CASHREWARDS™

Cashrewards Group Pty Limited

ABN 95 615 084 654

General Purpose Annual Report - 30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cashrewards Group Pty Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors
The following persons were directors of Cashrewards Group Pty Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Clarke
Rajeev Gupta
Brett Johnson (appointed 28 August 2020)
Joshua Lowcock (appointed 17 August 2020)
Lauren Williams (appointed 19 August 2020)
Bernard Wilson (appointed 13 August 2020)
Benjamin Bruck (resigned 14 August 2020)
Iain Skelton (resigned 13 August 2020)

Principal activities
Cashrewards is a technology platform that provides rewards in the form of cash to members for transacting with online and in-store retail merchant partners. During the financial year the principal continuing activities of the Group consisted of receiving commissions from merchant partners and providing cashback to members when shopping through the Cashrewards platform.

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

Review of operations
The majority of revenue originates from online shopping, however the in-store offering that was launched in financial year ended 30 June 2019 continues to grow rapidly with over 125,000 cards linked.

At the end of the year the Company had over 750,000 members (an increase of 36% from the prior year) that are able to shop at over 1,400 merchant partners.

The loss for the Group after providing for income tax amounted to $6,631,972 (30 June 2019: $3,334,113).

The increasing loss is due to the ongoing investment in market growth and member acquisition, which is funded through ongoing capital raising activity.

During the year Cashrewards raised $7,400,001 in ordinary share capital from current and new investors to continue driving growth.

Significant changes in the state of affairs

Issue of ordinary shares
During the year, the Company has raised a further $7.4 million in cash through the issue of ordinary share capital.

COVID-19
During the year, the existence of the infectious disease Coronavirus (COVID-19) has become widely known and rapidly spread throughout the world, including Australia. It was declared a pandemic in March 2020 by the World Health Organisation. There have been considerable impacts in Australia and globally arising from the outbreak of COVID-19 and Government action to reduce the spread of the virus. The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity.

The impact of COVID-19 resulted in a net decrease to revenues during the year as the Company was affected both negatively and positively. The negative impact was mainly the decrease in revenue related to travel from both the decrease of new bookings in the period after government imposed travel bans, as well as the cancellation of travel bookings made earlier in the year.

However the Company also recorded many positive increases during this period, as the Company saw more than 80% growth in categories such as Tech, Beauty, Utilities, Outdoor and Sports. These increases offset a significant portion of the decrease from travel.

Initial Public Offer plans
The Company is advanced in its plans to raise capital to support its growth objectives, by conducting an Initial Public Offering ('IPO') on the Australian Stock Exchange ('ASX'). The IPO is scheduled to take place in calendar year 2020.

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

Matters subsequent to the end of the financial year
The impact of the COVID-19 pandemic is ongoing and while there is no clarity on when global travel bans will end the Company continues to record growth in other categories that is higher than previous years. However, it is not practicable to estimate the potential impact in the medium or long term until a vaccine is approved for use.

Pre Initial Public Offering Equity Raise
During August 2020 the Company successfully raised $5.65 million in share capital to continue to invest in order to scale growth and metrics into its planned IPO.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

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

Shares under option
Unissued ordinary shares of Cashrewards Group Pty Limited under option at the date of this report are as follows:

Grant date	*Expiry date*	*Exercise price*	*Number under option*
1 July 2017	No fixed date*	$0.01	9,531,795
1 July 2018	No fixed date*	$0.01	4,586,888
1 March 2019	No fixed date*	$0.14	108,156
1 April 2019	No fixed date*	$0.01	3,345,200
1 January 2020	No fixed date*	$0.19	4,063,425
1 April 2020	No fixed date*	$0.14	3,130,646
22 April 2020	No fixed date*	$0.19	2,000,000
22 April 2020	No fixed date*	$0.14	205,496
4 May 2020	No fixed date*	$0.19	190,000
4 May 2020	No fixed date*	$0.14	205,496
11 May 2020	No fixed date*	$0.19	165,000
11 May 2020	No fixed date*	$0.14	178,457
25 May 2020	No fixed date*	$0.19	90,000
25 May 2020	No fixed date*	$0.14	97,340
			27,897,899

* The expiry date of options is not defined however it is currently either on termination of employment or on a liquidity event.

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

Shares issued on the exercise of options
There were no ordinary shares of Cashrewards Group Pty Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

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

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

This report is made in accordance with a resolution of directors.

On behalf of the directors

Andrew Clarke
Director

8 October 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue	6	17,111,921	17,984,167
Other income	7	403,446	-
Expenses			
Cost of sales		(11,721,590)	(11,897,409)
Marketing		(2,905,970)	(2,254,656)
Salaries and wages		(4,675,075)	(4,398,694)
General and administration		(3,917,795)	(3,172,994)
Finance costs	8	(2,185,092)	(697,057)
Loss before income tax benefit		(7,890,155)	(4,436,643)
Income tax benefit	9	1,258,183	1,102,530
Loss after income tax benefit for the year attributable to the owners of Cashrewards Group Pty Limited		(6,631,972)	(3,334,113)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Cashrewards Group Pty Limited		(6,631,972)	(3,334,113)
		Cents	**Cents**
Basic earnings per share	38	(3.33)	(2.58)
Diluted earnings per share	38	(3.33)	(2.58)

