APPENDIX 4E.

Preliminary Final Report for Year Ended 30 June 2022

Income Asset Management Group Limited (IAM)

ACN 010 653 862

Reporting period: For the year ended 30 June 2022
Previous period: For the year ended 30 June 2021

References to the 'Group' throughout this report relates to Income Asset Management Group Limited and its controlled entities.

Results for Announcement to the Market

	Change	2022 $	2021 $
Revenues from ordinary activities	Up 72%	7,382	4,292
Loss from ordinary activities after tax attributable to members	Down 24%	(11,593)	(15,294)
Loss for period attributable to members	Down 24%	(11,593)	(15,294)

Dividends paid and proposed

There were no dividends declared or paid in the reporting period.

Dividend Information	**Amount per Share (cents)**	**Franked Amount per Share (cents)**	**Tax Rate for Franking**
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not applicable

The Group does not have any dividend re-investment plan in operation.

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ACN 010 653 862

Net tangible assets

	Cents	
	2022	**2021**
Net tangible asset backing per ordinary security	2.1	2.0

Gain or loss of control over other entities

No change of control over other entities during the financial year.

Details of Associates and Joint Venture Entities

Name of Entity	**Effective ownership interest and economic rights**
	30 June 2022
Fortlake Asset Management Pty Ltd	25%
Tactical Global Management Limited	25%

The share of net profits of the associate entities for the current period is $143,343.

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer to the Financial Statements / Annual Report.

Foreign entities

Not applicable.

Commentary on results for the period

Refer to the **Annual Report**, pages 9-14.

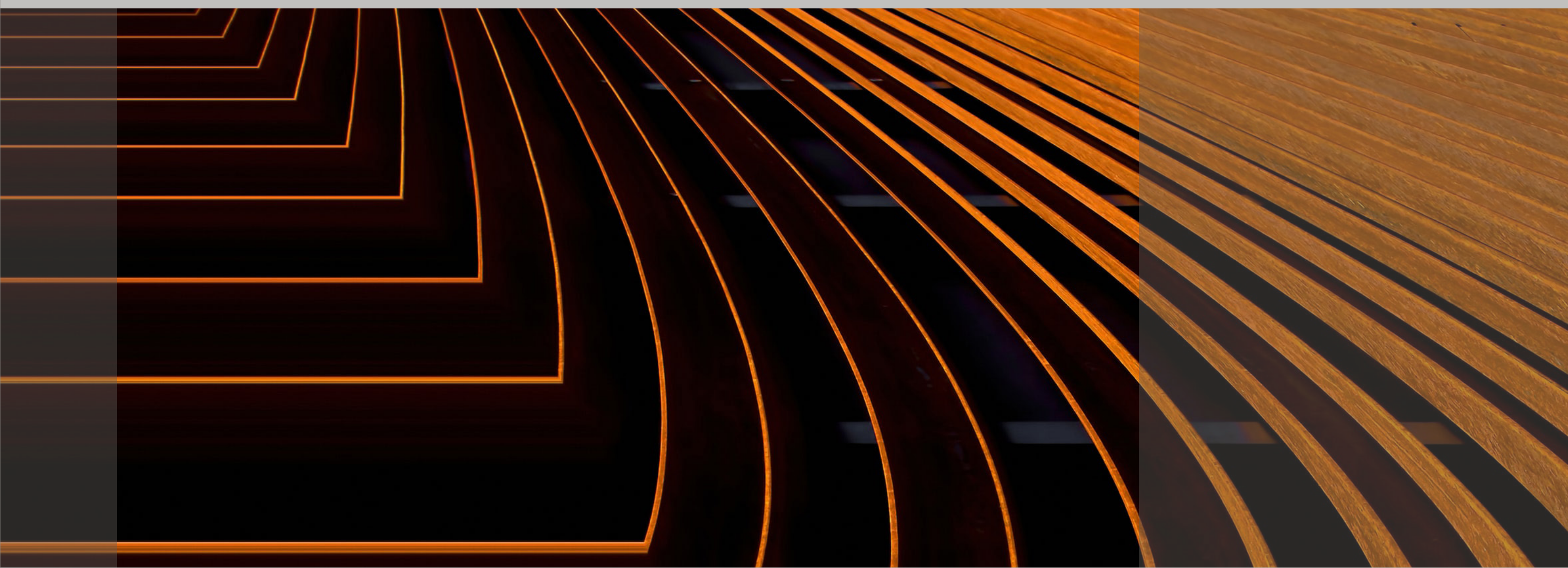
Audit Status

This Appendix 4E is based on the Annual Report, which has been subject to audit, with the Independent Auditor's report included.

Additional Appendix 4E disclosure requirements can be found in the 2022 Income Asset Management Group Annual Report lodged separately.

2021-2022

ANNUAL REPORT



Income Asset Management Group Limited.

IAM
INCOME ASSET MANAGEMENT

Contents

2022 Highlights

Since the February 2021 launch of the new Group we have achieved significant growth in new clients, trading volume, Assets under Advice and material uplift in revenue.

Our vision

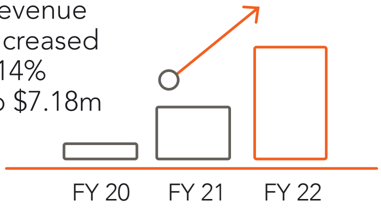
"To provide investors and portfolio managers with the most trustworthy and capable platform for research, execution and management of their income and broader investment needs."

