale telecommunications products, services and capabilities to small Carriage Service Providers (CSP) in Australia and New Zealand.

The Domestic Wholesale business generates both MRR and transactional (usage) based revenues. The business is focussed on growing the MRR which is mostly high margin and very sticky for customers.

Global Wholesale Segment

The Global Wholesale segment offers a complete A-Z service for global voice minutes termination under the globally recognised TNZI brand. Additionally, the segment offers access to the next generation Symbio brand of services for next generation global companies.

This segment is strategic to the Group and has the biggest potential for long term organic growth through leveraging its global market reach to sell the Company's high margin products. Initial focus for global growth is the Asia-Pacific region where the opportunity for the Company is strongest.

The Symbio brand offers access to the Australian, New Zealand and soon Singapore markets for global software and telecommunications companies to deliver their product value proposition locally without having to build extensive in-country infrastructure.

Direct Segment

A portion of our business is selling directly to end customers. Enterprise and Government customers are served through the MNF Enterprise brand in Australia and Supernet in Singapore. Small business customers are served by Connexus and Express Virtual Meetings, while residential customers are served by Pennytel and MyNetFone.

a. Residential

Last year the business divested its direct residential DSL and NBN customer base in May 2019. This decision to divest this asset was driven by the customer base being sub-scale in a highly regulated and competitive market. The Company maintains its original MyNetFone residential VoIP customer base, and the Pennytel mobile customer base.

b. Small Business

The Small Business sub-segment consists of selling business grade MyNetFone Virtual PBX and SIP trunks, as well as business grade DSL, NBN and Ethernet broadband services within Australia. The sub-segment operates under the brands MyNetFone, Connexus and CallStream. Each brand has its own value proposition, website, and product range; however, all brands are operated across the same network and same operations team, providing a high level of synergy. The small business market sub-segment is strategic to MNF with strong prospects for future growth.

The Company has some leading products in the market and continues to innovate. The NBN roll out will provide additional growth impetus to this segment when the NBN reaches more centralised business areas, as it will force customers to move off legacy copper PSTN services and find new alternatives for telephony.

c. Enterprise & Government

The Enterprise & Government sub-segment consists of selling enterprise grade telecommunications solutions such as SIP Trunks, Microsoft Skype for Business, Cisco BroadSoft/BroadCloud and other solutions within Australia, New Zealand and Singapore. The sub-segment operates under the MNF Enterprise brand, holding unique partnerships with Cisco and Microsoft.

MNF Group maintains purchasing panel arrangements with the Singapore Government, New Zealand Government, NSW Government, Victorian Government, Tasmanian Government, the Municipal Association of Victoria, and the West Australian Association of Local Government. These panel arrangements allow for MNF to bid for business tenders as and when they become available matching our product portfolio.

d. Conferencing & Collaboration

The conferencing and collaboration business provides audio, video and desktop sharing services for small to medium, enterprise and Government customers in Australia and New Zealand. This segment is undergoing transformation from traditional voice collaboration to multi-media voice, video and desktop sharing.

Significant changes in the state of affairs

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

Events occurring after the end of the financial year

The directors are not aware of any matter or circumstances which have occurred since the end of the 2020 financial year which has significantly affected or could significantly affect the results of Group's operations or performance, other than the final dividend for the financial year 2020 and the dividend reinvestment plan (DRP), as noted below.

Dividends proposed
The dividend as recommended by the Board will be paid subsequent to the balance date. Refer to Note 28 in the Financial Report for details.

Future developments
The Board is committed to growing the Company organically as well as by way of targeted acquisitions.

The Company has a strict policy around the evaluation of acquisition targets and will continue to look to build through leveraging synergies, adding products and services through the acquisition of intellectual property and avoiding companies that are pure re-sellers of other networks.

Environmental issues
The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid or recommended
Fully franked dividends paid or declared for payment during the financial year are as follows:

	$000	Franking
Dividends paid during the year:		
2019 final dividend of 4.0 cents per share paid on 03 October 2019	2,940	100%
2020 Interim dividend of 2.5 cents per share paid on 02 April 2020	2,106	100%
Dividends recommended (subsequent to year end):		
2020 Final dividend of 3.6 cents per share recommended on 25 August 2020	3,035	100%

The 2020 final dividend is to be paid on 1 October 2020 to shareholders registered as at 7 September 2020.

Options

Shares under option or issued on exercise of options pertaining to directors

The Directors did not acquire any shares through the exercise of options during the year.

On 25 October 2016 at the Annual General Meeting, shareholders voted in favour of granting 450,000 options to Directors. The details of those options are detailed in the table below:

Director	Date of expiry	Exercise price	Number of options
Terry Cuthbertson	30 June 2021	$7.15	100,000
Michael Boorne	30 June 2021	$7.15	100,000
Andy Fung	30 June 2021	$7.15	100,000
Rene Sugo	30 June 2021	$7.15	150,000
			450,000

Shares under option or issued on exercise of options for the Group
At the date of this report, the unissued ordinary shares of MNF Group Limited under options which were granted as at 30 June 2020 is as follows:

Grant Date	Date of expiry	Exercise price	Number of options
27 October 2016	30 June 2021	$7.15	620,000
11 December 2018	30 June 2021	Nil	120,000
11 December 2018	30 June 2022	Nil	120,000
			860,000

Audited Remuneration Report

Message from the Remuneration Committee Chair

Dear fellow Shareholders,

On behalf of your company’s Remuneration Committee, I am pleased to present MNF Group’s FY20 Remuneration Report.

In May 2020, the MNF Group Remuneration Committee was reconstituted. Prior to this the functions of the Remuneration Committee were undertaken by the full Board (comprising of Mr Michael Boorne (Chair), Mr Terry Cuthbertson, Mr Andy Fung, Mr David Stewart and Mr Rene Sugo). In May 2020, the current Remuneration Committee structure was approved and the Remuneration Committee Charter by which the committee is governed was refreshed and reapproved by the Board in June 2020.

The Remuneration Framework was designed to responsibly reward senior executives through the components of Fixed Remuneration, Short-Term Incentives (STI) and Long-Term Incentives (LTI). We benchmark against like companies utilising data compiled by an independent third-party data provider. STI’s are based on achievement of the financial target (Financial KPI) and the key strategic objectives for the Company (Individual KPI). The LTI scheme is directly linked to Shareholder value creation and designed to only provide benefit to participants when there is share price growth in the long term and the employee remains engaged by the Group.

During the latter part of the financial year a Steering Committee has reviewed and developed a revised Senior Executive Incentive plan which is proposed to come into effect from 1 July 2020, having taking guidance from independent third-party executive remuneration specialists.
This plan aims to deliver a standardised motivational incentive plan that also combines with securing employee retention and is aligned to acceptable market practice.

We will monitor the effectiveness of our MNF Group remuneration framework, particularly in the initial stages of implementation and as the Company continues to evolve hence ensuring shared success amongst our Board, executive team, employees and shareholders.

Sincerely,

DM Stewart

David Stewart

This report details the remuneration structures and outcomes for key management personnel (KMP) of the Group for the year ended 30 June 2020. This report forms part of the directors’ report and has been prepared and audited in accordance with section 300A of the *Corporations Act 2001*.

For the purposes of this report, KMP is defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, and includes directors (whether executive or otherwise) of the Company, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and other senior executives of the Group.

The table below outlines the KMPs of the Group and their movements during the 2020 financial year:

Name	Position	Term as KMP
Non-executive directors		
Mr Terry Cuthbertson	Non-executive Chairman	Full financial year
Mr Michael Boorne	Non-executive Director	Full financial year
Mr Andy Fung	Non-executive Director	Full financial year
Mr David Stewart	Non-executive Director	From 13 August 2019
Executive director		
Mr Rene Sugo	Chief Executive Officer	Full financial year
Other KMPs		
Mr Matt Gepp(i)	Chief Financial Officer	Until 11 September 2019
Mr Chris Last(ii)	Chief Financial Officer	From 12 September 2019
Ms Catherine Ly	Company Secretary and Treasurer	Full financial year

(i) Mr Matt Gepp ceased as CFO of the Group on 11 September 2019 and his employment ceased on 20 September 2019.
(ii) Mr Chris Last commenced with the Group as CFO on 12 September 2019.

Remuneration Committee

The Remuneration Committee’s purpose is to review and make recommendations to the Board on the level and composition of remuneration for non-executive directors, the CEO and CFO, and senior executives reporting directly to the CEO; and to review and make recommendations to the Board in respect of the LTI and STI scheme available to executives and other employees and to ensure that such remuneration and scheme is appropriate and not excessive while remaining competitive to attract and retain high quality directors and to attract, retain and motivate senior executives.

The Committee is also responsible for reviewing and reporting to the Board in respect of whether there is any gender or other inappropriate bias in remuneration for directors and senior executives; overseeing compliance with statutory responsibilities in relation to remuneration disclosure; and reviewing and approving the WGEA reports.

The Remuneration Committee charter and composition was revised in May 2020 and the committee comprises the following directors:

- Mr David Stewart - Non-executive Director (Committee Chair)
- Mr Michael Boorne - Non-executive Director
- Mr Rene Sugo - Executive Director (CEO)

The Group does not currently engage remuneration consultants to provide a formal remuneration recommendation, however, it may consider the use of remuneration consultants to provide such a recommendation in the future as the Group continues to grow. The Board sets the aggregate remuneration of non-executive directors, which is then subject to shareholder approval. The current aggregate maximum amount of non-executive directors’ fees of $500,000 per annum (inclusive of superannuation guarantee charge contribution) was approved by shareholders at the 2014 AGM.

The 2019 audited remuneration report received positive shareholder support at the 2019 annual general meeting (AGM) with a vote of 99.30% in favour (2018: 87.87%).

Executive remuneration arrangements

Remuneration principles and strategy

Remuneration levels for KMPs of the Group are designed to attract and retain appropriately qualified and experienced directors and executives. The Group aims to reward executives based on their position and responsibility whilst maintaining comparability with other companies in the sector of similar revenue, market capitalisation and earnings levels. The executive remuneration structure remains unchanged from the prior year, and includes a combination of the following components:

Fixed Remuneration	Variable Remuneration		
	Short-term Incentive (STI)	Long-term Incentive (LTI)	
Cash		Equity	
• Base salary plus superannuation. • Set based on market benchmarks and individual performance, qualifications and experience	• Eligibility for payment is dependent on the Group exceeding budgeted financial performance metrics such as EBITDA and NPAT. • Paid within the quarter following financial year-end.	• Share options to vest after each successive tranche, conditional upon continuation of employment. • Aimed to retain key KMPs.	• Share options are linked to share price performance. It incentivises KMPs to create shareholder wealth, by utilising their individual skills, qualifications and experience.