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

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	10	2,732,849	1,460,225
Trade and other receivables	11	2,254,067	2,850,088
Contract assets	12	2,586,027	2,986,141
Other	13	44,289	103,259
Total current assets		7,617,232	7,399,713
Non-current assets			
Property, plant and equipment	14	108,444	115,529
Intangibles	15	3,169,296	3,234,430
Deferred tax	16	962,074	-
Other	17	42,596	82,796
Total non-current assets		4,282,410	3,432,755
Total assets		11,899,642	10,832,468
Liabilities			
Current liabilities			
Trade and other payables	18	6,900,156	6,638,422
Borrowings	19	2,330,519	1,993,909
Employee benefits	20	246,386	188,762
Provisions	21	2,722,666	2,835,381
Other	22	1,955,017	438,361
Total current liabilities		14,154,744	12,094,835
Non-current liabilities			
Borrowings	23	-	1,764,662
Deferred tax	24	-	296,109
Total non-current liabilities		-	2,060,771
Total liabilities		14,154,744	14,155,606
Net liabilities		(2,255,102)	(3,323,138)
Equity			
Issued capital	25	9,650,051	2,250,050
Reserves	26	1,922,923	1,622,916
Accumulated losses		(13,828,076)	(7,196,104)
Total deficiency in equity		(2,255,102)	(3,323,138)

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

Consolidated	**Issued capital $**	**Share-based payments reserve $**	**Common control share equity reserve $**	**Accumulated losses $**	**Total deficiency in equity $**
Balance at 1 July 2018	50	316,446	923,000	(3,861,991)	(2,622,495)
Loss after income tax benefit for the year	-	-	-	(3,334,113)	(3,334,113)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,334,113)	(3,334,113)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 25)	2,250,000	-	-	-	2,250,000
Share-based payments (note 39)	-	383,470	-	-	383,470
Balance at 30 June 2019	2,250,050	699,916	923,000	(7,196,104)	(3,323,138)

Consolidated	**Issued capital $**	**Share-based payments reserve $**	**Common control share equity reserve $**	**Accumulated losses $**	**Total deficiency in equity $**
Balance at 1 July 2019	2,250,050	699,916	923,000	(7,196,104)	(3,323,138)
Loss after income tax benefit for the year	-	-	-	(6,631,972)	(6,631,972)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(6,631,972)	(6,631,972)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 25)	7,400,001	-	-	-	7,400,001
Share-based payments (note 39)	-	300,007	-	-	300,007
Balance at 30 June 2020	9,650,051	999,923	923,000	(13,828,076)	(2,255,102)

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	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		19,767,038	16,607,621
Payments to suppliers and employees (inclusive of GST)		(22,573,388)	(16,875,325)
		(2,806,350)	(267,704)
Other revenue		437,840	74,435
Interest and other finance costs paid		(668,436)	(697,057)
Income taxes refunded		-	902,960
Net cash from/(used in) operating activities	37	(3,036,946)	12,634
Cash flows from investing activities			
Payments for property, plant and equipment	14	(63,613)	(33,704)
Payments for intangibles	15	(1,638,966)	(1,772,109)
Payments for security deposits		-	(42,596)
Proceeds from release of security deposits		40,200	-
Net cash used in investing activities		(1,662,379)	(1,848,409)
Cash flows from financing activities			
Proceeds from issue of shares	25	7,400,001	2,250,000
Proceeds from borrowings		-	1,449,933
Repayment of borrowings		(1,428,052)	(520,365)
Net cash from financing activities		5,971,949	3,179,568
Net increase in cash and cash equivalents		1,272,624	1,343,793
Cash and cash equivalents at the beginning of the financial year		1,460,225	116,432
Cash and cash equivalents at the end of the financial year	10	2,732,849	1,460,225

Note 1. General information

The financial statements cover Cashrewards Group Pty Limited ('Company' or 'parent entity') as a Group consisting of Cashrewards Group Pty Limited and the entities it controlled at the end of, or during, the year (together are referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Cashrewards Group Pty Limited's functional and presentation currency.

Cashrewards Group Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 16 1 Market Street Sydney NSW 2000	Level 3 Suite 306 815 Pacific Hwy Chatswood NSW 2067

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 October 2020. The directors have the power to amend and reissue the financial statements.

Note 2. AASB 1 'First-time Adoption of Australian Accounting Standards'

The Group previously prepared general purpose (reduced disclosure requirement) financial statements for internal management purposes, that adopted full recognition and measurements of Australian Accounting Standards but selected disclosures. These financial statements are the first general purpose financial statements prepared under Australian Accounting Standards. The Group has taken the exemptions available to it in accordance with AASB 1 'First-time Adoption of Australian Accounting Standards' where possible.

There were no reconciling differences either (i) at the date of transition to Australian Accounting Standards (1 July 2019); and (ii) the end of the previous comparative period (30 June 2019).

Note 3. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following new Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. 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. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in general and administration costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Practical expedients applied
In adopting AASB 16, the Group has used the practical expedient permitted by the standard and accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

Note 3. Significant accounting policies (continued)

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits at 1 July 2019 and no lease had a term in excess of 12 months at the date of adoption 1 July 2019. Accordingly, no right-of-use assets or lease liabilities have been reflected on the face of the statement of financial position.

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117) (note 30)	102,663
Low-value assets and short-term leases not recognised as a right-of-use asset (AASB 16)	(102,663)
Right-of-use assets (AASB 16)	-
Lease liabilities - current (AASB 16)	-
Lease liabilities - non-current (AASB 16)	-
Impact on opening retained profits as at 1 July 2019	-

Going concern
The statement of financial position reflects a net current liability position as at 30 June 2020 of $6.5 million (30 June 2019: $4.7 million) as all provision for member redemptions and member financial liabilities are shown in current liabilities notwithstanding historically they are not redeemed all within one year.

The financial statements have been prepared on the going concern basis, based on the $5.65 million pre IPO funding received in August 2020, the cash resources the Group had as at the end of August 2020 of over $8 million, the Group trading in line with its board approved budget for financial year 2021 and the continued receipt of the R&D tax incentive.

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

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Parent entity information
These financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cashrewards Group Pty Limited as at 30 June 2020 and the results of all subsidiaries for the year then ended.