Our achievements

Revenue Year on Year

Underlying Operating Revenue increased 114% to $7.18m

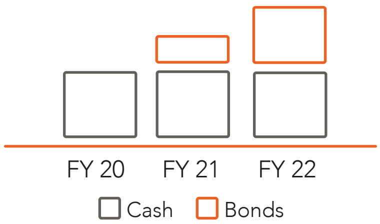
114%



(excludes government grants)

Assets under Advice (AuA) across bonds and cash

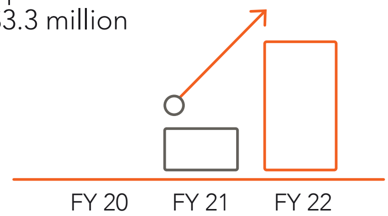
$2bn-plus with further growth in Q1FY23



Capital Markets Placement fees YoY

Up 216% to $3.3 million

216%



Capital Markets Trading Volumes

250%
increase YoY

New Capital Markets Clients

192%
increase YoY

Growth in Financial Advisors accessing our services

8 financial planning groups transfer clients and holdings from major bank

$160m
investment mandate win
Large not-for-profit appoints IAM for investment services

$85m
Debt Capital Transaction
IAM completes largest capital markets transaction

48
Net Promoter Score Rating from clients
First annual survey completed

Investments

Tactical Global Management Ltd

TGM

$3.865m
invested to secure our 25% holding in TGM and expand our fund incubation capability

Fortlake Asset Management

FORTLAKE ASSET MANAGEMENT

$917,000
total loan allocated to FAM to support its growth

Chairman's report

John Nantes, Executive Chairman

On behalf of the board of directors (Board) of Income Asset Management Group Limited (IAM), I am pleased to present the Annual Report of the company and its controlled entities (Group) for the financial year ended 30 June 2022, and to update you on our progress, performance and outlook.

Strengthening our offering

IAM continued to build Australia's leading income focused asset management business throughout 2021/22.

We delivered on our priorities:

1. **Assets under Advice (AuA)** — as part of our transformation we committed to shareholders that we would protect and grow the volume of assets we advise on and administer. For a period before our transformation we maintained a scale of AuA at approximately $1bn, and pleasingly we have now passed $2bn in Cash and Bond AuA; this excludes the Funds under Management (FuM) held through Fortlake Asset Management, and Tactical Global Management in which we own 25%. More important than the volume, we have moved into higher margin businesses, leveraging the new economic cycle that favours our model.

2. **Innovation in the Bonds Asset Class** — we are confident that we lead the market in transparency of pricing and access to a broad universe of domestic and global bonds. This strategy has seen us continue to win significant capital markets mandates in cash and bonds.

3. **Fund manager incubation** — in 2021 we invested in Tactical Global Management, a global fund manager with $26bn in overlay strategies, and supported the growth of Fortlake Asset Management. In a period of market dislocation both businesses are performing well and in 2023 we expect to announce further investments to expand our capability.

4. **Talent management** — in a period where the employment market has been tight, we are pleased that our strategy of selective recruitment of those with a shared vision and performance based rewards has enabled management to create a culture of shared values and expectations.

5. **Operating ethically** — we are setting ourselves apart by putting our clients first, and challenging industry anti-competitive behaviour and lack of transparency, and this ethical approach is being rewarded.

We are pleased to report that our business model and ethical business practices have ensured we're now extremely well placed for these challenging times.

Income Asset Management matured quickly through the 2021/22 year. We invested in the capital markets, funds management, and trustee and cash businesses to ensure the scalability of our total business model and to reinforce our purposeful positioning in the market. Our business model has enabled us to thrive as Australia's only listed specialist investment group able to deliver across the defensive investments of cash, bonds and funds.

Some of Australia's best known banks, broking houses, advisory firms and financial planners are now referring their clients to us to solve their defensive asset or debt requirement needs. In Australia, there is no other model like ours where investors and advisors can robustly solve for their cash, fixed income, or debt/corporate bond needs with best-of-breed solutions, a large suite of product offerings, direct investing or via funds, and transparent pricing.

Our achievements reflect the hard work of a high-performing team led by our CEO Jon Lechte. Like all high-achieving cultures, the team is constantly critiquing its performance and recalibrating as necessary in a constantly evolving marketplace.

IAM Capital Markets

Growth in this division has been impressive. The team achieved more than $800m in AuA from a starting position of zero; increased client numbers by 192% for the year; and secured large mandates as a result of their capability, scalability and networks. Well-known broking houses and financial services firms are increasingly approaching the division to resolve their debt and corporate bond needs in innovative ways.

While a number of broking houses, fund managers and investment houses saw their AuA reduce significantly with trading coming to a standstill in the back end of the year, we were able to grow across our key metrics. And while growth did slow in the second half, and debt markets became excessively volatile, client numbers increased. This was a result of our ability to service the financial advisor market and provide access to a diverse pool of bonds domestically and internationally.

We expect to accelerate growth in this division now that the volatility in debt markets has somewhat normalised and our debt capital market and trading offers are well placed.

We have put in place an intermediary services capability to work with financial advisers, private banks and broking houses. This is to support them solving for their clients' income and debt-related needs. This service will be especially valuable in the current environment of rising interest rates and high levels of inflation. While we do not provide personal advice, we help those who do provide that advice to act in their clients' best interests and do so ethically, transparently and efficiently.

As a result our client base continues to grow organically and we expect to open further channels across the broader financial services ecosystem. Our unique service offering, price transparency, custodial platform, and product offering are ensuring we are leading the market in Fixed Income.

IAM Funds

Our focus in 2021/22 has been on developing our key partnerships with Fortlake Asset Management and Tactical Global Management.

We invested capital into Fortlake, one of Australia's top performing fixed income fund managers, to cement this alliance and strengthen Fortlake's ability to grow FuM. While it is early in its formation, Fortlake is increasing its reach on platforms and approved product lists (APLs), is well capitalised, and remains a top performer. We will realise a return on capital invested in Fortlake through distribution fee revenue for Fortlake funds, dividends paid to us as a shareholder and the repayment of the working capital loan.

We also consolidated our position in Tactical Global Management Ltd (TGM), a leading asset protection investment manager. In the coming year, TGM is expected to release several ESG solutions that are expected to be extremely well received by the market. TMG's Chairman, Dr Peter Higgs, is well-known in this area and we're confident his product innovation should lead to quality FuM growth, again with IAM as the distributor.

Our CEO of Funds Management, Jonathan Baird, has created a strong distribution team during the year to distribute both our in-house assets and those beyond. He has been approached throughout the year by those keen for us to act as distributors. With the potential to add another scalable revenue source to the Group over time, we will be extremely selective about any agreement to distribute funds.

Trustees Australia Ltd

Trustees Australia Ltd comes with inherent value as a long standing Responsible Entity and Trust capability that gives us a competitive advantage. It helps attract quality fund managers that we may invest in and helps solve capital market needs for new bond issuances. It is an asset that is difficult to create and has a limited number of competitors. TAL will start to come to the fore as the Responsible Entity in our first exchange-traded fund to be launched through Fortlake.