Fixed remuneration

Fixed remuneration consists of base salary, employer superannuation contributions and non-monetary benefits. Non-monetary benefits typically comprise leave entitlements. It is market competitive and set to attract, motivate and retain highly skilled personnel.

Details of the short-term incentive plan

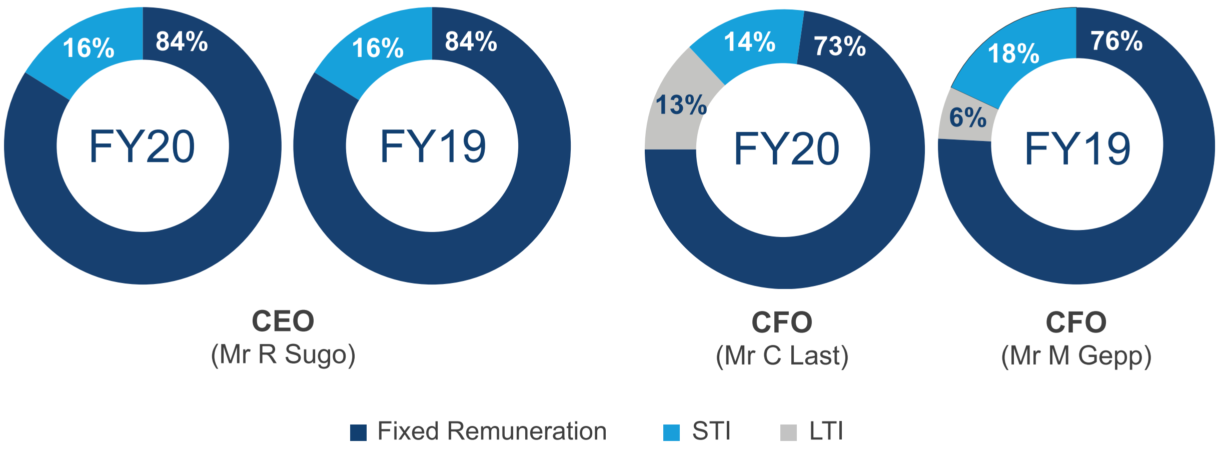
The objective of the STI plan is to link the Group's financial and operational targets with the remuneration received by senior managers charged with meeting those targets. As part of their respective employment agreements the CEO, CFO and other senior managers are eligible for a cash bonus subject to the attainment of these clearly defined objectives. The STI plan applies to the period from 1 July 2019 to 30 June 2020.

100% of the STI target for financial year 2020 was linked to the Group achieving its annual financial targets. The determination and agreement of these targets are set at the start of each financial year and align with the Group's longer-term strategic goals.

The FY20 STI plan depends on the Group achieving its budgeted EBITDA and NPAT target after provisioning for the STI, as set by the Board. The Board believes that the objective being set is challenging for the executives and senior managers. It will be paid out annually in the quarter following financial year-end should the target be met, subject to Board approval, as they have ultimate discretion.

The Group delivered FY20 EBITDA and FY20 NPAT in line with its guidance to the stock market and exceeded EBITDA budget as restated for new lease accounting standards. The Board has approved STI payments at 100% levels for FY20.

The below chart illustrates the structured employee entitlements of eligible KMPs as a percentage of their fixed remuneration:



Non-executive directors are not eligible for an STI.

Details of long-term incentive plans

LTI plans are offered under the Company's Employee Option Plans to align remuneration with the creation of shareholder value over the long term. As such, LTI awards are only made to executives and other key employees who have an impact on the Group's performance.

Currently, the Group has three LTI schemes in place from current and prior years. The first two plans (Share Plan 1 and Share Plan 2) are share-based option plans aimed at retaining highly skilled directors, KMP's and employees to appropriately remunerate in line with similar organisations in the market. The third plan (Share Plan 3) is also a share-based option plan but only aimed at directors and KMPs of the Group.

The options granted for Share Plan 1 and 2 have an exercise price of $Nil with a vesting of each tranche being conditional upon the recipient continuing employment with the Group up until date of vesting. Subject to the Board's discretion, should the employee resign, be terminated by the Group for any reason, or be terminated from the plan for any reason, the options granted prior to vesting date will be forfeited. The Share Plan 3 has similar terms except with the additional inclusion of an exercise price of $7.15 and an expiration date of 30 June 2021. These options were granted on 27 October 2016. The options granted to directors were approved by shareholders at the 2016 AGM.

Plan Attributes

	Share Plan 1	Share Plan 2	Share Plan 3
Option Grant Date	15 September 2016	07 January 2020	27 October 2016
Number of Tranches	4	3	1
Mr T Cuthbertson	-	-	100,000
Mr M Boorne	-	-	100,000
Mr A Fung	-	-	100,000
Mr D Stewart	-	-	-
Mr R Sugo	-	-	150,000
Mr C Last	-	30,000	-
Ms C Ly	1,500	-	20,000
Option Exercise Price	$ NIL	$ NIL	$7.15
Options Vested as of 30 June 2020	1,500	10,000	-
Options available	-	20,000	470,000

Mr Matt Gepp ceased as CFO of the Group on 11 September 2019 and he is still eligible for 50,000 option with an exercise price of $7.15, which expires on 30 June 2021.

Shareholders returns

KMP remuneration is rewarded with consideration of the Group's earnings and performance. The following table sets out MNF Group's key financial results and shareholder wealth generation over the past five years:

Performance metric	2020	2019	2018	2017	2016
Revenue ('000)	$230,913	$215,587	$220,728	$191,752	$161,217
NPAT ('000)	$11,947	$9,943*	$11,859^	$12,066^	$8,990^
Basic EPS (cents)	14.88	13.56*	16.25^	17.32^	13.45^
Dividends paid ('000)	$5,046	$4,505	$6,417	$5,099	$4,512
Dividends declared per share (cents)	6.10	6.10	8.35	8.25	7.00
Share price (as at 30 June)	$5.63	$3.85	$5.25	$4.37	$4.00
Change in share price	$1.78	($1.40)	$0.88	$0.37	$0.18
Market Capitalisation (as at 30 June)	$475m	$282m	$384m	$318m	$270m

* Restated based on correction of deferred tax made to the 30 June 2019 financial year. See Note 5 for details.

^ Financial years 2016 – 2018 results have not been restated. See Note 5 for details.

Remuneration details of directors and KMPs for the year ended 30 June 2020

Details of the nature and amount of benefits and payments for each director and KMP of the Company for the 2019 and 2020 financial years are as follows, represented on an accrual basis:

		Short term benefits				Post-employment benefits	Share based payments	Total
		Cash salary & fees [i]	STI/ Bonus paid[ii]	STI/Bonus accrued[iii]	Non-monetary benefits[iv]	Superannuation	Options[v] [vi]	
		$	$	$	$	$	$	$
Directors								
Mr T Cuthbertson	2020	120,000	-	-	-	11,400	-	**131,400**
	2019	120,000	-	-	-	11,400	-	131,400
Mr M Boorne	2020	103,000	-	-	-	9,785	-	**112,785**
	2019	103,000	-	-	-	9,785	-	112,785
Mr A Fung	2020	82,400	-	-	-	7,828	-	**90,228**
	2019	82,400	-	-	-	7,828	-	90,228
Mr D Stewart[vii]	2020	65,733	-	-	-	6,245	-	**71,978**
	2019	-	-	-	-	-	-	-
CEO and Executive Director								
Mr R Sugo	2020	517,025	-	100,000	8,943	25,000	-	**650,968**
	2019	517,025	-	-	7,340	25,000	-	549,365
Other KMPs								
Mr M Gepp[viii]	2020	101,455	-	-	1,182	6,250	64,329	**173,216**
	2019	344,563	-	-	4,880	25,000	30,233	404,676
Mr C Last[ix]	2020	276,548		51,750	574	20,441	49,513	**398,826**
	2019	-	-	-	-	-	-	-
Ms C Ly	2020	174,250	-	-	-	16,554	6,730	**197,534**
	2019	169,167	-	-	-	16,071	7,558	192,796
Total	**2020**	**1,440,411**	**-**	**151,750**	**10,699**	**103,503**	**120,572**	**1,826,934**
	2019	1,336,155	-	-	12,220	95,084	37,791	1,481,250

(i) Cash salaries paid are reviewed annually.
(ii) STI amounts paid in 2020 financial year relate to the achievement of 2020 targets and were accrued for in the 2019 results.
(iii) STI amounts accrued in the current financial year are in relation to the 2020 financial year and would be paid in the subsequent financial year when applicable.
(iv) The category "Non-monetary benefits" represent other benefits such as car parking.
(v) Black-Scholes model is used to value options issued.
(vi) The FY20 share-based payments include the Employee Share Plan and the fair value of options granted in the period.
(vii) Mr David Stewart commenced his directorship on 13 August 2019.
(viii) Mr Matt Gepp ceased as CFO of the Group on 11 September 2019 and his employment ceased on 20 September 2019.
(ix) Mr Chris Last commenced with the Group as CFO on 12 September 2019.

Key terms of employment agreements

The Group has entered into an executive employment agreement with the CEO. The remuneration and terms of employment for other key executives are also set out in written agreements. Each of these employment agreements are unlimited in term but may be terminated by written notice by either party or by the Company making payment in lieu of notice.

Each of these agreements sets out the arrangements for total fixed remuneration, performance-related cash bonus opportunities, superannuation, termination rights and obligations and eligibility to participate in the employee equity-based incentive scheme. Executive salaries are reviewed annually. The executive employment agreements do not require the Company to increase base salary, incentive bonuses or to continue the participants' participation in equity-based incentive programs. Payment of any STI is at the Board's discretion. The Company may terminate the employment of the key executives without notice and without payment in lieu of notice in some circumstances.

These include if the executive:
- Commits an act of serious misconduct;
- Commits a material breach of the executive employment agreement;
- Denigrates or engages in any behaviour that may materially damage the reputation of, or otherwise bring the Group into disrepute; or is convicted of any criminal offence which would in the reasonable opinion of the Board of Directors adversely affect the carrying out of the executive's duties.