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

Note 3. Significant accounting policies (continued)

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

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

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

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

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

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition
The Group recognises revenue as follows:

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

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

Revenue is recognised over time if:
- the customer simultaneously receives and consumes the benefits as the entity performs; or
- the customer controls the asset as the entity creates or enhances it; or
- the seller’s performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Note 3. Significant accounting policies (continued)

Where the above criteria are not met, revenue is recognised at a point in time.

The Group recognises revenue predominantly from the following services:

Network and direct sales (excluding travel)
Network and direct sales revenue are the primary source of revenue for the Group. This represents commissions that the Group earns when a Cashrewards member (Members) makes a transaction with a Merchant (Merchants) via one of the Cashrewards mediums e.g. website, application, in-store.

In the application of AASB 15, the Group has determined that Merchants are the customers of the Group. Our performance obligation is to facilitate sales for Merchants and this is satisfied at the point in time when a member makes a purchase with the Merchant.

Merchants have standard return periods during which the member may return goods or services purchased for a refund. If this occurs during the return period, the Group will similarly refund any commission received from the Merchant for that transaction. This therefore varies the commission that the Group is entitled to receive. For that reason, the Group constrains its revenue to recognise that some members will return their purchases and therefore the revenue that the Group is entitled to receive will be reduced. The Group regularly reviews its estimate of the rate of returns and at the reporting date the Group estimates the provision for declined transactions. This is estimated using our historical declined sales experience and reduces revenue recognised. This amount also reduces the contract asset receivable (refer below). When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as revenue.

Network and direct sales revenue is recognised on a gross basis (gross of amounts payable to our members) as this represents the agreed commission to be earned by Cashrewards from fulfilling its performance obligation with its Merchants.

Network and direct sales (travel)
For travel-related network and direct sales, unlike other purchases of goods and services, the member does not obtain the benefit of the services purchased until a future point in time, generally being the date of travel for flights or the date of check-in for hotels.

For these sales, commission is recognised as revenue only when the member travel has actually occurred and the Merchant has approved the completed sale. Any amounts received from the Merchant in advance of the date of travel are recorded as a financial liability under AASB 9 for the full amount.

Gift card sales
Gift card sales revenue is commissions received from Merchants whenever members buy gift cards off the Merchants via the Group's online platforms.

Advertising sales
The Group sells advertising spots on its website and promotional emails. Advertising sales revenue is amounts received from Merchants for an ad placement on the website or promotional email to members. Revenue is recognised when the advertisement is placed.

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

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

Note 3. Significant accounting policies (continued)

Cost of sales

Cost of sales (excluding travel)
Cost of sales represents the accrual of the cashback reward obligation to members for purchases they have made and is recognised at the same time the associated commission revenue is recognised. Cost of sales is similarly reduced to reflect the potential for members to return purchases, as members will lose the right to the cashback reward associated with returned purchases. When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as cost of sales.

Cost of sales (travel)
Cost of sales represents the accrual of the cashback reward obligation to members for travel that has been completed and is recognised at the same time the associated commission revenue is recognised.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

The R&D tax incentive is recorded as a credit to the income tax expense.

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

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

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

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

Note 3. Significant accounting policies (continued)

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

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

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Contract assets
Contract assets are recognised when the Group has performed its performance obligation by the member transacting with a Merchant via one of the Cashrewards mediums, but the Group is yet to establish an unconditional right to consideration as the member may return the goods or services purchased within the Merchant’s return period. A reduction in contract assets is recorded to reflect the potential for subsequent member returns or cancellations. When the return period of the goods or services purchased expires and the member has not returned the items, the full amount receivable as a commission is reclassified as a trade receivable.

Contract assets are assessed for impairment under AASB 9. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, contract assets have been grouped based on days overdue.

No contract asset is recorded for travel commissions until the member travel has actually occurred.

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

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

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

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

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

Note 3. Significant accounting policies (continued)

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

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

Computer equipment	3 years
Office equipment	5 years

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

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

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

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Member financial liabilities
A AASB 9 financial liability is recorded to reflect the cashback reward obligation for members who have a total cashback reward accrual of $10.01 or more.

Note 3. Significant accounting policies (continued)

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

Warrants issued by the Group in connection with bank loans are classified as a financial liability and are measured at fair value, with gains or loss recognised in profit or loss.

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

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

Provision for Member redemptions
When cost of sales is recognised, a corresponding liability is recognised that represents the obligation of the Group to redeem the members' accrued rewards. Members are only able to withdraw their cashback rewards when they have accrued $10.01 or more in cashback rewards. A AASB 137 provision is recorded to reflect the cashback reward obligation for members who have a total cashback reward accrual of less than $10.01. Cancellation and rewards expiry for non-use (Inactive Accounts) are reversed against cost of sales.

No provision for member redemption is recorded for travel cashback until the member travel has occurred.

Employee benefits

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

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

Note 3. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

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

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

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

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Note 3. Significant accounting policies (continued)

Earnings per share

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

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

Predecessor value method
A business combination is a common control combination if the combining entities are ultimately controlled by the same party both before and after the combination and common control is not transitory. Such transactions are accounted for under the predecessor value method. Under this method, assets and liabilities are recorded at previous carrying value and no fair value adjustments made. Intangible assets are recognised only to the extent that they were recognised by the acquiree in accordance with AASB 138. No goodwill is recognised under this method as no new goodwill is recorded. Instead, the shares issued to acquire the net assets has been recognised in a common control share equity reserve.

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 4. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be any further significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the warrants formula in the warrants agreement based on the fair market value of an ordinary share at each reporting date.

Capitalisation of internally-developed software and other intellectual property
Amounts capitalised as part of internally-developed intellectual property include the total cost of any external products or services and labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved.

Amortisation
Useful lives and residual value of intangible assets are reviewed annually. Judgment is applied in determining the useful lives of intangible assets. Any reassessment of useful lives and residual value in a particular period will affect amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future periods.

For unique intellectual property developed and controlled by the Group, the useful life is based on anticipation of future events which may impact their useful life, such as changes in technology.