There is a unique market for this asset and moving into 2022/23 we expect to see it provide more value to the Group and generate additional revenue streams.

Cash

AuA held steady throughout 2021/22. In the last quarter we saw the book begin to reshape, reflecting rate rises and renewed interest in this asset class.

With 50+ domestic and international APRA-regulated ADIs on our panel, along with at-call, term deposits and negotiable certificate of deposit-based products, we are now positioned as a one-stop solution for financial advisers, brokers, institutional investors, platforms and more.

The team are energised to proactively attract quality AuA with renewed margins given the fundamental change to this asset class. Financial advisers and brokers who use our platform can prove they are acting in their clients' best interests and we are proud to be partnering with those who are passionate about this critical fiduciary requirement.

Our Board

IAM's Board is committed to ensuring we offer diversity in thought, capability, skills and experience.

We review our board structure continuously and feel that four board members is currently an appropriate number given the size of our business. Our board members have proven experience with our business areas and ASX market requirements. This ensures the team is well placed to receive strategic help and feedback.

During the year we welcomed Fiona Dunn to join Brook Adcock, Craig Swanger and myself to our Board. She has been instrumental in providing expertise in funds management as well as financial services generally. We are also fortunate to have Alexandra Coleman chairing the TAL Board. Leveraging her legal background, Alexandra has been instrumental in leading the trustee business through complex compliance and product requirement needs.

Whether we are dealing with issues of compliance, product innovation, performance, risk management, market regulation or strategy, the Board is well versed in protecting our shareholders and in helping to grow IAM ethically.

We will continue to review our Board fit, including TAL, to ensure all Board members consistently add value.

Looking ahead to 2022/23

We will retain our ethically-led investment business model. Our cross-revenue synergies are unique to our model where one mandate can generate multiple streams of revenue across the business, and our cost of client acquisition remains extremely low. Private banks, broking houses, financial advisers and more refer to us directly or via platform-based solutions, avoiding costly marketing and infrastructure costs.

We have $2bn in AuA already; a best of breed funds manager incubation business that generates multiple streams of revenue; product innovation in debt/bonds; the ability to scale client numbers and client assets largely without additional resourcing; an inexpensive client acquisition model that drives scale; and a unique business model with a high margin capability.

All of this allows us to sit extremely well in a rising rate environment in which fixed income has become extremely important for investors.

Our CEO Jon Lechte will note the difference in financial markets between the first half and second half of FY22. The second half certainly impacted our trajectory as it did the whole financial services industry. Pleasingly we have recently seen a dramatic positive shift back in market sentiment that suits our business model. The revenue execution and deal flow we are currently experiencing, and if markets allow it, places us well to generate cashflow profit* in FY23.

Operationally, we are increasing our technology reach and partnering with other technology platforms to speed up the sales process for our teams and our partners. These improvements are likely to slightly reduce operating costs. Having also allocated capital to ensure our scalability, we expect some further costs may come out in the year that will help shore up our profitability, again as a result of becoming more efficient through technology and our business model.

I'd like to thank all our employees for their hard work in nurturing the high-performing culture we are so proud of. Our CEO Jon Lechte has implemented a strong plan for our future growth and executed it to the highest levels. We are most grateful for his contribution. We note during the year Jon became a significant shareholder supporting the company, a strong message to his team and the market more broadly.

We also thank our shareholders, who have supported us by believing in this market segment and the significant growth we are poised to take in the near future.

We own a unique market position as Australia's specialist defensive asset-class investment firm. Through our ethical approach, we seek to help lift the standards for the whole industry. We look forward to further growth and high performance this coming year as we build further upon our success.

John Nantes
Executive Chairman

* Based upon current pipeline, trading conditions and management projections but may be impacted by changes in market conditions and broader macroeconomic or political events

Chief Executive Officer's report

Jon Lechte, CEO

Financial year 2022 was a tale of two contrasting halves.

In the first six months of the year, we saw great growth in client numbers, transactions and revenue. We headed off for Christmas with confidence.

And then we hit the new year. January was quiet as expected, but by February we were witnessing the start of the greatest bond market rout in modern history, and the acceleration of geopolitical concerns that put extraordinary pressure on inflation and financial markets.

As a result, investors feared the bond market, despite floating rate investments benefiting from rising rates, and were generally reluctant to invest in anything during a market dislocation, which greatly affected our turnover in the second half.

Pleasingly the start of this new financial year has seen a significant uptick in turnover, new client acquisition and new issues to distribute. If positive market conditions continue we can execute the pipeline of new issues we have currently, then the first quarter will show a cash profit*. Thereafter if present market conditions remain we are confident of producing a cash profit for the year. As the Capital Markets business continues to blossom, the Funds division and our Trustee operation, will also build the scale. The result will be a far more stable and profitable group.

Our divisions, being Capital Markets, Funds, Cash Markets and Trustees Australia, were effectively brought together in 2021 to provide a strong suite of investment alternatives for clients and advisers. There is great overlap and interdependence between these divisions which in time will all produce recurring, annuity-style income, along with the upside performance that a thriving Capital Markets business can bring.

Capital Markets

Our Capital Markets business focus remains squarely on the adviser market. This approach gives us scale and a great referral network, as many adviser firms are not yet focused on debt markets.

* Based upon current pipeline, trading conditions and management projections but may be impacted by changes in market conditions and broader macroeconomic or political events

We will soon be launching a new offering designed specifically for advisers. It will enable them to allocate to fixed income easily and transparently.

This approach will build a stable income for IAM over time as advisers' clients experience the benefits of the model we offer, rollover their investments and continue to build their holdings. The advisers' clients access an easy way of investing in fixed income, and IAM will build a revenue model that takes out much of the seasonality and transactional nature of capital markets.

While our Capital Markets team had a subdued second half, with revenue growth much lower than expectations, daily transactions were similar to those in the first half. This was also the case with the dollar volume of bonds traded. Where we fell away was in our new-issue origination, as the market was generally not open to new debt deals. On a positive note, we have several new issue mandates in the pipeline that we hope to execute in the first quarter of this financial year.

IAM Funds

The IAM Funds division is a key focus of the Group, being a revenue channel that we expect will provide strong growth in recurring income over the next few years.

The Fortlake Asset Management (FAM) product offering is now mature and it has a great track record of performance.