The Company may terminate the employment of the key executive at any time by giving the executive notice of termination or payment in lieu of such notice. The amount of notice required from the Company in these circumstances is set out in the following table:

KMP	Company notice period	Employee notice period	Termination provision	Details
Mr R Sugo	6 months	1 month	6 months' base salary	Fixed salary package of $542,025, consisting of base salary and superannuation, reviewed annually by the Remuneration Committee
Mr C Last	3 months	3 months	3 months' base salary	Fixed salary package of $370,000, consisting of base salary and superannuation, reviewed annually by the Remuneration Committee in September
Ms C Ly	6 months	1 month	6 months' base salary	Fixed salary package of $197,735, consisting of base salary and superannuation, reviewed annually by the Remuneration Committee in September

Directors' interests in shares and options of the Company

At the date of this report, the particulars of shares and options held by the directors and other KMPs of the Company in the Company or in related bodies corporate which are required to be declared in the register of directors' share holdings are as follows:

	2020		2019		Shareholding movement %
	Shareholding	Options	Shareholding	Options	
Directors					
Mr T Cuthbertson	855,906	100,000	920,906	100,000	7.1%
Mr M Boorne	384,605	100,000	709,543	100,000	-45.8%
Mr D Stewart	200,000	-	-	-	100.0%
Mr A Fung	13,625,802	100,000	14,213,185	100,000	-4.1%
Executive Director					
Mr R Sugo	12,034,214	150,000	11,915,431	150,000	1.0%
Other KMPs					
Mr C Last	10,282	20,000	-	-	100%
Ms C Ly	301,476	20,000	299,775	21,500	0.6%
Total	**27,412,285**	**490,000**	**28,058,840**	**471,500**	

In 2019, Mr Matt Gepp held a total of 49,000 shares and 56,000 options. Mr Matt Gepp ceased as CFO of the Group on 11 September 2019 and he is still eligible for 50,000 option with an exercise price of $7.15, which expires on 30 June 2021.

This concludes the audited remuneration report.

Directors' benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying officers or auditor

The Group has in place a contract insuring the directors, the Company secretary and all executive officers of the Group and any related body corporate, against a liability incurred by a director, company secretary or executive officers to the extent permitted by the *Corporations Act 2001*.

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

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to the auditors of the Group or any related entities against a liability incurred by the auditors.

Proceedings on behalf of the Company

No person has applied for leave of a Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-audit services

During the current and prior year MNSA Pty Ltd Chartered Accountants, the Group's auditor, did not provide any non-audit services.

The total amount received by MNSA Pty Ltd Chartered Accountants for non-audit services was $Nil (2019: $Nil).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and can be found on page 55 of the financial report.

Rounding off

MNF Group Limited is a company of the kind referred to in ASIC Legislative Instrument *(Rounding in Financial/ Directors' Reports)* 2016/191 and in accordance with that Instrument, amounts in the Directors' report and the consolidated financial statements are rounded to the nearest thousand dollars, except where otherwise indicated.

This directors' report, incorporating the audited remuneration report, is signed in accordance with a resolution of the Board of Directors.

Terry Cuthbertson
Chairman

Rene Sugo
CEO and Executive Director

Sydney, 25 August 2020

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June	Notes	Consolidated group 2020 $'000	Consolidated group 2019 Restated $'000
Continuing operations			
Revenue	4a	230,913	215,587
Cost of sales		(134,486)	(133,120)
Gross profit		**96,427**	**82,467**
Other income	4a	1,216	2,508
Employee benefits expense	4b	(43,107)	(38,989)
Depreciation and amortisation	4c	(16,117)	(8,973)
Other expenses	4d	(17,476)	(19,578)
Costs related to acquisition		-	(1,168)
Financing costs	4e	(2,993)	(1,874)
Restructure costs	18	(1,300)	-
Profit before income tax		**16,650**	**14,393**
Income tax expense	5a	(4,703)	(4,450)*
Profit from continuing operations		**11,947**	**9,943**
Net profit for the year		**11,947**	**9,943**
Other comprehensive income/(loss) **Items that may be reclassified to profit or loss:**			
Exchange differences on translation of foreign operations		44	537
Changes in fair value of cash flow hedges		(214)	(519)
		(170)	**18**
Total comprehensive income for the year		**11,777**	**9,961**
Earnings per share from continuing operations			
- Basic earnings per share (cents)	27	14.88	13.56*
- Diluted earnings per share (cents)	27	14.72	13.37*

* See Note 5 for details on a correction made to deferred tax balances and opening retained earnings as reflected in the 30 June 2019 and 2020 financial year.

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June	Notes	Consolidated group 2020 $'000	Consolidated group 2019 Restated $'000
Assets			
Current assets			
Cash and cash equivalents	6a	46,164	15,481
Trade and other receivables	7	42,027	42,030
Income tax receivable		-	853
Inventories		1,906	1,548
Total current assets		**90,097**	**59,912**
Non-current assets			
Property, plant and equipment	8a	30,246	30,776
Right-of-use asset	14	18,209	-
Deferred tax asset	5c	3,102	2,227*
Goodwill and other intangibles	25	93,149	89,785
Total non-current assets		**144,706**	**122,788**
Total assets		**234,803**	**182,700**
Liabilities			
Current liabilities			
Trade and other payables	9	27,988	32,158
Customer deposits	12	3,938	1,494
Provisions	13	4,456	3,797
Lease liability	15	3,160	-
Income tax payable		1,643	-
Total current liabilities		**41,185**	**37,449**
Non-current liabilities			
Loans and borrowings	10	30,000	55,600
Financial instruments	11	841	628
Provisions	13	1,357	1,236
Lease liability	15	17,776	-
Deferred tax liability	5d	4,691	5,804*
Total non-current liabilities		**54,665**	**63,268**
Total liabilities		**95,850**	**100,717**
Net assets		**138,953**	**81,983**
Equity			
Issued capital	16a	101,771	51,125
Reserves		3,138	1,931
Retained earnings		34,044	28,927*
Total equity		**138,953**	**81,983**

* See Note 5 for details on a correction made to deferred tax balances and opening retained earnings as reflected in the 30 June 2019 and 2020 financial year.

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June	Notes	Consolidated group 2020 $'000	Consolidated group 2019 $'000
Cash flows from operating activities			
Receipts from customers		235,147	229,837
Payments to suppliers and employees		(199,556)	(217,219)
Interest received		214	167
Interest paid		(2,885)	(1,601)
Income tax paid		(4,058)	(5,663)
Net cash from operating activities	6b	**28,862**	**5,521**
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,782)	(7,334)
Payment for business acquisitions		-	(35,070)
Software development costs		(8,883)	(8,283)
Purchase of other intangible assets		-	(74)
Net cash used for investing activities		**(15,665)**	**(50,761)**
Cash flows from financing activities			
Proceeds from share placement and options exercised – share placement/SPP		49,736	286
Proceeds from share placement and options exercised - DRP		910	618
Dividends paid		(5,046)	(4,505)
Proceeds from borrowings		-	46,160
Repayment of borrowings		(25,600)	(1,250)
Repayment of finance lease liability		(2,638)	(56)
Net cash from financing activities		**17,362**	**41,253**
Net increase/(decrease) in cash and cash equivalents		30,559	(3,987)
Impact of FX on cash and cash equivalents		124	598
Cash and cash equivalents at 1 July		15,481	18,870
Cash and cash equivalents at 30 June	6a	**46,164**	**15,481**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

Attributable to owners of the Group

	Ordinary share capital	Share-based payment reserve	Translation reserve	Hedging reserve	Retained earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2018 (as previously reported)	50,221	2,042	(438)	(111)	24,519	76,233
Net correction of deferred tax*	-	-	-	-	(1,030)	(1,030)
Balance at 1 July 2018 (restated)*	50,221	2,042	(438)	(111)	23,489	75,203
Profit for the period*	-	-	-	-	9,943	9,943
Other comprehensive income	-	-	537	(519)	-	18
Dividends paid	-	-	-	-	(4,505)	(4,505)
Shares issued - DRP	618	-	-	-	-	618
Shares issued-SPP	286	-	-	-	-	286
Share-based payments	-	420	-	-	-	420
Balance at 30 June 2019 (restated)*	**51,125**	**2,462**	**99**	**(630)**	**28,927**	**81,983**
Net correction of deferred tax*	-	-	-	-	(293)	(293)
Balance at 1 July 2019*	51,125	2,462	99	(630)	28,634	81,690
Adjustment for change in accounting standard (Note 2)	-	-	-	-	(1,491)	(1,491)
Profit for the period	-	-	-	-	11,947	11,947
Other comprehensive income	-	-	44	(214)	-	(170)
Dividends paid	-	-	-	-	(5,046)	(5,046)
Shares issued - DRP	910	-	-	-	-	910
Shares issued - share placement	49,736	-	-	-	-	49,736
Share-based payments	-	1,377	-	-	-	1,377
Balance at 30 June 2020	**101,771**	**3,839**	**143**	**(844)**	**34,044**	**138,953**

* See Note 5 for details on a correction made to deferred tax balances and opening retained earnings as reflected in the 30 June 2019 and 2020 financial year.

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Corporate information

These consolidated financial statements and notes represent those of MNF Group Limited (the Company) and its controlled entities (collectively, the Group) for the year ended 30 June 2020. The financial statements were authorised for issue on 25 August 2020 in accordance with a resolution by the directors of the Company.

MNF Group Limited is a for-profit entity limited by shares and incorporated and domiciled in Australia. Shares are publicly traded on the Australian Securities Exchange (ASX). The nature of the operations and principal activities of the Group are described in the Directors' report.

The separate financial statements of the MNF Group Limited, the parent entity of the Group, have not been presented within this financial report as permitted by the *Corporations Act 2001*. The financial information of the Company has been disclosed in Note 29.

2. Significant accounting policies

a. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b. New and amended accounting policies adopted by the Group and New Accounting Standards for application in future periods

The accounting policies applied by the Group in this financial report are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2020, with the exception of the new accounting policy adopted as disclosed below.

In the current year, the Group has adopted all applicable new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current reporting period and relevant to the Group. Unless specifically outlined below, the adoption of these amendments has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reported for the current or prior periods.

AASB 16 *Leases* (AASB 16)

The Group has adopted AASB 16 Leases (the Standard) from 1 July 2019. The Standard replaces AASB 117 Leases and for lessees eliminates the classifications of operating leases and finance lease. The Group has applied the Standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of comparative information. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Depreciation charge for the right-of-use assets and interest expenses on the lease liabilities replaces the straight-line operating lease expense.

The adoption will in effect increase expenses in earlier periods of the lease compared to lease expense under AASB 117. However, EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) results improve as operating expenses is now replaced by depreciation and interest expense. Interest expense is disclosed as operating activities in the statement of cash flows and the principal portion of the lease payments are separately disclosed in financing activities.