Deferred tax asset
Deferred tax assets in relation to carried forward tax losses have been recognised during the current year, based on management's assessment that sufficient future taxable profits are probable to utilise the recognised deferred tax assets (offset against deferred tax liabilities).

Note 4. Critical accounting judgements, estimates and assumptions (continued)

'Contract asset decline' provision
Management makes assumptions in estimation of the 'contract asset decline provision for subsequent returns or cancelations by customers of the Merchants, which are based on prior periods statistical information. These assumptions are subject to significant judgement at balance date.

Provision for Member redemptions
When cost of sales is recognised, a corresponding liability is recognised by management that represents the obligation of the Group to redeem the members' accrued rewards.

Note 5. Operating segments

Identification of reportable operating segments
The Group is organised into one operating segment as the Group operated in Australia and in one industry being the supply of a technology platform that provides cashback to members for transacting with online and in-store merchant partners. This assessment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly the information provided in this Annual Report reflects the one operating segment.

Note 6. Revenue

	Consolidated	
	2020	**2019**
	$	**$**
Revenue from contracts with customers		
Commission	16,213,535	17,092,115
Gift card commission	536,600	477,090
Advertising	327,392	340,527
	17,077,527	17,909,732
Other revenue		
Other revenue	34,394	74,435
Revenue	17,111,921	17,984,167

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

	Consolidated	
	2020	**2019**
	$	**$**
Major product lines		
Commission - Online	16,076,551	17,050,867
Commission - In-store	136,984	41,248
Gift card commission	536,600	477,090
Advertising	327,392	340,527
	17,077,527	17,909,732
Geographical regions		
Australia	17,077,527	17,909,732
Timing of revenue recognition		
Services transferred at a point in time	17,077,527	17,909,732

Note 7. Other income

	Consolidated 2020 $	Consolidated 2019 $
Government grants (COVID-19)	364,000	-
Other income	39,446	-
Other income	403,446	-

Government grants (COVID-19)
During the Coronavirus ('COVID-19') pandemic, the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The Group is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

During the year the Group received payments from the Australian Government amounting to $25,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Group will comply with any conditions attached.

Note 8. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	54,118	57,158
Office equipment	16,580	12,868
Total depreciation	70,698	70,026
Amortisation		
Development	1,704,021	1,484,379
Software	79	5,015
Total amortisation	1,704,100	1,489,394
Total depreciation and amortisation	1,774,798	1,559,420
Finance costs		
Interest and finance charges paid/payable on borrowings	668,436	697,057
Net fair value loss on revaluation of warrants (note 22)	1,516,656	-
Finance costs expensed	2,185,092	697,057
Net foreign exchange loss		
Net foreign exchange loss	30,041	15,564
Superannuation expense		
Defined contribution superannuation expense	417,263	412,129
Share-based payments expense		
Share-based payments expense	300,007	383,470

Note 9. Income tax benefit

	Consolidated 2020 $	Consolidated 2019 $
Income tax benefit		
Current tax	-	(944,506)
Deferred tax - origination and reversal of temporary differences	(1,258,183)	(158,024)
Aggregate income tax benefit	(1,258,183)	(1,102,530)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 16)	(962,074)	-
Decrease in deferred tax liabilities (note 24)	(296,109)	(158,024)
Deferred tax - origination and reversal of temporary differences	(1,258,183)	(158,024)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(7,890,155)	(4,436,643)
Tax at the statutory tax rate of 30%	(2,367,047)	(1,330,993)
Other non deductible expenses	1,108,864	228,463
Income tax benefit	(1,258,183)	(1,102,530)

Note 10. Current assets - cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash on hand	250	12
Cash at bank	2,732,599	1,460,213
	2,732,849	1,460,225

Note 11. Current assets - trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Trade receivables	1,309,561	1,905,582
R&D incentive receivable	944,506	944,506
	2,254,067	2,850,088

R&D tax incentive is accrued when it can be reliably measured and it is probable the Company will receive the claim based on the AusIndustry and Australian Taxation Office R&D guidelines. The R&D incentive accrued is recorded as a credit to tax expense.

Following the lodgement of the 30 June 2019 tax return, the proceeds of the 2019 R&D credit application were received in the financial year ending 30 June 2021. The Company had not lodged its AusIndustry R&D application as at 30 June 2020 which is due no later than 30 April 2021. Therefore, the 2020 R&D credits cannot be reliably measured as at 30 June 2020. The Company expects to complete this and lodge its 30 June 2020 tax return by its lodgement date and receipt the 30 June 2020 R&D incentive in the year ending 30 June 2021.

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Note 11. Current assets - trade and other receivables (continued)

Allowance for expected credit losses
The Group has recognised a loss of $15,456 (2019: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2019.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2020	2019	2020	2019	2020	2019
Consolidated	%	%	$	$	$	$
Not overdue	-	-	838,177	1,494,374	-	-
0 to 3 months overdue	-	-	372,228	343,568	-	-
3 to 6 months overdue	-	-	46,770	45,626	-	-
Over 6 months overdue	-	-	52,386	22,014	-	-
			1,309,561	1,905,582	-	-

Note 12. Current assets - contract assets

	Consolidated 2020 $	Consolidated 2019 $
Contract assets	2,586,027	2,986,141

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

	2020 $	2019 $
Opening balance	2,986,141	2,403,369
Net additions and transfers to trade receivables	(400,114)	582,772
Closing balance	2,586,027	2,986,141

Note 13. Current assets - other

	Consolidated 2020 $	Consolidated 2019 $
Prepayments	14,532	67,617
Other current assets	29,757	35,642
	44,289	103,259

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Computer equipment - at cost	278,780	224,256
Less: Accumulated depreciation	(203,971)	(149,853)
	74,809	74,403
Office equipment - at cost	89,210	80,121
Less: Accumulated depreciation	(55,575)	(38,995)
	33,635	41,126
	108,444	115,529