We expect key rating agencies will complete their assessments of FAM over coming months and we have already secured the various FAM funds onto important platforms such as Netwealth, BT Panorama and HUB24.

Once this rating process is complete, we are well placed to build our funds under management, earn distribution fees and build the value of our 25% equity.

We expect to launch an exchange-traded fund for the Fortlake Real Income Fund in September 2022.

Elsewhere, IAM Funds continues its support of the Tactical Global Management (TGM) team. Product development initiatives are focused primarily on sustainable investments and on building on TGM's already significant institutional client base. This is being achieved through a broadening of the team's distribution presence and activity across channels.

TGM has a long track record of successfully providing tailored overlay services to institutional funds. These services include rebalancing, equitisation, currency hedging, and downside protection overlays, all of which are important core requirements for managing portfolios.

TGM also continues its long-term commitment to initiatives that transition the economy towards a sustainable future.

Additionally, strong progress was made in developing a second global equities strategy with a focus on climate action. This included establishing key joint venture partner-ships with global leaders in areas that support our respective strategies.

IAM Funds' marketing and distribution team will provide key support for TGM's overlay services as well as its global equity strategies.

Trustees Australia

Trustees Australia (TAL) is our in-house responsible entity and licensed custodian, which is now ready for scale, thanks to external assistance from EY to ensure best practice structure and capabilities.

While TAL is already contributing to the Group's success by operating for Fortlake Asset Management, increasingly we see it acting as Responsible Entity for other funds and new issuances of bonds. In its capacity as custodian, we see it increasingly holding our clients' bonds.

Cash Markets

The cash market has only re-priced in recent months on Reserve Bank of Australia changes to the cash rate. We have high expectations for a bigger market presence and will offer at-call and term deposits to advisers through our integrated approach to make the process very easy to execute and manage. The business has seen a move by clients into negotiable certificates of deposits (NCDs) as the spread between a term deposit and NCD has narrowed. We are pleased that this business is seeing more enquiries and able to increase its revenue as we target more profitable market segments where our proposition adds value.

Looking forward

While the future is always uncertain, we believe the worst may be over for bond markets. Encouragingly, we're beginning to see a rally in rates in line with market speculation as to when global central banks will begin their easing process.

However, I remain cautious of another spike in rates and of a further widening of credit spreads as the economy weakens.

Looking ahead, IAM's key focus over the coming 12 months will be on:

- Growing to scale to be more flexible and profitable. Our core business strategies provide an integrated service offering for our clients, while each has the capability to independently build sustainably profitable businesses.
- Our accessibility through products and technology mean we are already the obvious solution for fixed income in Australia for financial institutions and their clients. Our coverage of the financial adviser and private bank market is growing as we are a service and product provider and not aiming to be a wealth management firm that competes for their clients.
- Our goal is to build similar success in our Trustee business through providing custodial and administration services with the backing of our responsible entity capability.
- Our funds business will continue to scale as independent rating agencies provide the necessary ratings which will enable more financial planners to access the fund strategies. We expect to launch our first exchange-traded fund with Fortlake in Q1 FY23. This will make the proposition more accessible.
- Our people are at the centre of our capability, and we continue to hire and right size the business for growth.

Community

Our work in the community during one of the most challenging times in modern history has been extended to a strategic partnership with The Smith Family – Australia's leading children's education charity.

The Smith Family provides young Australians from disadvantaged backgrounds with the extra tools and support they need to succeed at school, so they can create better futures for themselves.

As part of our commitment to corporate social responsibility, we will donate **$150 for every client who opens an IAM Capital Markets account**.

For almost 100 years, The Smith Family has been tackling the problem of poverty, one child at a time.

Through their flagship Learning for Life program, they are helping children overcome their disadvantages by providing long-term support for their education in three distinct ways. They provide financial support for school essentials, like uniforms and books.

They provide access to additional learning programs before and after school — tailored to each child's individual needs. And they match each child with a dedicated team member at The Smith Family to help them get to school, stay at school and go on to further training or work.

Jon Lechte, CEO

Directors' report

In this report from our directors, we provide an update on the key activities and operations from the past financial year.

Principal activities

Our expertise across the debt and equity markets, and the derivatives of both, puts us in a strategic position that is hard for competitors to counter or replicate. With the addition of strategic investments in Fortlake Asset Management and Tactical Global Management Ltd, we are aligning our business to succeed in the asset class of choice — income asset management.

We continue to expand our integrated solutions across income investments, enabling us to transact with the best and largest family offices, advisory practices and corporations.

We have a solution that captures a large part of all investments made in the income-focused space. We use the best technology, harnessed by seasoned professionals with a common goal.

Our entities

At 30 June 2022, the Group comprised the entities shown in the table below. After a review of the Group's Australian Financial Services Licensees (AFSLs) requirements it was determined that we could consolidate the AFSLs from four down to two which reduced costs and complexity. As part of the changes we enhanced our ongoing licence capabilities to include margin lending, foreign exchange, derivatives trading and market-making.

With these changes, the business is able to offer a full suite of services to clients in addition to our Trustees Australia Limited business that provides Responsible Entity (RE) and Custody-related services.

The following entities and Australian Financial Services Licensees were in operation during the 2022 financial year.

Group Entities	AFSL
Income Asset Management Group Limited (ASX: IAM)	AFSL 260033 handed back May 2022
IAM Capital Markets Limited	283119
IAM Cash Markets Pty Ltd	Corporate Authorised Representative of AFSL 283119
	AFSL 459645 handed back February 2022
IAM Funds Pty Ltd	Corporate Authorised Representative of AFSL 260038
Trustees Australia Limited	260038

Our business model

The Group structure remained relatively unchanged over the reporting period. Our revenue, team, products and services support both direct and managed investments, across cash, fixed income and other defensive assets.