The Standard AASB 16 had an impact on the current period. The impact of adoption of the standard on opening retained profits as at 1 July 2019 was:

	1 July 2019 $'000
Operating lease commitments as at 1 July 2019 (AASB 117)	25,772
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	(220)
Additional minimum lease commitment as at 1 July 2019	1,264
Accumulated depreciation as at 1 July 2019 (AASB 16)	(5,301)
Right of use assets (AASB 16)	**21,515**
Lease liabilities - current (AASB 16)	(2,705)
Lease liabilities – non-current (AASB 16)	(20,804)
Tax effect on the above adjustments	598
Reduction in opening retained profits as at 1 July 2019	**(1,396)**

In addition, the current profit before income tax expense was reduced by $613,000. This included an increased depreciation and amortisation expense of $3,318,000 and increased finance costs of $895,000, offset by a reduction in other expenses (reclassification of lease expenses) of $3,600,000. As at 30 June 2020, net current assets were reduced by $3,160,000 (attributable to current lease liabilities) and net assets were reduced by $2,129,000 (attributable to right-of-use assets, lease liabilities and deferred tax assets).

c. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which MNF Group Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the consolidated financial statements.

d. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method.

Consideration transferred for the acquisition comprises the fair value of the assets transferred, liability incurred and the equity interests issued by the acquirer. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate. Acquisition-related costs are expensed as incurred.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of fair value of consideration transferred, over the acquisition-date fair values of identifiable net assets. See Note 2p for further details regarding impairment testing.

e. Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the consolidated financial statements based on historical knowledge and best available current information. Estimates assure a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Key estimates that have a significant risk of causing adjustments to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an independent valuer using the Black-Scholes model. The accounting estimates and assumptions relating to equity-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may have impact on profit or loss and equity.

(ii) Useful lives of property, plant and equipment
The Group reviews the estimated useful lives of property, plant and equipment at the end of each financial year. The Group adjusts the remaining effective useful life of its assets to better reflect their actual usage and future economic benefit.

(iii) Utilisation of tax losses
The Company and its wholly-owned Australian subsidiaries are members of a tax consolidated group under Australian taxation law. Each entity in the tax consolidated group contributed tax losses to the Group. The Australian tax group has no tax losses to currently utilise.

(iv) Research & Development (R&D) tax concession
When calculating the income tax provision for the year, the Research & Development tax incentive for the current financial year is based on management's operational knowledge and best estimate at the time, utilising prior year's claim as a benchmark. The directors believe the estimate is reasonable and conservative. This may be subject to change following the finalisation of the Research & Development tax incentive when we finalise our Australian tax Return.

(v) Determination of cash generating units (CGUs) and their recoverable amount for impairment assessment
Impairment assessment compares the carrying value of identified CGUs with their recoverable amounts. Management judgement is applied to identify these CGUs and determine the recoverable value. Refer to Note 2p and Note 26 for further information.

f. Revenue recognition

(i) Revenue from Contracts with Customers
In accordance with AASB 15 Revenue from Contracts (AASB 15), the Group recognises revenue to depict the transfer of goods and services to customers, in an amount that reflects the consideration to which the Group is entitled in exchange for those goods and services. Note 4 provides specific information to assist users to understand the nature, timing and uncertainty of revenues and cash flows from contracts with customers. All reported revenue for the Consolidated Group, apart from interest revenue and other income, is generated from Contracts with Customers.

The Group provides telecommunication services, including data and voice services and provision of low value hardware as part of total business communication solutions. Accordingly, performance obligations for contracts with customers are generally satisfied over time, and revenue is recognised accordingly. Where hardware is purchased outright by a customer, revenue is recognised at the time of purchase. This does not represent a material level of revenue for the Group.

Where payment is received by the Group in advance of a performance obligation being satisfied, a contract liability is recognised in the balance sheet. Where a performance obligation has been satisfied and the Group is yet to issue an invoice to the customer, a contract asset is recognised in the balance sheet. Where a performance obligation has been satisfied and an invoice has been issued to a customer but not yet paid, a trade receivable is recognised in the balance sheet.

Transaction prices for provision of goods and services are agreed within Contracts with Customers. The Group determines its transaction prices based on the cost to the Group in acquiring or supplying the good or service itself, plus a margin to cover operating costs and return requirements of the Group. The Group may offer discounts to customers for bulk supply of particular goods or services. Discounts are recognised in line with corresponding revenue recognition.

The cost to the Group in fulfilling return, refund and warranty obligations is negligible. The majority of the Group's revenue is generated from the provision of voice services and call connections that do not have enduring obligations.

Impairment of contract assets and trade receivables for Contracts with Customers is assessed by the Group on an ongoing basis and allowed for within the Group's provisions for doubtful debts calculation (refer Note 7).
Costs incurred in obtaining contracts with customers are not material at the Group level, and the Group does not recognise any assets in relation to costs to obtain or fulfil contracts with customers, outside of contract assets as identified above.

(ii) Interest income
Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

g. Leases

The Group as lessee has applied the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of comparative information.

Except for short-term leases and leases of low value assets, the Group applies a single recognition and measurement approach for all leases representing the right to use the underlying asset: right-of-use assets recognised at the commencement date of the lease and corresponding lease liabilities measured at the present value of lease payments over the lease term are recognised in the statement of financial position. Depreciation charges for the right-of-use assets and interest expenses on the lease liabilities replaces the straight-line operating lease expense.

h. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

i. Trade and other receivables

Trade and other receivables are non-interest bearing financial assets with fixed or determinable payments that are not quoted on an active market. The balance is recognised and carried at original invoice amount net of any provision for doubtful debts. See Note 7 for further details.

j. Foreign currency transactions and balances

(i) Functional and presentation currency
The functional currency of each group entity is measured using the currency of the primary consolidated environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

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

(iii) Group Companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year end exchange rates prevailing at the reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

On consolidation, assets and liabilities have been translated into Australian dollars at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. The exchange differences are taken to other comprehensive income (OCI) in the consolidated statement of profit or loss and other comprehensive income.

k. Income tax

(i) Current tax
Current income tax expense charged to the profit or loss is the tax payable on taxable income, calculated using applicable income tax rates enacted as at reporting date. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

(ii) Deferred tax
Deferred taxes arise due to temporary timing differences between accounting and tax treatments of income and expenses. They are calculated at the tax rates expected to apply to the period when the asset is realized, or the liability is settled.

Deferred tax assets relating to unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Except for business combinations, no deferred tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(iii) Tax consolidation
MNF Group Limited and its wholly-owned Australian subsidiaries are part of a tax consolidation group under Australian taxation law. MNF Group Limited is the head entity in the tax consolidation group. Tax expense, deferred tax liabilities and deferred tax assets arise from temporary differences of the members of the tax-consolidation group using the 'separate taxpayer within group' approach by reference to the carrying amounts in each separate entity and the tax values applying under Australian taxation Law.

MNF Group Limited, as the head entity in the tax consolidated group, recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of all entities in Australia.

Members of MNF tax consolidated group have entered into a tax sharing agreement.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 statement of financial position are shown inclusive of GST.

m. Inventories

Costs of purchased inventory are determined after deducting rebates and discounts. Inventories are measured at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Property, plant and equipment

(i) Carrying amount
Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not more than the recoverable amount from these assets.

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

(ii) Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Furniture & fittings	6 to 10 years
Office equipment	3 to 5 years
Leasehold improvements	3 to 9 years
Network infrastructure and IT systems	2 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss and other comprehensive income. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

o. Financial instruments

Non-derivative financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (all other loans and receivables are classified as non-current assets).

(ii) Investments in subsidiaries held by the parent
Investments in subsidiaries held by the parent entity are recognised and subsequently measured at cost in the separate financial statements of the Company, less any impairment.

(iii) Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then the hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in reserves is reclassified to profit or loss.

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

Fair value hedges
When a derivative is designated as a fair value hedging instrument, the hedged item is re-measured to take into account the gain or loss attributable to the hedged risk, with the gains or losses arising recognised in profit or loss. This offsets the gain or loss arising on the hedging instrument which is measured at fair value through profit or loss. Changes in fair value of the derivative instrument are recognised in profit or loss.

p. Intangible assets and goodwill (impairment testing)

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

At the end of each reporting period, goodwill, Indefinite life intangibles and intangibles not ready for use are tested for impairment irrespective of whether there are indications of impairment. Intangibles with definite useful lives are only tested for impairment if there is any indication of impairment. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognition and measurement:

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill assets are not subject to amortisation and are tested for impairment annually, or whenever an indication of impairment exists.
Brands	Brands identified on acquisitions are measured and recorded at valuation less accumulated impairment losses. Brands are not subject to amortisation and are tested for impairment annually, or whenever an indication of impairment exists.
Software Development	Expenditure on research is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.
Other intangible assets	Other intangible assets, including customer contracts, patents and trademarks and software acquired by the Group that have finite lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their residual values using the straight-line method over their estimated useful life and is generally recognised in profit or loss. Goodwill is not amortised.

The estimate useful life of intangibles is as follows:

Patents and trademarks	5 to 20 years
Software and software development costs	3 to 10 years
Customer relationships	3 to 10 years

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

q. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

r. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

s. Employee leave benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national Government bonds with terms to maturity that match the expected timing of cash flows.

t. Contributed capital

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

u. Earnings per share

Basic earnings per share is determined as net profit/(loss) attributable to members of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted earnings per share include options outstanding that will have the potential to convert to ordinary shares and dilute the basic earnings per share.

v. De-recognition of financial assets and financial liabilities

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

w. Share-based payment transactions

The Group provides benefits to its employees and directors (including KMPs) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model.

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

At each subsequent reporting date until vesting, the cumulative charge to the consolidated statement of profit or loss and other comprehensive income is the product of:

(i) the grant date fair value of the award;

(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and

(iii) the expired portion of the vesting period.

The charge to the consolidated statement of profit or loss and other comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

3. Operating segments

The MNF Group operates two Business Units, Wholesale and Direct. The Wholesale Business Unit is managed as two segments, Domestic Wholesale and Global Wholesale, reflecting the different markets and product suites of each segment.

Domestic Wholesale
Domestic Wholesale customers are predominantly Retail Service Providers (RSPs), Managed Services Providers (MSPs) and IT companies in Australia or New Zealand. Key products include:

- Australian and New Zealand phone numbers with number portability
- Terminating calls in Australia / New Zealand (CTS)
- Software for telecom billing and compliance management
- Whitelabel cloud phone systems and mobile services (MVNO)

Domestic Wholesale services are typically sold through subsidiary brands Symbio Networks, iBoss and Telcoinabox.

Global Wholesale
Global Wholesale customers are predominantly international UCaaS, CPaaS and CCaaS vendors, software and app developers and global telecom providers. Key products include:

- Australian and New Zealand phone numbers with number portability
- Terminating calls in Australia / New Zealand (CTS)
- International toll-free phone numbers (ITFS)
- Management of international routing with toll fraud mitigation

Global Wholesale services are typically sold through Symbio Networks and TNZI.

Direct
Direct customers are small and medium businesses and households in Australia, as well as Enterprise and Government organisations in Australia, New Zealand and Singapore. Key products include:

- Australian and New Zealand phone numbers with number portability
- Enterprise UCaaS: Cisco Webex and Microsoft Teams
- SMB cloud phone systems, audio and video conferencing
- Residential home phone and mobile services

Enterprise and Government customers are served through the MNF Enterprise brand in Australia and Supernet in Singapore. Small business customers are served by Connexus and Express Virtual Meetings, while residential customers are served by Pennytel and MyNetFone.