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

Consolidated	*Computer equipment $*	*Office equipment $*	*Total $*
Balance at 1 July 2018	113,206	38,645	151,851
Additions	18,355	15,349	33,704
Depreciation expense	(57,158)	(12,868)	(70,026)
Balance at 30 June 2019	74,403	41,126	115,529
Additions	54,524	9,089	63,613
Depreciation expense	(54,118)	(16,580)	(70,698)
Balance at 30 June 2020	74,809	33,635	108,444

Note 15. Non-current assets - intangibles

	Consolidated 2020 $	Consolidated 2019 $
Development - at cost	8,363,476	6,724,510
Less: Accumulated amortisation	(5,194,180)	(3,490,159)
	3,169,296	3,234,351
Software - at cost	41,783	41,783
Less: Accumulated amortisation	(41,783)	(41,704)
	-	79
	3,169,296	3,234,430

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Note 15. Non-current assets - intangibles (continued)

Reconciliations

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

Consolidated	*Development* $	*Software* $	*Total* $
Balance at 1 July 2018	2,946,621	5,094	2,951,715
Additions	1,772,109	-	1,772,109
Amortisation expense	(1,484,379)	(5,015)	(1,489,394)
Balance at 30 June 2019	3,234,351	79	3,234,430
Additions	1,638,966	-	1,638,966
Amortisation expense	(1,704,021)	(79)	(1,704,100)
Balance at 30 June 2020	3,169,296	-	3,169,296

Note 16. Non-current assets - deferred tax

	Consolidated	
	2020 **$**	**2019** **$**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,783,147	-
Intangible assets	(950,789)	-
Provisions	55,800	-
Annual leave	73,916	-
Deferred tax asset	962,074	-
Movements:		
Opening balance	-	-
Credited to profit or loss (note 9)	962,074	-
Closing balance	962,074	-

Note 17. Non-current assets - other

	Consolidated	
	2020 **$**	**2019** **$**
Security deposits	42,596	82,796

Note 18. Current liabilities - trade and other payables

	Consolidated 2020 $	2019 $
Trade payables	396,196	513,939
Member financial liabilities	5,629,361	5,421,821
Accrued expenses	245,306	254,028
Other payables	629,293	448,634
	6,900,156	6,638,422

Refer to note 28 for further information on financial instruments.

Note 19. Current liabilities - borrowings

	Consolidated 2020 $	2019 $
Related party loan - Andrew Clarke	1,286,077	-
Loan - Partners for Growth	1,044,442	1,993,909
	2,330,519	1,993,909

Refer to note 28 for further information on financial instruments.

Loan - Andrew Clarke
The Company has a term loan outstanding of $1,286,077 at 30 June 2020 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021. The loan was classified as non-current in the prior year (refer note 23).

Loan - Partners for Growth
The Company's borrowing with its financier Partners for Growth of $1,993,909 at 30 June 2019 had an interest rate of 12.75% and a maturity date of 1 April 2021 with monthly principal and interest repayments of $108,333. Included in the loan agreement were exercisable warrants to acquire ordinary shares which had been treated as an embedded derivative and valued at $1,955,017 (2019: $438,361) as at 30 June 2020 (refer note 22). As at 30 June 2019 the Company had breached one of its loan covenants and the Company received a full waiver from its financier.

The Company has a bridge loan outstanding at 30 June 2020 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021. The loan was classified as non-current in the prior year (refer note 23).

Note 20. Current liabilities - employee benefits

	Consolidated 2020 $	2019 $
Annual leave	246,386	188,762

Note 21. Current liabilities - provisions

	Consolidated 2020 $	2019 $
Member redemptions	2,722,666	2,835,381

Note 21. Current liabilities - provisions (continued)

Member redemptions
Member redemptions represent the Group's cashback obligations to members for transacting online or in-store but where a contractual obligation to deliver cash does not yet exist at balance date.

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

Consolidated - 2020	*Member redemptions* *$*
Carrying amount at the start of the year	2,835,381
Net movements during the year	(112,715)
Carrying amount at the end of the year	2,722,666

Note 22. Current liabilities - other

	Consolidated	
	2020 **$**	**2019** **$**
Embedded derivative - warrants	1,955,017	438,361

The Partners for Growth Loan include warrant rights which convert into ordinary shares based on the formula in the warrants agreement based on the fair market value of the Company's ordinary shares. The warrants convert into a variable number of shares and have been recorded as a financial liability. The warrants will expire at the end of 7 years or a liquidity event.

Note 23. Non-current liabilities - borrowings

	Consolidated	
	2020 **$**	**2019** **$**
Related party loan - Andrew Clarke	-	1,287,389
Loan - Partners for Growth	-	477,273
	-	1,764,662

Refer to note 28 for further information on financial instruments.

Loan - Andrew Clarke (Director and major shareholder)
The Company has a term loan outstanding of $1,287,389 at 30 June 2019 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021. The loan was reclassified to current in the current financial year (refer note 19).

Loan - Partners for Growth
The Company has a bridge loan of $477,273 at 30 June 2019 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021. The loan was reclassified to current in the current financial year (refer note 19).