IAM business model

IAM INCOME ASSET MANAGEMENT — CAPITAL MARKETS

- Debt capital markets
- Structure and facilitate debt for Australian corporates
- Secondary market bond trading for clients
- ~800 clients across wholesale investors, corporates and family offices

IAM INCOME ASSET MANAGEMENT — FUNDS

- Provide bespoke incubation service for top-tier investment managers looking to establish their own funds
- Partner with global providers to empower fund managers to succeed

TGM

FORTLAKE ASSET MANAGEMENT

IAM INCOME ASSET MANAGEMENT — CASH MARKETS

- Cash-based investments from 50+ local and global ADIs
- Term Deposits, At-Call, NCDs to deliver a specific yield
- Liquidity and risk management
- Portfolio optimisation
- Treasury Management Services

Trustees Australia Limited

- Wholly-owned Trustee
- Full AFSL capability
- Independently Chaired Board
- Independent Compliance Committee
- Custody and Administration services
- Bespoke consulting services to support clients' investment strategy and execution

IAM Capital Markets

IAM Capital Markets provides advisors and direct investors with access to the Over The Counter (OTC) and listed bond markets as well as leading many debt capital primary issuances.

Our business model

- A revenue model based on brokerage commission and primary issuance fees
- Our clients include financial advisors, wholesale investors, corporates, fund managers and family offices
- We have a team of fixed income professionals skilled in structuring and facilitating unrated debt for Australian corporates with a strong focus on the non-bank sector

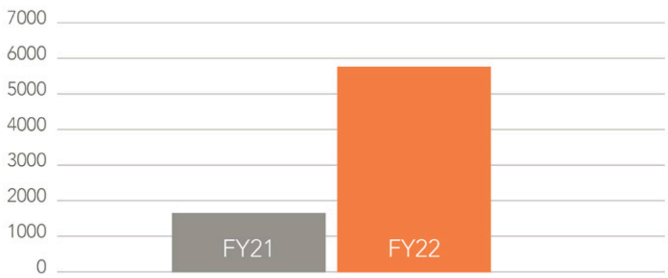
Our services

- Bond trading
- Primary issuance of bonds
- Collaborating with major investment banks
- Portfolio optimisation
- External research
- Flexible funding structures, including secured, subordinated and inflation-linked debt securities
- Tenors out to seven years without the requirement for a credit rating
- Specialist in midcap issues for public and private companies
- Partnered syndicate approach to expand distribution base and broaden secondary liquidity
- Cornerstone participation to reduce deal risk
- Regular post-deal interaction to assist with future capital plans, such as refinancing

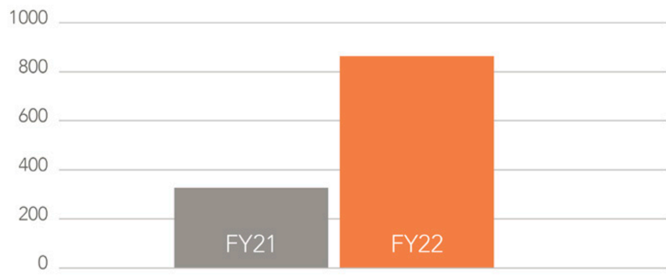
FY22 Results

- Bond volumes increased 252%, bonds under advice increased 373% Year on Year (YoY)
- $160m not-for-profit mandate win
- 8 large financial planning groups migrated from a major Australian bank's bond service to IAM Capital Markets

Bond Trade Volumes



Bond Assets under Advice ($m)



Medium term outlook

IAM Capital Markets is positioned to benefit from an uplift in Debt Capital Market transaction activity and secondary trading as issuers and investors look for alternatives to equity markets. The business has enhanced the service offering to current opportunities and market conditions including providing flexible capital solutions across sectors. It also continues to pursue opportunities for enhancements to the underlying services and products to ensure financial advisors and direct investors gain access to fair and transparent markets.

IAM Funds

IAM
INCOME ASSET
MANAGEMENT

FUNDS

IAM Funds provides incubation and growth services that enable highly rated fund managers to quickly grow their businesses and establish their own unique funds.

We work with multiple global suppliers of custody, legal and compliance, finance, and technology. Using our experience, we provide a compelling proposition to fund managers to leverage our financial services licence structures, distribution, technology and infrastructure assets.

Our model ensures a new fund can be launched in months to gain critical mass sooner. We provide the infrastructure, regulatory compliance and distribution capability, so investment managers can focus on managing a high-performance fund.

Our business model

- We provide a bespoke service for top-tier investment managers looking to establish their own funds
- We partner with global providers to empower fund managers to succeed
- We take care of day-to-day management allowing fund managers to focus on what they do best
- We support new managers with working capital and equity investment so they can scale up quickly
- We target 25% investment in fund managers to ensure we have a meaningful alignment

Our services

- Responsible entity services for managed investment schemes (MIS)
- Custody services
- Extensive AFSL capabilities across a variety of asset classes
- Administration
- Distribution
- Business support

Medium term outlook

Our fund business is well-positioned to support our existing fund managers, Fortlake Asset Management and TGM Ltd, to grow their funds under management.

Trustees Australia Limited

Our Services

- Wholly-owned Trustee business established in 1987
- Full AFSL capability to provide fund trusteeship
- Responsible entity
- Issuer services as trustee for securities
- Independently chaired board
- Independent compliance committee
- Custody and administration services
- Bespoke consulting services to support clients' investment strategies and execution

IAM Cash Markets

CAPITAL MARKETS

Our active cash management solutions remain a key pillar of our services model and an important enabler of growth across the business through our Treasury Management Services solution and access to an established customer base seeking new income investment opportunities.

Our business model

- A revenue model based on brokerage commission and management fees
- Our clients include corporates, not-for-profits (NFPs), family offices and semi-government authorities
- 170+ middle market clients, multiple platforms and over 40 advisor groups

Our services

- Cash Management Account — offering competitive rates on interest at call
- Term Deposits, At Call and Negotiable Certificates of Deposit
- Liquidity management
- Bespoke financial instruments providing enhanced yield
- Legal structures to support investment mandates
- Access to 50+ global and domestic ADIs, both rated and unrated
- Deposit portfolio optimisation and managed portfolio services

Operating result

114%

Underlying Operating revenue increased 114% to $7.18m (2021: $3.35m)[1]

72%

Total revenue has increased 72% to $7.38m (2021: $4.29m)

216%

Placement fees in Capital Markets increased 216% to $3.3m (2021: 1.04m)

108%

Secondary trading revenue in Capital Markets increased 108% to $2.95m (2021: $1.42m)

-79%

Other sources of revenue decreased 79% to $0.2m (2021: $0.94m)

R&D grants of $0.19m in 2022 and $0.88m in 2021 were aligned with the development of our proprietary technology platform