The information is consistent with the results presented for internal management reporting purposes, measured at gross margin level. The accounting policies used by the Group in reporting segment information internally, are the same as those contained in Note 2 to the 2020 financial statements.

	Domestic Wholesale	Global Wholesale	Direct	Total
	$'000	$'000	$'000	$'000
2020				
External revenue	89,741	107,268	33,904	230,913
Inter-segment revenue	10,285	6,393	-	16,678
Segment revenue	**100,026**	**113,661**	**33,904**	**247,591**
Segment margin	**41,212**	**32,462**	**22,753**	**96,427**
2019				
External revenue	67,851	111,322	36,414	215,587
Inter-segment revenue	10,081	4,671	-	14,752
Segment revenue	**77,932**	**115,993**	**36,414**	**230,339**
Segment margin	**33,414**	**27,047**	**22,006**	**82,467**

For the year ended 30 June	2020	2019
	$'000	$'000

4. Revenue and expenses

a. Revenue and other income

Rendering of services and sale of goods	**230,913**	**215,587**
Interest on bank deposits	224	130
Bargain purchase gain on acquisition	-	1,317
Other income	992	1,061
	1,216	**2,508**

Disaggregation of revenue from contracts with customers
The disaggregation of the Group's revenue based on the nature and timing of transfer of goods and services is set out below:

2020					
Revenue type	**Revenue recognition**	**Domestic Wholesale $'000**	**Global Wholesale $'000**	**Direct $'000**	**Total $'000**
External revenue	Over time	89,741	107,268	33,904	230,913
Inter-segment revenue	Over time	10,285	6,393	-	16,678
Total		**100,026**	**113,661**	**33,904**	**247,591**

2019					
Revenue type	**Revenue recognition**	**Domestic Wholesale $'000**	**Global Wholesale $'000**	**Direct $'000**	**Total $'000**
External revenue	Over time	67,851	111,322	36,414	215,587
Inter-segment revenue	Over time	10,081	4,671	-	14,752
Total		**77,932**	**115,993**	**36,414**	**230,339**

Disaggregation of revenue is presented in line with the Operating Segment reporting as included in Note 3. Revenue disaggregated to geographical market and customer type allows for consideration on how economic factors could affect the Group's revenue streams.

For the year ended 30 June	2020	2019
	$'000	$'000
b. Employee benefits expense		
Wages and salaries	35,457	31,841
Superannuation	2,810	3,678
Share based payments expense	1,377	420
Other employee benefits expense	3,463	3,050
	43,107	**38,989**
c. Depreciation and amortisation		
Depreciation of fixed assets	7,230	5,597
Depreciation of leases[1]	3,318	-
Amortisation of intangible assets	5,569	3,376
	16,117	**8,973**

[1] Following the adoption of AASB 16 Leases, amounts accounted for under the new requirements and prior period comparatives have not been restated. Refer to note 2 for further details.

For the year ended 30 June	2020	2019
	$'000	$'000
d. Other expenses		
Marketing	926	1,744
Managed service	3,602	3,321
Property[1]	1,173	4,397
Technology and support	5,050	3,790
Accounting and audit	671	603
Legal and consulting	650	447
Insurance	754	680
Unrealised Foreign exchange loss/(gain)	68	(302)
Bank and transaction costs	429	388
Other administrative expenses	4,153	4,510
	17,476	**19,578**
e. Financing costs		
Finance charges on bank loan	1,821	1,874
Finance charges on lease liability[1]	894	-
Finance charges related to hedge instrument	278	-
	2,993	**1,874**

[1] Following the adoption of AASB 16 Leases, amounts accounted for under the new requirements and prior period comparatives have not been restated. Refer to note 2 for further details.

5. Income and deferred tax

a. Income tax expense

The major components of income tax expense are as follows:

	2020	2019
Current tax	5,117	2,878
Adjustment in respect of prior year tax	(414)	(210)
Origination and reversal of temporary differences		
- as previously reported	-	326
- correction of deferred tax*	-	1,456
	4,703	**4,450**

*For further details on the correction of deferred tax balances, see the Note 5(d).

b. Reconciliation between tax expense and the accounting profit

	2020	2019
Profit before income tax	**16,650**	**14,393**
At the Group's statutory rate of 30% (2019: 30%)	**4,995**	**4,318**
Tax incentives	(183)	(1,541)
Effect of tax rates in foreign jurisdictions	(57)	128
Non-temporary differences	362	299
Adjustment in respect of prior year	(414)	(210)
Correction of deferred tax*	-	1,456
	4,703	**4,450**
Effective income tax rate	28%	31%

*For further details on the correction of deferred tax balances, see the Note 5(d).

For the year ended 30 June	2020	2019
	$'000	$'000

c. Movement in deferred tax balances
The movement in the Deferred Tax Account is shown below.

Deferred tax balances at 1 July		
Deferred tax asset	2,227	1,040
Deferred tax liability	(6,097)	(2,379)
Overall deferred tax balance at 1 July	**(3,870)**	**(1,339)**
Recognised in profit & loss	**2,281**	**(2,238)**
Deferred tax balance at 30 June		
Deferred tax asset	3,102	2,227
Deferred tax liability	(4,691)	(5,804)
Overall deferred tax balance at 30 June	**(1,589)**	**(3,577)**

There has been a restatement of the 2019 opening and closing balances and 2020 opening balances for deferred tax due to a correction of deferred tax balances carried out in 2020. For further details on the correction of deferred tax balances, see the Note 5(d).

For the year ended 30 June	2020
	$'000

d. Deferred Tax Asset and Deferred Tax Liability arise from the following:

Deferred Tax Asset ***Temporary differences relating to***	
Allowance for doubtful debt	767
Employee leave entitlements provision	1,470
Other	637
Unrealised gains and losses	46
Lease accounting	182
	3,102
Deferred Tax Liability ***Temporary differences relating to***	
Fixed assets	(732)
Intangible assets	(2,695)
Software development costs	(1,147)
Other receivables, prepayments and other assets	(68)
Losses carried forward	(49)
	(4,691)

Deferred Tax Correction
During the financial year ended 30 June 2020, MNF Group increased its focus on tax governance and has adopted a formal Tax Risk Governance Framework along with associated tax management policies to ensure we are both compliant with, and are able to, meet our obligations and additionally have appropriate internal tax management procedures in place. In parallel and aligned with the Group's increasing scale, the Group recognised the need to expand the depth and breadth of in-house tax resource with the appointment of a full time Group Tax Manager. A result of these process improvements and after a comprehensive internal review, a correction has been made to the Deferred Tax Balances as previously reported at 30 June 2019. The correction has been applied prospectively from the earliest date in the comparative period where practicable, and at 1 July 2019 in the current year for a portion of the restatement where it was impracticable to do so. It should be noted that all historic ATO tax payments are up to date and correct, and all other ATO compliance obligations have been satisfied.

e. The Company and its wholly-owned Australian entities are members of a tax consolidated group. Transactions within the tax consolidated group have been eliminated in full on consolidation. The Australian tax consolidated group is treated as a single entity for income tax purposes.

For the year ended 30 June	2020	2019
	$'000	$'000

6. Operating cash flows reconciliation

a. Cash and cash equivalents

Cash at bank and on hand	**46,164**	**15,481**

b. Reconciliation of net profit after tax to net cash flows from/(used for) operating activities

Profit for the year	**11,947**	**11,399**
Add/(subtract) non-cash items		
Depreciation and amortisation	12,799	8,973
Share based payments expense	1,377	420
Gain on acquisition	-	(1,317)
Loss on disposal of property, plant and equipment	23	-
Lease depreciation	3,318	-
	17,517	8,076
Cash movements in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(429)	10,344
Increase in inventory	(360)	(850)
(Increase)/decrease in deferred tax assets	(85)	259
Decrease in trade and other payables	(4,152)	(21,192)
Decrease in current tax liabilities	(1,105)	(2,888)
Increase/(decrease) in customer deposits	2,445	(923)
Increase/(decrease) in deferred tax liabilities	2,370	(36)
Increase in provisions and employee benefits	714	1,332
	(602)	(13,954)
Net cash flows from/(used for) operating activities	**28,862**	**5,521**

7. Trade and other receivables

Trade receivables	38,592	37,499
Doubtful debts provision	(3,171)	(1,508)
Other receivables, prepayments and other assets	6,606	6,039
	42,027	**42,030**

Trade receivables balance is mostly made up of contractual agreements with customers. Generally, the terms and conditions of these contracts require settlement between 14 to 30 days from the date of invoice.

Allowance for doubtful debts

The Group applies professional judgement to estimate the allowance for doubtful debts for our trade receivables. Assessment is based on historical trends (using the expected credit loss model and prior write-off movements) and management's assessment of general economic conditions.

As a result of the current pandemic, which has impacted the global economic environment which our customers operate in, the Group has undertaken stringent review of our allowance for doubtful debt. With consideration for the COVID-19 impacts, management has updated the methodology used to reflect the change in risk of default since initial recognition. Bad debts are written off when it is determined the debt is irrecoverable. These amounts have been included in other expenses.

8. Property, plant and equipment

	Office furniture & equipment	Leasehold improvements	Network infrastructure & equipment	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000
a. Reconciliation of carrying amount					
Cost:					
At 1 July 2018	4,165	5,075	32,631	88	41,959
Acquisition	2,883	3	3,741	2,211	8,838
Additions	698	331	6,677	51	7,757
Disposals	(66)	(956)	(14)	-	(1,036)
Transfers from work in progress	-	-	2,303	(2,303)	-
Effect of movement in exchange rates	16	19	592	4	631
At 30 June 2019	**7,696**	**4,472**	**45,930**	**51**	**58,149**
At 1 July 2019	7,696	4,472	45,930	51	58,149
Acquisitions	-	-	-	-	-
Additions	723	1,315	4,793	5	6,836
Disposals	(582)	(164)	(5)	(12)	(763)
Reclassify asset category	-	-	(12)	12	-
Transfer to Software, and other assets	-	-	-	(51)	(51)
Effect of movement in exchange rates	2	(7)	30	-	25
At 30 June 2020	**7,839**	**5,616**	**50,736**	**5**	**64,196**
Accumulated depreciation:					
At 1 July 2018	(2,058)	(1,514)	(15,243)	-	(18,815)
Acquisitions	(2,056)	(2)	(1,622)	-	(3,680)
Depreciation expense	(920)	(603)	(4,074)	-	(5,597)
Disposals	59	990	14	-	1,063
Effect of movement in exchange rates	(9)	(12)	(323)	-	(344)
At 30 June 2019	**(4,984)**	**(1,141)**	**(21,248)**	**-**	**(27,373)**
At 1 July 2019	(4,984)	(1,141)	(21,248)	-	(27,373)
Depreciation expense	(1,038)	(733)	(5,459)	-	(7,230)
Disposals	559	164	5	-	728
Effect of movement in exchange rates	(1)	1	(75)	-	(75)
At 30 June 2020	**(5,464)**	**(1,709)**	**(26,777)**	**-**	**(33,950)**
Net Book Value:					
At 30 June 2019	2,712	3,331	24,682	51	30,776
At 30 June 2020	**2,375**	**3,907**	**23,959**	**5**	**30,246**

b. Disposals

Asset disposals mostly relate to equipment that is fully written down to net book value $Nil and is no longer in use. There was no material impact to the profit or loss account in relation to these disposals.