Note 24. Non-current liabilities - deferred tax

	Consolidated 2020 $	Consolidated 2019 $
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	-	(649,064)
Intangible assets	-	970,306
Provisions	-	31,496
Annual leave	-	(56,629)
Deferred tax liability	-	296,109
Movements:		
Opening balance	296,109	454,133
Credited to profit or loss (note 9)	(296,109)	(158,024)
Closing balance	-	296,109

Note 25. Equity - issued capital

	Consolidated 2020 Shares	Consolidated 2019 Shares	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares - fully paid	218,721,050	156,620,000	9,650,051	2,250,050

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	125,296,000		50
Issue of shares	14 May 2019	31,324,000	$0.07183	2,250,000
Balance	30 June 2019	156,620,000		2,250,050
Issue of shares	30 August 2019	5,220,412	$0.09577	500,001
Bonus issue	30 August 2019	4,350,000		-
Issue of shares	4 September 2019	10,441,683	$0.09577	1,000,000
Issue of shares	5 September 2019	10,441,683	$0.09577	1,000,000
Issue of shares on exercise of option	20 November 2019	5,220,842	$0.09577	500,000
Issue of shares	6 December 2019	3,003,003	$0.16641	500,000
Issue of shares	10 December 2019	1,201,202	$0.16641	200,000
Issue of shares	12 December 2019	15,015,016	$0.16641	2,500,000
Issue of shares	13 December 2019	1,201,202	$0.16641	200,000
Issue of shares	20 December 2019	4,804,805	$0.16641	800,000
Issue of shares	10 January 2020	1,201,202	$0.16641	200,000
Balance	30 June 2020	218,721,050		9,650,051

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

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

Note 25. Equity - issued capital (continued)

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

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

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

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 26. Equity - reserves

	Consolidated	
	2020 $	2019 $
Share-based payments reserve	999,923	699,916
Common control share equity reserve	923,000	923,000
	1,922,923	1,622,916

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Common control share equity reserve
In December 2016, under the direction of its controlling shareholder the Company acquired the business of Friendly Group Pty Limited and The Shopping Rewards Investment Trust, trading as ShopGo fully controlled by the controlling shareholder of the Company. This acquisition was a business combination under common control and in accordance with the Company's accounting policies for business combinations under common control was accounted for under the predecessor value method, whereby assets and liabilities were recorded at previous carrying value and no fair value adjustments made. The Company has recorded an increase to a common control equity reserve at the book value of the net assets acquired.

Note 27. Equity - dividends

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

Note 28. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis for interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Note 28. Financial instruments (continued)

Market risk

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following borrowings outstanding:

	2020		2019	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Related party loan - Andrew Clarke	12.75%	1,286,077	12.75%	1,287,389
Loan - Partners for Growth	12.75%	1,044,442	12.75%	2,471,182
Net exposure to interest rate risk		2,330,519		3,758,571

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

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

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

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

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

Note 28. Financial instruments (continued)

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

Consolidated - 2020	*Weighted average interest rate %*	*1 year or less $*	*Between 1 and 2 years $*	*Between 2 and 5 years $*	*Over 5 years $*	*Remaining contractual maturities $*
Non-derivatives						
Non-interest bearing						
Trade payables	-	396,196	-	-	-	396,196
Member financial liabilities (on demand)	-	5,629,361	-	-	-	5,629,361
Other payables	-	629,293	-	-	-	629,293
Interest-bearing - fixed rate						
Related party loan - Andrew Clarke	12.75%	1,429,555	-	-	-	1,429,555
Loan - Partners for Growth	12.75%	1,177,609	-	-	-	1,177,609
Total non-derivatives		9,262,014	-	-	-	9,262,014

Consolidated - 2019	*Weighted average interest rate %*	*1 year or less $*	*Between 1 and 2 years $*	*Between 2 and 5 years $*	*Over 5 years $*	*Remaining contractual maturities $*
Non-derivatives						
Non-interest bearing						
Trade payables	-	513,939	-	-	-	513,939
Member financial liabilities (on demand)	-	5,421,821	-	-	-	5,421,821
Other payables	-	448,634	-	-	-	448,634
Interest-bearing - fixed rate						
Related party loan - Andrew Clarke	12.75%	164,142	1,431,013	-	-	1,595,155
Loan - Partners for Growth	12.75%	2,248,132	530,519	-	-	2,778,651
Total non-derivatives		8,796,668	1,961,532	-	-	10,758,200

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

Note 29. Fair value measurement

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

Consolidated - 2020	*Level 1* *$*	*Level 2* *$*	*Level 3* *$*	*Total* *$*
Liabilities				
Embedded derivative - warrants	-	-	1,955,017	1,955,017
Total liabilities	-	-	1,955,017	1,955,017

Consolidated - 2019	*Level 1* *$*	*Level 2* *$*	*Level 3* *$*	*Total* *$*
Liabilities				
Embedded derivative - warrants	-	-	438,361	438,361
Total liabilities	-	-	438,361	438,361

There were no transfers between levels during the financial year.

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

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

Valuation techniques for fair value measurements categorised within level 2 and level 3
Warrants have been valued based on the warrants formula in the warrants agreement based on the fair market value of an ordinary share at each reporting date.

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

Consolidated	*Embedded derivative - warrants* *$*
Balance at 1 July 2018	275,817
Additions	162,544
Balance at 30 June 2019	438,361
Net fair value loss on warrants	1,516,656
Balance at 30 June 2020	1,955,017

Note 30. Key management personnel disclosures

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

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	439,366	515,277
Share-based payments	126,227	149,321
	565,593	664,598

Note 31. Remuneration of auditors

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

	Consolidated	
	2020 $	2019 $
Audit services - Deloitte Touche Tohmatsu		
Audit of the financial statements	63,500	38,500

Note 32. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 33. Commitments

	Consolidated 2019 $
Lease commitments	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	102,663

Operating lease commitments includes contracted amounts for offices under non-cancellable operating leases expiring within one year with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Operating lease commitments were disclosed under the requirements of AASB 117 'Leases'. AASB 117 was superseded by AASB 16 'Leases' effective 1 July 2019.

Note 34. Related party transactions

Parent entity
Cashrewards Group Pty Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30.