Share of net profit from associates increased from $0.05m to $0.14m as a result of our investments in Fortlake Asset Management and Tactical Global Management Limited

Total expenses decreased 2.6% to $19.112m (2021: $19.63m). Cash expenses increased 24% while non cash costs were down 46%

Total expenses include non-cash costs of $4.01m (2021: $7.36m) that consist of:

- Depreciation and amortisation of $1.55m (2021: $1.42m)
- Share-based payments of $2.34m (2021: $5.94m)

The share-based payments have been issued to preserve cash while attracting market leading talent. All payments have performance and service hurdles to align remuneration with the Group's performance and shareholder returns

Key contributors to core cash business operating costs:

- The cash cost base has been largely stable through the year
- Employment expenses, which have increased 13% to $8.86m (2021: $7.84m) as the Group has set up the Funds business and added distribution capacity across the business
- Software and Infrastructure Costs, up 64% to $1.6m (2021: $1m) relating to full year costs to support the Capital Markets business
- Compliance costs of $0.73m, up 43% (2021: $0.5m) to support the responsible entity and enable primary market transactions

-3%

Net operating cash outflows decreased 3% to $7.17m (2021: $7.39m)

- The improved net operating cash outflows reflect revenue growth, offset by the operating cash cost base and outflows due to ongoing investments in future growth assets.

Financial Position

-4%

Net assets decreased 4% to $11.38m (2021: $11.83m)

The key assets and liabilities in the statement of financial position are:

- Cash and cash equivalents of $2.85m (2021: $6.03m), a decrease of $3.18m driven by investments in sales people, acquisition of 25% of TGM ($3m), loan facility to Fortlake Asset Management (increased $0.42m), investment in Fortlake's Exchange Traded Fund ($0.3m)
- Investment in associates of $6.19m, up $4.04m on prior year (2021: $2.15m) due to an increase in value of Fortlake Asset Management and equity in Tactical Global Management
- Decrease in investments in corporate bonds of $0.94m to $0.08m (2021: $1.02m) as part of our normal bond trading business
- Intangible assets of $5.55m (2021: $6.60m) primarily relating to our proprietary technology platform
- Total borrowings of $3.91m (2021: $3.49m) primarily relating to issued notes.

1. Excluding government grants

Capital management

In June 2021 the Group undertook a fully underwritten placement of $14m to wholesale and institutional investors. This placement was to:

- support the 25% investment in Tactical Global Management Ltd
- drive our asset management expansion
- scale our treasury management services
- accelerate deal flow for our capital markets business
- support the ongoing marketing and distribution activities

Business risks

IAM Group consists of complementary businesses in financial services that are exposed to a range of inherent risks. The Group has an enterprise risk management framework which, together with corporate governance, provides a framework for managing the material risks.

Financial risk

The availability of funding and management of capital and liquidity are fundamental to IAM's business operations and growth.

To mitigate this risk, the Group is able to access capital markets. The Group will continue to invest in new technology whether that be developed in-house or outsourced to ensure we are focused on activities where we can add absolute value.

The Group is reducing its reliance on cash and term deposits commission revenue with the diversification into fixed income capabilities which provide higher margins.

The cost base of the Group is actively managed to ensure expenditure is controlled and appropriately allocated.

Operational risk

The Group is subject to operational risk including the availability of high quality and experienced personnel to operate and grow the business.

To mitigate the issue, the Group has established policies, standards and training in respect of business operations, including people safety, health and wellbeing. Management continues to invest in our operational capability across processes, technology and improving our business, so that it attracts and retains high calibre personnel.

Compliance risk

The Group is subject to applicable laws, regulations and contractual arrangements and is exposed to adverse regulatory or legislative changes. Breaches or adverse changes could result in negative impacts on the Group's reputation and profitability and significant fines or other adverse consequences.

To mitigate these issues, the Group has a compliance framework in place and a variety of policies have been established to facilitate legal, regulatory compliance and internal protocols. Management liaises regularly with government and regulatory bodies on proposed legal and regulatory changes and the IAM Code of Conduct and training programs promote awareness of legal, regulatory and internal policy requirements.

Competition and new technologies

The Group competes against other financial service providers in an industry that is highly concentrated. The Group faces the risk that its competitors, or a new entrant to the market, will increase its competitive position through marketing campaigns, product innovation, or advances in technology. If this was to occur, the Group may compete less effectively against its competitors, and its business, financial performance and operations may be adversely affected.

To mitigate the issue, the Group works closely with its clients to address their needs and through the launch of broader income related products and services. The group also leverages its technology and global technology providers to remain competitive and adapt our products and services.

Cyber security, data loss, theft or corruption

The Group, through its technology platform, processes orders that contain highly confidential data. The Group's business could materially be disrupted by data breaches that may affect the security of information and data concerning the Group and/ or its customers. This could occur through theft, unauthorised access or malicious attacks on the Group's systems, processes (e.g. hacking), unauthorised disclosure of confidential customer information or loss of information (e.g. system problems). While the Group undertakes active measures to avoid and detect the occurrence of such security breaches, there is a risk that such measures may not be adequate.

A security breach could cause material harm to the Group's reputation and accordingly may have an adverse impact on the Group's ability to attract and retain new customers, growth prospects, operating results, reputation and financial performance.

To mitigate the issue, the Group has implemented a data breach policy that prescribes procedures addressing these items. The Group undertakes penetration testing by external consultants, has undertaken GS007 audits and is implementing SOC 2 compliance reflecting the need to ensure our capabilities are institutional grade.

General IT infrastructure/platform-related risks

The Group is dependent on the performance, reliability and availability of its technology platform (including servers, the internet and its cloud-based infrastructure). Third party service providers provide some of these services. There is a risk that these systems may be adversely affected by interruption, failure, service outages or data corruption that could arise as a result of computer viruses, bugs or 'worms', malware, internal or external use by websites, hacker attacks or other disruptions including natural disasters or power outages.

Such events outside of the Group's control may lead to business disruption and delay in completion of work for customers.

There is also a risk that the Group's potential growth may be constrained by a lack of scalability of the IT infrastructure.

To mitigate the issue, the Group engages global providers of technology services that have capacity to expand as the business grows.

Impact of privacy laws and regulations

The Group is subject to various privacy laws and regulations.