For the year ended 30 June	2020	2019
	$'000	$'000

9. Trade and other payables

Trade payables	16,877	18,434
Other creditors and accruals	10,729	13,318
Security deposits held	382	406
	27,988	**32,158**

10. Loans and borrowings

Non-current liabilities		
Secured bank loan	30,000	55,600
	30,000	**55,600**

The Group's finance facilities consist of $60.0m (2019: $60.0m) in revolving credit facilities and a $3.0m (2019: $3.0m) revolving multi-option credit facility.

In December 2019, the Group paid down the loan payable amount to $30m to further reduce the borrowing cost.

A total of $45.0m in facilities have a maturity date of 16 May 2022 and a $15.0m facility has a maturity date of 16 May 2024. Facilities are interest only and principal is repayable on termination.

$2.5m of the revolving multi-option credit facility has been utilised as bank guarantees for property leases and supplier securities as required.

Facilities are secured by a fixed and floating charge over the assets of the Group. Interest rates payable under the bank facilities are based on BBSY rates plus a variable margin based on the net leverage ratio of the Group (calculated quarterly). For more information about the Group's exposure to interest rate and foreign currency risk, see Note 30.

For the year ended 30 June	2020	2019
	$'000	$'000

11. Financial instruments

Non-current liabilities		
Interest rate swap contract - cash flow hedge	841	628
	841	**628**

Interest rate swap contract - cash flow hedge

The Group's bank facility is a variable interest rate facility. It is the Group's policy to protect a portion of the bank facility from exposure to fluctuations in interest rates. In April 2019, the Group rolled into a new interest rate swap contract to protect the loan facility from exposure to increasing interest rates, with swap balance of $30m. A hedge relationship was designated on this date. Under this interest rate swap, the Group is obliged to receive interest at a variable rate and pay interest starting April 2019 at fixed rate of 1.835% (2019: 1.835%) per annum. The swap covers 100% (2019: 54%) of the floating rate exposure under the Facility.

The contract requires settlement of the net interest receivable or payable each 90 days which coincides with the dates on which interest is payable on the underlying facility making it highly effective.

The gain or loss from remeasuring the hedging instrument at fair value is recognised in other comprehensive income and deferred in equity in the hedge reserve. It is reclassified into profit or loss when the hedged interest expense is recognised.

12. Customer deposits

For the year ended 30 June	2020	2019
	$'000	$'000
Pre-paid accounts	**3,938**	**1,494**

Customer deposits mostly relate to cash received in advance from customers with respect to prepaid customer accounts. The balance represents the unused call credits as at balance date.

13. Provisions

	Annual leave	Long service leave	Make good provision	Total
	$'000	$'000	$'000	$'000
As at 1 July 2019	2,659	1,393	981	5,033
Arising during the year	2,997	302	183	3,482
Utilised during the year	(2,408)	(285)	(22)	(2,715)
Movement due to change in foreign currency translation rates	19	-	(6)	13
As at 30 June 2020	**3,267**	**1,410**	**1,136**	**5,813**
Current	3,267	1,116	73	**4,456**
Non-current	-	294	1,063	**1,357**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 2.

14. Right-of-use asset

For the year ended 30 June	2020	2019
	$'000	$'000
Land and buildings – right-of-use	21,515	-
Less: Accumulated depreciation	(3,318)	-
Effect of movement in exchange rate in Accumulated depreciation	12	-
	18,209	**-**

The right-of-use assets during the full year were $21,515,000.

The Group leases buildings for its offices with agreements between three to seven years and in some cases with options to extend. On renewal, the terms of the leases are renegotiated.

The Group also leases office equipment but these are either short term or low value and have been expensed as incurred, not capitalised as right-of-use assets.

15. Lease liability

For the year ended 30 June	2020	2019
	$'000	$'000
Current	3,160	-
Non-current	17,776	-
	20,936	**-**

16. Issued capital

For the year ended 30 June	2020	2019
	$'000	$'000
a. Ordinary shares		
Issued capital	**101,771**	**51,125**

	2020		2019	
Movements in ordinary shares on issue:	**Number of shares**	**$'000**	**Number of shares**	**$'000**
At 1 July	73,410,315	51,125	73,117,908	50,221
Exercise of share options (i)	210,000	-	86,000	-
Issued for cash (ii)	10,410,000	49,736	-	-
Issued from DRP participation (iii)	214,799	910	140,738	618
Issued from SPP participation	-	-	65,669	286
Issued for Staff Share Plan (iv)	66,330	-	-	-
At 30 June	**84,311,444**	**101,771**	**73,410,315**	**51,125**

(i) In 2020, 210,000 options were exercised with an exercise price of $Nil (2019: 86,000 options).
(ii) Shares issued as a result of share placement at a price of $5.
(iii) Shares issued as a result of participation in the MNF Group dividend reinvestment plan (at an issue price of $4.75 and $3.05, 2019: $4.63 and $3.81).
(iv) Shares issued under Staff Share Plan to all eligible staff at $Nil.

Share capital movements above are presented net of transaction costs.

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

b. Share options

Movements in ordinary shares on issue:	2020 Number	2020 WAEP $	2019 Number	2019 WAEP $
Outstanding at 1 July	1,070,000	4.14	800,000	5.54
Granted during the year	-	-	360,000	-
Exercised during the year	(210,000)	-	(86,000)	-
Expired during the year	-	-	(4,000)	-
Outstanding at 30 June	**860,000**	**5.15**	**1,070,000**	**4.14**
Exercisable	860,000	5.15	1,070,000	4.14

The outstanding options balance as at 30 June 2020, issued under the share-based payment option scheme to directors and executives is represented by 620,000 options with an exercise price of $7.15 each and an expiry date of 30 June 2021. Two tranches of options at 120,000 each were issued to employees with an exercise price of $Nil and expiry dates of 30 June 2021 and 30 June 2022 respectively.

For the year ended 30 June	2020 Number	2019 Number
17. Staff share-based payments		
Outstanding options		
Employee option plan	410,000	620,000
Options granted to directors	450,000	450,000
Total	**860,000**	**1,070,000**

a. Employee option plan (EOP)

The Board may issue options under the EOP to any employee of the Group, including executive directors and non-executive directors. Options will be issued free of charge, unless the Board determines otherwise. Each option is to subscribe for one share and when issued, the shares will rank equally with other shares. Unless the terms on which an option was offered specify otherwise, an option may be exercised at any time after one year from the date it is granted, provided the employee is still employed by the Company.

An option may also be exercised in special circumstances, that is, at any time within six months after the employee's death, total and permanent disablement, or retrenchment. An option lapses upon the termination of the employee's employment by the Company and, unless the terms of the offer of the option specify otherwise, lapses three years after the date upon which it was granted.

The maximum number of options on issue under the EOP must not at any time exceed 5% of the total number of shares on issue at that time.

b. Share options granted to directors

450,000 options were granted to directors prior to the 2019 financial year. The following table illustrates the number and weighted average exercise prices (WAEP) of movements of share options held by directors during the year:

	2020 Number	2020 WAEP $	2019 Number	2019 WAEP $
Outstanding as at 1 July	450,000	7.15	450,000	7.15
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding as at 30 June	**450,000**	**7.15**	**450,000**	**7.15**

18. Restructure costs

In September 2019, the Group underwent reassessment of the internal personnel structure; this assessment is not associated with the ongoing activities of the entity. The restructuring costs charged to profit or loss consist of the following:

For the year ended 30 June	2020	2019
	$'000	$'000
Redundancy costs	1,300	-
	1,300	**-**

19. Commitments and contingencies

Commitments
There were no commitments as at 30 June 2020.

Guarantees
There were no new guarantees as at 30 June 2020. The Company has a guarantee to Telstra Corporation Limited. This guarantee covers all primary obligations including any debts of its wholly owned subsidiaries. It does not impose any greater liability of the Company than is already in place for the subsidiaries collectively.

Other matters
From time to time, the Group is subject to legal claims and commercial disputes. The majority of these are subsequently proven to be without merit and resolved with no cash outflow.

20. Events after reporting date

Dividends

The dividend as recommended by the Board will be paid subsequent to the balance date.

There are no other events after reporting date.

21. Auditor's remuneration

The auditor of the Group is MNSA Pty Ltd Chartered Accountants.

For the year ended 30 June	2020	2019
	$'000	$'000
Auditors of the Group Amounts received or due and receivable by MNSA Pty Ltd Chartered Accountants for:		
Audit and review of the annual report of the entity	322	377
Non-audit services	-	-
Other Auditors		
Audit and review of financial statements	93	49
	415	**426**

22. Director and executive disclosures

a. Details of Key Management Personnel (KMP)

Mr Terry Cuthbertson	Chairman and Non-executive Director
Mr Michael Boorne	Non-executive Director
Mr Andy Fung	Non-executive Director
Mr David Stewart(i)	Non-executive Director
Mr Rene Sugo	Director & Chief Executive Officer
Mr Matt Gepp(ii)	Chief Financial Officer
Mr Chris Last(ii)	Chief Financial Officer
Ms Catherine Ly	Company Secretary

(i) Mr David Stewart commenced his appointment on 13 August 2019;
(ii) Mr Matt Gepp resigned as CFO of the Group on 11 September 2019. His final day at the Group was 20 September 2019. Mr Chris Last commenced with the Group as CFO on 12 September 2019.

b. Compensation of KMPs

The Group has applied the exemption under *Corporations Amendments Regulation 2006* No 4 which exempts listed companies from providing remuneration disclosures in relation to their key management personnel in their annual financial reports as required by AASB 124 *Related Party Disclosures*. These disclosures are provided in the directors' report designated as audited.

c. Shareholdings of KMPs

	Year	Balance at the beginning of period	Acquired/ (disposed) during the year	Options exercised	Balance at end of period
Directors	2020	27,759,065	(658,538)	-	27,100,527
	2019	27,679,270	79,795	-	27,759,065
Other KMPs	2020	348,775	15	27,500	376,290
	2019	338,676	2,599	7,500	348,775

The above shareholdings are held directly and indirectly through controlled entities.

d. Share options of KMPs

	Year	Balance at the beginning of period	Granted	Options exercised	Options forfeited*	Balance at end of period
Directors	2020	450,000	-	-	-	450,000
	2019	450,000	-	-	-	450,000
Other KMPs	2020	77,500	40,000	(27,500)	(50,000)	40,000
	2019	85,000	-	(7,500)	-	77,500

* Mr Matt Gepp ceased as CFO of the Group on 11 September 2019 and he is still eligible for 50,000 option with an exercise price of $7.15, which expires on 30 June 2021.