Note 34. Related party transactions (continued)

Transactions with related parties
Interest was incurred on the related party loan. There we no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2020	**2019**
	$	**$**
Non-current borrowings:		
Loan from director, Andrew Clarke	1,286,077	1,287,389

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 35. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2020	**2019**
	$	**$**
Loss after income tax	(2,539,214)	(136,021)
Total comprehensive income	(2,539,214)	(136,021)

Statement of financial position

	Parent	
	2020	**2019**
	$	**$**
Total current assets	944,506	944,506
Total assets	15,405,890	9,022,409
Total current liabilities	2,465,618	2,432,265
Total liabilities	5,911,408	4,845,991
Equity		
Issued capital	9,650,001	2,250,000
Reserves	1,922,923	1,622,916
Retained profits/(accumulated losses)	(2,078,442)	303,502
Total equity	9,494,482	4,176,418

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Note 35. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 3, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	2019 %
Cashrewards Pty Ltd	Australia	100.00%	100.00%
Cashrewards IP Pty Ltd	Australia	100.00%	100.00%

Note 37. Cash flow information

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

	Consolidated 2020 $	2019 $
Loss after income tax benefit for the year	(6,631,972)	(3,334,113)
Adjustments for:		
Depreciation and amortisation	1,774,798	1,559,420
Share-based payments	300,007	383,470
Net fair value loss on warrants	1,516,656	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	596,021	(760,885)
Decrease/(increase) in contract assets	400,114	(582,772)
Increase in deferred tax assets	(962,074)	-
Decrease in prepayments	53,085	62,695
Decrease in other operating assets	5,885	6,210
Increase in trade and other payables	261,734	1,727,414
Decrease in deferred tax liabilities	(296,109)	(158,024)
Increase in employee benefits	57,624	70,937
Increase/(decrease) in other provisions	(112,715)	1,038,282
Net cash from/(used in) operating activities	(3,036,946)	12,634

Note 37. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2020 $	Consolidated 2019 $
Net fair value loss on warrants	1,516,656	-

Changes in liabilities arising from financing activities

Consolidated	*Loan - Andrew Clarke $*	*Loan - Partners for Growth $*	*Embedded derivative - warrants $*	*Total $*
Balance at 1 July 2018	-	2,991,547	275,817	3,267,364
Net cash from/(used in) financing activities	1,287,389	(520,365)	162,544	929,568
Balance at 30 June 2019	1,287,389	2,471,182	438,361	4,196,932
Net cash used in financing activities	(1,312)	(1,426,740)	-	(1,428,052)
Net fair value loss on warrants	-	-	1,516,656	1,516,656
Balance at 30 June 2020	1,286,077	1,044,442	1,955,017	4,285,536

Note 38. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax attributable to the owners of Cashrewards Group Pty Limited	(6,631,972)	(3,334,113)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	199,400,193	129,404,066
Weighted average number of ordinary shares used in calculating diluted earnings per share	199,400,193	129,404,066
	Cents	**Cents**
Basic earnings per share	(3.33)	(2.58)
Diluted earnings per share	(3.33)	(2.58)

Options are excluded from the above calculation as their inclusion would be anti-dilutive.

Note 39. Share-based payments

Employee share option plan ('ESOP')
In July 2017, the Company set up an employee share option plan ('ESOP') to incentivise key employees with a view to retaining talent and aligning the Company's interest with those of the employees.

Options were offered to key employees at set price.

Note 39. Share-based payments (continued)

The terms and conditions relation to the options are as follows:

Vesting date:	The options will vest gradually over a four year service period. This means that ownership of the options will be transferred to the employee over time, not immediately. Unless otherwise specified, twenty five percent (25%) of options will vest on the first anniversary of the date they were issued. The remainder will vest over the next three years on a quarterly basis (meaning that all options will have vested four years after the date they were issued).
Exercise period:	Options can only be exercised on a liquidity or change in control event. In addition, options must be exercised before they lapse. An option will lapse when (i) the employee leaves the Company before the option vests or (ii) when a liquidity event occurs and options have not been exercised in time.
Exercise price:	The exercise price of an option must be at least equal to the market value of a share in the Company on the date on which the option is offered. There are specific rules as to how a Company must calculate the market value of a share, known as the safe harbor valuation methods. As we grow the value of shares in the Company should increase. However employees will still have the option to buy shares at the exercise price. If options are exercised, employees will need to pay the exercise price to the Company and the Company will issue shares. Subject to any disposal restrictions set out in the ESOP and/or the Company's Shareholders Agreement, employees can sell the shares at the market price. If employees convert options into shares and sell the shares on the same day, no funds need to be provided upfront to the Company (this is commonly referred to as a cashless exercise). The purchaser will make a split payment (paying the exercise price to us and the remainder to you).
Shareholders Agreement:	If employees choose to exercise options (therefore becoming a shareholder), employees must sign a Deed of Accession under which they agree to become bound by the terms of the Company's Shareholders Agreement. The Shareholders Agreement governs the rights and responsibilities of all of the shareholders.
Leaving the Company:	If an employee leaves the Company, their unvested options will lapse. At our discretion, we may require them to sell some or all of their vested options to a nominated person for fair market value (as determined in good faith by the board of directors of the Company at that time). Alternatively the Company may allow the employee to keep some/all of their options (vested or unvested).
Disposal:	No options or shares may be disposed of in the first three years (unless the employee leaves the Company and are forced to dispose of their shares or in other very limited cases) otherwise the preferential tax treatment will not apply. In addition, an employee must not dispose of options prior to a liquidation event without the prior written consent of the Company's board of directors or unless the disposal is otherwise permitted by the ESOP (for example selling options to a family trust of which the employee is a beneficiary). There are also restrictions on the disposal of shares as set out in the Company's Shareholders Agreement.
IPO, Business Sale or Share Sale (Exit Event):	If there is an Exit Event, the Company may choose to (i) buy back or cancel some or all of the employees options (whether vested or not) in exchange for their fair market value (as determined in good faith by the board of directors of the Company); or (ii) notify the employee that all of their options automatically vest and require the employee to exercise their options so that the resulting shares may be sold as part of the Exit Event. If an employee does not exercise their options on an Exit Event, they will lapse.
Internal Reconstruction as part of an Exit Event:	If there is an internal reconstruction as part of an Exit Event, the board of directors of the Company may either: (i) provide for the issuance of options by the new holding company, or a related body corporate, in place of some or all of an employees options; or (ii) arrange for some or all of an employees options to be bought by the new holding company in exchange for their fair market value (as determined in good faith by the board of directors of the Company).
Forced Sale by Majority Shareholders:	If the majority shareholders wish to sell their shares as part of an Exit Event, they can force an employee to sell all of their shares on the same terms.