A privacy breach, due to a system failure or a compromise of security that results in the unauthorised access or release of customers' personal data may adversely affect the Group's reputation. In addition to this, the current data protection and privacy regimes, to which the Group is subject to, may result in the Group being required to pay significant fines to regulatory bodies in relation to any privacy breach.

To mitigate the issue, the Group has implemented a robust database structure with strong security that is penetration tested regularly. Complementing this, the Group only allows access by third parties via secure protocols.

Director information

The directors of IAM Group Limited during the year ended 30 June 2022 and up to the date of this report are listed below. Directors were in office for this entire period except where stated otherwise:

Name	Position	Date appointed
John Nantes	Executive Chairman	17 August 2017 (Appointed Chair 12 October 2019)
Brook Adcock	Non-Executive Director	17 August 2017
Fiona Dunn	Non-Executive Director	1 September 2021
Craig Swanger	Executive Director	1 October 2019

Our directors

John Nantes, Executive Chairman

Qualifications

Bachelor Law,
Deakin University

Bachelor Commerce,
University of Melbourne

Bachelor of Arts,
University of Melbourne

Diploma of Financial Planning,
Deakin University Financial (tax) Adviser

Member NTAA

Member FPA

Directorships in other listed entities (past 3 years)

Wisr Limited,
Chairman since June 2016

1stGroup Limited,
Non-Executive Director since June 2022

Experience

John has over 25 years' experience in financial services, private equity, tax and accounting, corporate finance, capital markets, and mergers and acquisitions.

John is also the Chairman of Wisr, a leading fintech in Australia, as well as a non-executive director for Thinxtra, a public non-listed IOT technology company and advises Adcock Private Equity in a CEO capacity. He is a non-executive director of 1stGroup, an ASX listed healthtech company.

John is a Responsible Manager of IAM and dedicates the bulk of his time to IAM and Wisr.

John holds three bachelor's degrees, in Law, Commerce and the Arts, and a Diploma of Financial Planning.

Craig Swanger, Executive Director

Qualifications

Bachelor of Commerce,
University of Queensland

Honours in Finance,
University of Adelaide

Graduate Diploma in Financial Markets,
Securities Institute of Australia

Strategy and Innovation,
Harvard University

Directorships in other listed entities (past 3 years)

Wisr Limited,
Non-Executive Director since 2015

Experience

Craig is one of the most highly regarded fintech investment and strategy experts in Australia.

He is an advisor to, or investor in, a portfolio of 15 high-growth technology companies.

Craig has worked in investment markets for more than 25 years, including as Global Head of Macquarie Group's Global Investment Unit, with more than US$10 billion funds under management.

Brook Adcock, Non-Executive Director

Qualifications

Strategic Financial Management Program

Financial Modelling and Valuation for small, medium, and fast-growing companies

AICD Company Directors Course

145 Pilots Course, CT4 and Macchi aircraft training

Diploma of Air Force Studies

Bachelor of Science

Directorships in other listed entities (past 3 years)

1stGroup Limited,
Non-Executive Director since June 2022

Experience

Brook is a leading entrepreneur and private investor in Australia, as Executive Chairman of his own private equity house, Adcock Private Equity. Brook is IAM's largest shareholder.

Adcock Private Equity also has very strong positions in listed and unlisted companies across sectors such as fintech, healthtech and legaltech, where Brook invests and follows on into companies that add value to all market participants.

Brook's investment mandate has a strong ethical tilt and he is a high conviction investor. Brook was the owner of Pandora Jewellery, building it to the brand we see today.

He has been actively involved in many other successful businesses, both directly at the executive or board level, and through investment of his own capital.

Fiona Dunn, Non-Executive Director

Qualifications

Graduate, Australian Institution of Company Directors (GAICD)

Masters Business Administration (Exec), Australian Graduate School of Management

Directorships in other listed entities (past 3 years)

Nil

Experience

Fiona has more than 35 years' experience in the financial services industry, having held senior executive roles with Australian Unity, Perpetual, Macquarie Funds Management and Credit Suisse.

Fiona has deep expertise in financial services, specifically funds management.

She has extensive board experience having served as a Director for a number of financial services organisations.

Fiona is currently the Chair of JANA Investment Advisers.

Company secretary

The following persons held office as a company secretary of IAM during the financial year:

Vanessa Chidwari *Appointed 4 December 2020*

Vanessa is a highly experienced governance professional, with a portfolio of domestic and international clients across various sectors.

She had 12 years' private practice experience in commercial law and litigation, practising for her own account in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for ASX200 and TSX-listed companies and has held senior executive positions in the mining industry across Australia and Southeast Asia.

Vanessa holds Bachelor of Law and Bachelor of Commerce qualifications and brings a wealth of experience in corporate governance, mergers and acquisitions, board advisory and capital raising in the listed company space. She currently acts as company secretary and governance advisor to four ASX-listed companies, including Wisr Limited.

Director meetings

The Board meets each month in person or video conference. Directors meet twice a year with the Group's auditor to discuss relevant issues. On matters of corporate governance, the Board has recently established a separate committee structure.

Aside from formally constituted directors' meetings, the directors are in regular contact with each other regarding the operation of the company and particular issues of importance. Written reports on trading activities, budget and performance and operating strategies are provided to the directors monthly or as required by changing circumstances.

The number of directors' meetings and number of meetings attended by each of the company directors during the financial year are set out in the table below:

Directors	Eligible to attend	Attended
John Nantes	12	12
Craig Swanger	12	12
Brook Adcock	12	12
Fiona Dunn	10	10

Non-audit services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Board is also satisfied that the services disclosed below did not compromise the external auditor's independence because:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence, in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional Ethical Standards Board.

During the year ended 30 June 2022, there was a payment of $34,137 (2021: $1,400) to the external auditors for non-audit taxation services.

Proceedings on behalf of the company

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

Environmental regulation

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

Dividends

No dividends have been paid or declared during or since the end of the 2022 financial year.