23. Controlled entities

The consolidated financial statements include the financial statements of MNF Group Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Ownership interest	
		2020	2019
My Net Fone Australia Pty Limited	Australia	100%	100%
Symbio Networks Pty Limited	Australia	100%	100%
Symbio Wholesale Pty Limited	Australia	100%	100%
Internex Australia Pty Limited	Australia	100%	100%
Pennytel Australia Pty Limited	Australia	100%	100%
Mobile Enablement Australia Pty Limited (i)	Australia	-	100%
Symbio Wholesale (Singapore) Pte Limited	Singapore	100%	100%
TNZI International Pty Limited	Australia	100%	100%
TNZI USA LLC	USA	100%	100%
TNZI New Zealand Limited	New Zealand	100%	100%
TNZI Australia Pty Limited	Australia	100%	100%
TNZI UK Limited	United Kingdom	100%	100%
TNZI Singapore Pte Limited	Singapore	100%	100%
Symbio Wholesale NZ Pty Limited	New Zealand	100%	100%
Conference Call International Pty Limited	Australia	100%	100%
Express Virtual Meetings Pty Limited	Australia	100%	100%
Eureka Teleconferencing Pty Limited	Australia	100%	100%
Conference Call Asia Pty Limited	Australia	100%	100%
Ozlink Conferencing Pty Limited	Australia	100%	100%
Superinternet (S) Pte Limited	Singapore	100%	100%
Superinternet Access Pte Limited	Singapore	100%	100%
Telcoinabox Operations Pty Limited	Australia	100%	100%
IVox Pty Limited	Australia	100%	100%
Neural Networks Pty Limited	Australia	100%	100%
Symmetry Networks Pty Limited (ii)	Australia	-	100%
Mobile Service Solutions Pty Limited	Australia	100%	100%

(i) Mobile Enablement Australia Pty Ltd was officially de-registered on 21 August 2019.

(ii) On 1 December 2019, the MNF group completed the sale of Symmetry Networks Pty Ltd.

24. Entities over which control has been lost during the financial year

Symmetry Networks Pty Ltd, a subsidiary of the Group was sold for a total consideration of $300,000.

Name	Date of ownership ceased
Symmetry Networks Pty Ltd	1 December 2019

25. Goodwill and other intangibles

	Goodwill#	Brands#	Customer contracts#	Software development costs	Software and other assets#	Total
	$'000	$'000	$'000	$'000		$'000
Cost						
Balance at 1 July 2018	30,789	4,823	2,933	3,779	12,180	54,504
Additions	-	-	-	8,283	74	8,357
Acquisition of TIAB	15,493	596	5,518	-	14,444	36,051
Balance at 1 July 2019	**46,282**	**5,419**	**8,451**	**12,062**	**26,698**	**98,912**
Additions	-	-	-	8,817	65	8,882
Transfer from Work in Progress	-	-	-	-	51	51
Balance at 30 June 2020	**46,282**	**5,419**	**8,451**	**20,879**	**26,814**	**107,845**
Accumulated Amortisation						
Balance at 1 July 2018	-	-	(1,358)	(427)	(3,965)	(5,750)
Amortisation	-	-	(971)	(378)	(2,028)	(3,377)
Balance at 1 July 2019	**-**	**-**	**(2,329)**	**(805)**	**(5,993)**	**(9,127)**
Amortisation	-	-	(1,110)	(1,823)	(2,636)	(5,569)
Balance at 30 June 2020	**-**	**-**	**(3,439)**	**(2,628)**	**(8,629)**	**(14,696)**
Net Book Value						
At 30 June 2019	46,282	5,419	6,122	11,257	20,705	89,785
At 30 June 2020	**46,282**	**5,419**	**5,012**	**18,251**	**18,185**	**93,149**

Acquired externally or purchased as part of a business combination

26. Impairment testing

Impairment tests for intangible assets with definite useful lives

For the purpose of annual impairment testing, indefinite life intangible assets are allocated to the Group's CGUs. As at 30 June 2020, the Group had three CGUs, being Domestic Wholesale, Global Wholesale and Direct.

Carrying amount of Goodwill have been allocated to the following CGUs:

For the year ended 30 June	2020	2019
	$'000	$'000
CGUs		
Domestic Wholesale	21,579	21,579
Global wholesale	5,376	5,376
Direct	19,327	19,327
Total goodwill	**46,282**	**46,282**

Carrying amount of Brands have been allocated to the following CGUs:

For the year ended 30 June	2020	2019
	$'000	$'000
CGUs		
Domestic Wholesale	596	596
Global Wholesale	1,823	1,823
Direct	3,000	3,000
Total Brands	**5,419**	**5,419**

The recoverable amount of the Group's indefinite life intangible assets have been determined based on value-in-use calculations using cash flow projections based on five-year financial forecasts and assumptions that represent management's best estimate of the range of business and economic conditions at the time. Calculations are reviewed and approved by the Board of Directors.

Value-in-use represents the present value of the future net cash flow arising from the assets continued use and subsequent disposal. Any reduction in the carrying value is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income in the reporting period in which the impairment loss is incurred.

In determining value-in-use, management apply their best judgement in establishing forecasts of future operating performance, as well as a selection of growth rates, terminal rates and discount rates. These judgements are applied based on management's understanding of historical information and expectation of future performance.

Key assumptions used

The following describes the key assumptions on which the Group has based its cash flow projections when determining value in use relating to the cash-generating units:

	Domestic Wholesale		Global Wholesale		Direct	
	2020	2019	2020	2019	2020	2019
Discount rate (Post tax)	8%	10%	10%	14%	8%	10%
Terminal value Growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

The discount rate is based on the Group's weighted average costs of capital adjusted to reflect an estimate of specific risks assumed in the cashflow projections

The Terminal value growth rate is based on the Group's expectation of long term performance of the CGUs in line with industry expectations. This is used to extrapolate cashflows beyond the five year period.

Other key assumptions used in the value-in-use calculations include:

- Gross profit is based on expected customer growth rates and direct costs to deliver the services. Management have used assumptions based on historical trends and expected trends within market expectations.
- Overheads were forecast based on current expenditure adjusted for inflationary increases.
- Capital expenditure forecast based on requirement to maintain and expand network infrastructure to support the future growth assumed in profit projections

Based on the results of the impairment testing and evaluation, no impairment identified for the CGUs.

Sensitivity analysis

For all CGUs, any reasonable change in the key assumptions such as the terminal value growth rate and discount rate on which the recoverable amount is based would not cause any of the CGU's carrying amount to exceed its recoverable amount.

27. Earnings per share

Earnings and weighted average number of ordinary shares used in calculating basic and diluted earnings per share are:

For the year ended 30 June	2020	2019 Restated*
	$'000	$'000
Net profit attributable to ordinary equity holders of the Company	**11,947**	**9,943**

* Restated based on correction of deferred tax made to the 30 June 2019 financial year. See Note 5 for details.

For the year ended 30 June	2020	2019
	'000	'000
Weighted average number of shares:		
Weighted average number of ordinary shares for basic earnings per share	80,282	73,316
Add effect of dilution:		
- Share options	860	1,070
Weighted average number of ordinary shares for diluted earnings per share	**81,142**	**74,386**

28. Dividends paid and proposed

	Cents per share	$'000	Date of payment
Recognised amounts:			
2019 fully franked final dividend declared and paid	4.00	2,940	4-Oct-19
2020 fully franked interim dividend declared and paid	2.50	2,106	2-Apr-20
Unrecognised amounts:			
2020 fully franked final dividend declared(i)	3.60	3,035	1-Oct-20

(i) The final dividend was declared on 25 August 2020. The amount has not been recognised as a liability in the 2020 financial year and will be brought to account in the 2021 financial year.

The proposed payment date of the 2020 final dividend is 1 October 2020.

The amount of franking credits available for future reporting periods is $11,625.833 (2019: $9,069,796).

The tax rate at which paid dividends have been franked is 30% (2019: 30%). Dividends proposed will be franked at the rate of 30%.

29. Parent entity

Key financial information relating to the parent entity is summarised below:

For the year ended 30 June	2020	2019
	$'000	$'000
Statement of profit or loss and other comprehensive income		
Loss attributable to the owners of the Company	(6,857)	(3,732)
Other comprehensive (loss)/gain	(214)	(593)
Total comprehensive loss attributable to the owners of the Company	**(7,071)**	**(4,325)**
Statement of financial position		
Total current assets	29,822	3,852
Total non-current assets	111,629	100,301
Total current liabilities	(17,129)	(6,461)
Total non-current liabilities	(56,505)	(61,598)
Net assets	**67,817**	**36,094**
Issued Capital	106,585	55,936
Reserves	2,997	1,393
Retained earnings	(41,765)	(21,235)
Total equity	**67,817**	**36,094**

30. Financial risk management objectives and policies

The Group's principal financial instruments as at year end comprise cash at bank, trade and other receivables, trade payables, forward foreign exchange contract and a loan facility.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Foreign currency risk

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the United States Dollar (USD) and the New Zealand Dollar (NZD). Much of the USD exposure is subject to a natural hedge, as the buy and sell side of most foreign currency transactions are in USD. Any unhedged foreign exchange positions associated with our transactional exposures will directly affect profit or loss as a result of foreign currency movements. The Group's objective is to manage its foreign exchange risk against its functional currency and to hedge firm commitments and highly probable and material forecast transactions over varying time horizons using forward exchange contracts. Contracts are in place with all major creditworthy financial institutions.

Sensitivity to foreign currency movements:

A movement of +/- 10% in the Australian dollar at 30 June 2020 would impact the profit or loss by less than $138k (30 June 2019: $445k). This analysis assumes a movement in the Australian dollar across all currencies and only includes the effect of foreign exchange movements on monetary financial instruments.