Options do not carry any voting rights. If options convert into shares an employee will have the right to vote.

CASHREWARDS

Note 39. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	Number of options 2020	*Weighted average exercise price 2020*	*Number of options 2019*	*Weighted average exercise price 2019*
Outstanding at the beginning of the financial year	19,439,901	$0.01	10,082,412	$0.01
Granted	10,325,860	$0.17	9,908,106	$0.01
Exercised	-	$0.00	-	$0.00
Forfeited	(1,867,862)	$0.01	(550,617)	$0.01
Expired	-	$0.00	-	$0.00
Outstanding at the end of the financial year	27,897,899	$0.07	19,439,901	$0.01
Exercisable at the end of the financial year	15,560,862		11,161,949	

Set out below are details of options granted under the plan:

2020

Grant date	*Expiry date*	*Exercise price*	*Balance at the start of the year*	*Granted*	*Exercised*	*Expired/ forfeited/ other*	*Balance at the end of the year*
01/07/2017	No fixed date*	$0.01	9,531,795	-	-	-	9,531,795
01/08/2018	No fixed date*	$0.01	6,142,250	-	-	(1,555,362)	4,586,888
01/03/2019	No fixed date*	$0.14	108,156	-	-	-	108,156
01/04/2019	No fixed date*	$0.01	3,657,700	-	-	(312,500)	3,345,200
01/01/2020	No fixed date*	$0.19	-	4,063,425	-	-	4,063,425
01/04/2020	No fixed date*	$0.14	-	3,130,646	-	-	3,130,646
22/04/2020	No fixed date*	$0.19	-	2,000,000	-	-	2,000,000
22/04/2020	No fixed date*	$0.14	-	205,496	-	-	205,496
04/05/2020	No fixed date*	$0.19	-	190,000	-	-	190,000
04/05/2020	No fixed date*	$0.14	-	205,496	-	-	205,496
11/05/2020	No fixed date*	$0.19	-	165,000	-	-	165,000
11/05/2020	No fixed date*	$0.14	-	178,457	-	-	178,457
25/05/2020	No fixed date*	$0.19	-	90,000	-	-	90,000
25/05/2020	No fixed date*	$0.14	-	97,340	-	-	97,340
			19,439,901	10,325,860	-	(1,867,862)	27,897,899

* The expiry date of options is not defined however it is currently either on termination of employment or on a liquidity event.

2019

Grant date	*Expiry date*	*Exercise price*	*Balance at the start of the year*	*Granted*	*Exercised*	*Expired/ forfeited/ other*	*Balance at the end of the year*
01/07/2017	No fixed date*	$0.01	10,082,412	-	-	(550,617)	9,531,795
01/07/2018	No fixed date*	$0.01	-	6,142,250	-	-	6,142,250
01/03/2019	No fixed date*	$0.14	-	108,156	-	-	108,156
01/04/2019	No fixed date*	$0.01	-	3,657,700	-	-	3,657,700
			10,082,412	9,908,106	-	(550,617)	19,439,901

* The expiry date of options is not defined however it is currently either on termination of employment or on a liquidity event.

Note 39. Share-based payments (continued)

For the options granted during the current financial year, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	*Expiry date*	*Exercise price*	*Expected volatility*	*Dividend yield*	*Risk-free interest rate*	*Fair value at grant date*
01/01/2020	No fixed date*	$0.19	70.00%	-	2.00%	$0.0839
01/04/2020	No fixed date*	$0.14	70.00%	-	2.00%	$0.0960
22/04/2020	No fixed date*	$0.19	70.00%	-	2.00%	$0.0839
22/04/2020	No fixed date*	$0.14	70.00%	-	2.00%	$0.0960
04/05/2020	No fixed date*	$0.19	70.00%	-	2.00%	$0.0839
04/05/2020	No fixed date*	$0.14	70.00%	-	2.00%	$0.0960
11/05/2020	No fixed date*	$0.19	70.00%	-	2.00%	$0.0839
11/05/2020	No fixed date*	$0.14	70.00%	-	2.00%	$0.0960
25/05/2020	No fixed date*	$0.19	70.00%	-	2.00%	$0.0839
25/05/2020	No fixed date*	$0.14	70.00%	-	2.00%	$0.0960

* The expiry date of options is not defined however it is currently either on termination of employment or on a liquidity event.

The Company has issued share options to employees which have been recorded as share-based payments expenses based on relevant vesting terms.

	Consolidated	
	2020	**2019**
	$	**$**
Share-based payments expense	300,007	383,470

Note 40. Events after the reporting period

The impact of the COVID-19 pandemic is ongoing and while there is no clarity on when global travel bans will end the Company continues to record growth in other categories that is higher than previous years. However, it is not practicable to estimate the potential impact in the medium or long term until a vaccine is approved for use.

Pre Initial Public Offering Equity Raise
During August 2020 the Company successfully raised $5.65 million in share capital to continue to invest in order to scale growth and metrics into its planned IPO.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

Andrew Clarke
Director

8 October 2020

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Independent Auditor's Report to the Members of Cashrewards Group Pty Limited

Opinion

We have audited the financial report of Cashrewards Group Pty Limited (the "Entity") and its subsidiaries (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 gives a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended and complies with Australian Accounting Standards.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' 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 we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants
Sydney, 8 October 2020