(ii) Interest rate risk

The Group's interest rate exposure relates to short term cash and long-term loans, both are subject to the floating interest rate. The Group's objective is to minimise the cost of net borrowings and to minimise the impact of interest rate movements on the Group's interest expense and net earnings. The Group allows for up to 100% of its long-term loan at fixed rates using interest rate swaps whereby the Group agrees to exchange at defined periods the net difference between fixed and floating interest rates based on an agreed notional principal amount. This interest rate swap is designated into a hedge relationship and satisfies the requirements for hedge accounting.

(iii) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations as they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of current accounts, short term deposits, long-term borrowings, preference shares, finance leases and a revolving multi-option credit facility. The Group has access to a sufficient variety of sources of funding to adequately mitigate liquidity risks.

At the end of reporting period, the Group has $22,000,000 short term deposits due within 91-279 days, detailed schedule is as per below:

For the year ended 30 June	2020	2019
	$'000	$'000
Term deposit		
Not later than 1 month	-	-
Later than 1 and not later than 3 months	8,000	-
Later than 3 and not longer than 12 months	14,000	-
Longer than 1 year	-	-
Total	**22,000**	**-**

(iv) Credit risk

The Group has considered the impact of COVID-19 on its current economic environment and how this has affected our exposure to credit risk. For credit sales, the Group only trades with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Ageing analysis and ongoing credit evaluation are performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised. Management has undertaken a stringent review of this process as a direct result of the current pandemic. Receivable balances are monitored on an ongoing basis so that our exposure to bad debts is not significant. Refer to Note 7 for further information.

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

For the year ended 30 June	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Financial assets				
Cash	22,164	22,164	14,481	14,481
Weighted average effective interest rate 0.3% (2019: 1.2%)				
Short-term Term Deposit	22,000	22,000	-	-
Weighted average effective interest rate 0.69% (2019: Nil)				
Cash at call	2,000	2,000	1,000	1,000
Weighted average effective interest rate 1.5% (2019: 2.0%)				
Trade and other receivables	42,027	42,027	42,030	42,030
Financial liabilities				
On statement of financial position				
Trade payables	27,988	27,988	32,158	32,158
Loans and borrowings	30,000	30,000	55,600	55,600
Weighted average effective interest rate 3.23% (2019: 4.7%)				
Interest rate swap contract – cash flow hedge	841	841	628	628

31. Company details

The registered office and principal place of business of MNF Group Limited is:
Level 4, 580 George Street, Sydney, NSW, 2000, Australia

Directors' declaration

In accordance with a resolution of the directors of MNF Group Limited, the directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 21 to 53, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts
as and when they become due and payable; and

3. the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

On behalf of the Board

Terry Cuthbertson
Chairman

Rene Sugo
CEO and Executive Director

Sydney, 25 August 2020

MNF GROUP LIMITED ABN 37 118 699 853 and Controlled Entities

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MNF GROUP LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

MNSA PTY LTD

Allan Facey
Director

Dated in Sydney this 25th day of August 2020

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MNF GROUP LIMITED ABN 37 118 699 853 and Controlled Entities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MNF GROUP LIMITED and Controlled Entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MNF Group Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year then ended; and

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

Basis for Opinion

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

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

Key Audit Matters

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

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Key Audit Matter	*How Our Audit Addressed the Key Audit Matter*
Carrying Value of Goodwill	
MNF Group Limited has goodwill of $46.3m contained within three Cash Generating Units. For the Cash Generating Units, the determination of recoverable amount, being the value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant Cash Generating Units. Recoverable amounts are based on future financial forecasts and Management's view of a range of variables such as business and economic conditions including operating performance and the most appropriate growth and discount rates. Refer to Note 2 of the Financial Statements, Significant accounting policies.	We evaluated the appropriateness of Management's identification of the Group's Cash Generating Units and tested the effectiveness of the impairment assessment process, including indicators of impairment, noting no significant exceptions. Our procedures included challenging Management on the suitability of the impairment model, and the reasonableness of the assumptions, with particular attention to the business segments, by performing the following: • assessing MNF Group's key market-related assumptions in Management's valuation models with industry comparators and with assumptions made in the prior years including revenue and margin trends, capital expenditure on assets, market share, foreign exchange rates and discount rates, against external data where available; • testing the mathematical accuracy of the cash flow models and agreeing relevant data to Board approved long range plans; • assessing the reliability of Management's forecast through a review of actual performance against previous forecasts;and • consideration of COVID-19 impacts to managements assumptions and forecasts. We validated the appropriateness of the related disclosures in Note 25 and Note 26 to the Financial Statements, including the sensitivities provided with respect to acquisitions. Based on our procedures, we noted no issues of concern, and consider Management's key assumptions to be within a reasonable range.

Revenue recognition

Revenue represents a material balance consisting of a high volume of individually low value transactions and we have identified the following types of transactions and assertions related to revenue recognition which give rise to key risks:

- the accuracy and completeness of revenue recorded as a result of reliance on the output of billing systems; and
- entry of the billing system reports to the financial accounting records.

In responding to these matters, our audit approach included testing of systems and controls, in particular procedures covering:

- segments, products, billing systems, cash collection and other relevant support systems around the recognition of material revenue streams;
- the reconciliation of billing systems to the general ledger, including validation of material journals processed between the billing system and general ledger;
- the accuracy and completeness of recording customer bills;
- reconciliation of cash receipts from customers with the receivable's ledger; and
- consideration of COVID-19 impacts to collection of receivables and related provisions.

Based on our work, we noted no significant issues on the accuracy of revenue recorded in the year.

Capitalisation of Software Development and asset lives

There are a number of areas where management judgement impacts the carrying value of intangible assets and their respective amortisation profiles. These include:

- the decision to capitalise or expense costs; and
- the review of the annual asset life including the impact of changes in the Group's strategy.

We evaluated the appropriateness of capitalisation policies, performed tests on costs capitalised and assessed the timeliness of the transfer of assets in the course of development. There were no exceptions noted from our testing.

Our testing on the application of the asset life review identified no issues.

In performing these procedures, we considered the judgements made by management including:

- the nature of underlying costs capitalised as part of the cost of the software billing and delivery platforms;
- the appropriateness of asset lives applied in the calculation of amortisation;
- assessing the need for accelerated amortisation; and
- changes in development activities due to COVID-19 business environment.

No significant issues were noted from our testing.

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Taxation – Deferred tax assets/ liabilities and income tax expense

During the year the management undertook a review of its taxation policies and recalculated existing tax bases across the group.

As a result of this review, corrections from prior periods were identified by management and have resulted in the restatement of prior period balances.

Refer to Note 5 of the Financial Statements, Income and deferred tax.

In conducting our audit, we considered the updated tax policies of the group and evaluated the recalculated tax base.

Our procedures included challenging Management on the suitability of the updated tax policies of the group, and the accuracy and reasonableness of the recalculated tax base, by performing the following:

- assessing tax calculations of the tax base going forward;
- questioning management and its external taxation advisor on the accuracy of the corrected figures and quantifying the identified corrections from prior periods; and
- considered management judgements and external advice received timing of the corrections and disclosure requirements in line with the Australian Accounting Standards.

Based on our procedures, we noted no issues of concern, and consider Management's key assumptions and disclosures to be reasonable.

There were no restrictions on our reporting of Key Audit Matters.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the Directors' report for the year ended 30 June 2020.

In our opinion the Remuneration Report of MNF Group Limited for the year ended 30 June 2020, 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.

MNSA PTY LTD

AFacey

Allan Facey
Director

Dated in Sydney this 25th day of August 2020

Additional information required by ASX Ltd and not shown elsewhere in this report is as follows.
The information is current as at 13 August 2020.

(a) Distribution of equity securities

(i) Ordinary share capital

84,311,444 fully paid ordinary shares are held by 4,061 individual shareholders.
All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Options

860,000 unlisted options are held by 29 individual option holders.
Options do not carry a right to vote.

The numbers of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares
1 – 1,000	1,998
1,001 – 5,000	1,205
5,001 – 10,000	365
10,001 – 100,000	463
100,001 and over	30
	4,061

The number of security investors holding less than a marketable parcel of ordinary shares is 201.

(b) Substantial shareholders

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
Mr Andy Fung and related parties	13,625,802	16.17
Mr Rene Sugo and related parties	12,034,214	14.28
NAOS Asset Management Ltd	5,626,276	6.67

(c) Twenty largest holders of quoted equity securities

	Fully paid	
	Number	Percentage
National Nominees Limited	14,062,813	16.68
Mr Andy Kam Kan Fung & Ms My Van Monique Ly	13,417,448	15.92
HSBC Custody Nominees (Australia) Limited	11,749,517	13.93
Avondale Innovations Pty Ltd	10,838,955	12.86
J P Morgan Nominees Australia Pty Limited	3,998,428	4.74
Citicorp Nominees Pty Limited	2,015,307	2.39
RACS SMSF Pty Ltd	1,195,259	1.42
BNP Paribas Nominees Pty Ltd	985,734	1.17
Boorne Gregg Investments Pty Ltd	901,234	1.07
Kore Management Services Pty Ltd	855,906	1.02
Boorne Superannuation Fund Pty Ltd	811,226	0.96
Neweconomy Com AU Nominees Pty Limited	769,017	0.91
L & C Pty Ltd	700,000	0.83
Sandhurst Trustees Ltd	649,980	0.77
G & E Properties Pty Ltd	529,247	0.63
Lee Superfund Mgmt Pty Limited	385,000	0.46
Mr Michael John Boorne	371,199	0.44
Ms Le Quan Catherine Ly	301,275	0.36
Endan Pty Ltd	273,951	0.32
UBS Nominees Pty Ltd	255,483	0.30
	65,066,979	**77.18**

(d) On-Market Buy Back

There is currently no on-market buy back.

Corporate Information

Directors
Terry Cuthbertson (Chairman)
Michael Boorne
Andy Fung
David Stewart
Rene Sugo (CEO)

Company Secretary
Catherine Ly

Chief Financial Officer
Chris Last

Registered Office
Level 4, 580 George Street
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Bankers
Westpac Banking Corporation
Westpac Place
Sydney NSW 2000
Australia

HSBC Bank Australia Limited,
Head Office,
Sydney NSW 2000,
Australia

Principal Place of Business
Level 4, 580 George Street
Sydney NSW 2000
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Phone: 61 2 8008 8000

Share Registry
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
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Phone: 61 2 8280 7100

Auditors
MNSA Pty Ltd
Chartered Accountants
Level 1, 283 George Street
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Australia

This annual report covers both MNF Group Limited as an individual entity and the consolidated group comprising MNF Group Limited and its subsidiaries.

The Group's functional and presentation currency is AUD. The Company is listed on the Australian Securities Exchange under the code MNF.

Annual Report
Copies of the 2020 Annual Report with the Financial Statements can be downloaded from:
www.mnfgroup.limited/investors/annual-reports

www.mnfgroup.limited

MNF Group Limited Financial Report 2020