Performance rights and options

At the date of this report, the unissued ordinary shares of the Company are as follows:

Grant date	Number	Exercise price	Exercisable on or before
Options granted:			
28-Sep-18	133,333	$0.40	30-Sep-22
01-Jul-20	1,200,000	$0.195	30-Jun-23
24-Dec-20	9,084,000	$0.50	24-Dec-23
16-Aug-21	1,500,000	$0.33	18-Aug-24
Performance rights granted:			
01-Apr-20	8,830,000	$0.45	1-Apr-25
01-Jul-20	4,415,000	$0.45	1-Jul-25
09-Sep-20	1,640,000	$0.45	9-Sep-25
06-Nov-20	5,000,000	$0.45	-
06-Nov-20	5,000,000	$0.75	-
01-Dec-20	4,815,000	$0.50	1-Dec-25
01-Dec-20	7,230,000	$0.75	1-Dec-25
04-Dec-20	5,360,000	$0.45	1-Apr-25
26-Oct-21	16,500,000	$0.00	26-Oct-41
01-Nov-21	500,000	$0.00	1-Jul-22
01-Nov-21	500,000	$0.00	1-Jul-23
01-Nov-21	500,000	$0.00	1-Jul-24
01-Nov-21	1,000,000	$0.45	1-Jul-25
01-Nov-21	1,500,000	$0.75	1-Jul-26
01-Nov-21	8,830,000	$0.75	1-Oct-23
05-Nov-21	3,300,000	$0.35	1-Apr-25
30-May-22	350,000	$0.00	30-May-27
30-May-22	400,000	$0.45	30-May-27
30-May-22	400,000	$0.45	30-May-27
22-Jun-22	1,820,000	$0.45	22-Apr-27
22-Jun-22	1,370,000	$0.35	22-Apr-27

Holders of options and performance rights do not have any entitlement, by virtue of their holdings of performance rights or options, to participate in any issues of securities or other interests of the Company or any other entity.

There have been no other options granted over unissued securities or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of performance rights issued to directors and key management personnel as remuneration, refer to the Remuneration Report.

Indemnification of officers

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Significant changes

With the continued evolution of the COVID-19 pandemic the Group continues to adapt, with the first priority being to protect the health and safety of our staff. The Group is currently operating under a hybrid remote-working and office-based model relevant to staff locations and travel requirements.

The Group received $nil (2021: $57,900) in JobKeeper government assistance. Refer Note 3(a)(iii).

In the opinion of the directors, there were no significant changes in the state of affairs of the Group during the year that are not disclosed elsewhere in this report or in the accompanying financial statements.

Events after balance date

During July 2022, the Group entered into a 3-year lease for office premises in Martin Place, Sydney.

In the opinion of the directors, there are no other material matters that have arisen since 30 June 2022 that have significantly affected or may significantly affect the Group, that are not disclosed elsewhere in this report or in the accompanying financial statements.

The financial report was authorised for issue as at the date of the Directors' Declaration.

Auditor's independence declaration

The Auditor's Independence declaration for the year ended 30 June 2022 has been received and is set out on page 31.

Remuneration report

Information in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

This audited remuneration report outlines IAM's remuneration strategy and framework, as set out by the Board, and subject to shareholder approval.

Our remuneration framework reflects our commitment to deliver competitive remuneration for outstanding performance. Our aim is to attract and retain talented individuals, while aligning the interests of executives and shareholders.

Cash conservation continues to be critical to protecting shareholder value. As such, performance-based, non-cash remuneration remains a significant part of IAM's remuneration strategy.

This enables us to recruit experts in our strategic growth markets, paying market remuneration when they deliver significant shareholder returns, but paying cash remuneration in line with companies of IAM's current size.

As shown on the following pages, key management personnel (KMP) and Executive Directors (those with an ongoing executive role in the business) have been granted Long Term Incentive (LTI) performance rights. These include shareholder return triggers linked to a share price ranging from 30cps to 75cps, and are subject to various minimum service standards, such as term of service.

The total value of these packages has been benchmarked to relevant peers on the ASX in terms of fixed (cash) remuneration components and maximum remuneration. The share price triggers were set in consultation with KMP, with the team collectively choosing shareholder return triggers well above those typically used by peers on the ASX. This has allowed us greater alignment of interests while managing the cost of the total packages.

Regarding Short-Term Incentives (STI), each year the Board will assess several factors, to determine the extent to which the overall outcomes adequately reflect actual performance and returns to shareholders.

These include:

- the quality of the results
- adherence to risk management policies
- achievement against individual objectives, and
- the effectiveness of strategic initiatives implemented.

This report is structured to provide shareholders with insights into the remuneration governance, policies, procedures and practices being applied. As we seek the support of shareholders for the proposed approaches, this report is intended to help shareholders engage with the Board regarding potential refinements and improvements.

Remuneration framework, policies and practices

A. Our remuneration framework

IAM's remuneration strategy is approved by the Board, based on recommendations from the Remuneration and Nominations Committee (RNC). The role of the RNC is set out in its charter, which is reviewed annually. Further details about the role and operation of the RNC are included in our Remuneration Policy on our website incomeam.com.

B. Income Asset Management Group executive remuneration framework (2020-2023)*

*Applies to KMP and Executive Directors, but the same strategy is applied to all employees via the use of fixed Short Term Incentives (STIs) and Long Term Incentive Plan (LTIP) allocations.

Objectives	Attract, motivate and retain executive talent required to deliver strategy	Appropriately balance fixed and at-risk components	Create reward differentiation to drive performance values and behaviours	Create shareholder value through equity alignment
Remuneration (Rem) Component	Total Remuneration (TR)	Total Fixed Remuneration (TFR)	Variable Cash Remuneration (STI)	Variable Equity Remuneration (LTI)
Amount and Range (Min Rem – Max Rem)	Min Rem 2nd-3rd quartile level for IAM current size. Max Rem at 2nd – 3rd quartile at IAM market cap if LTI hurdles achieved	TFR set according to similar positions at ASX companies of IAM's size today. This will result in fixed (cash) remuneration being at market if executives do not grow the company in line with the strategy, but well under market if they do	0-50% depending upon position. None for directors. Can be taken as equity at executive's option with 10% discount to reflect premium on cash	LTI to form 40-70% of TR. 100% of LTI is at-risk, meaning that the minimum LTI payment is nil for all executives
Conditions to exceed Min	Must pass all compliance KPIs to exceed minimum remuneration. In order to reach maximum remuneration, individual STI hurdles must be exceeded each year, share price hurdles of up to 200% growth over 3yrs must be passed, and tenure must be at least 3 years	n/a	Must pass all compliance KPIs to exceed minimum, then performance driven according to individual but aligned KPIs	All LTI linked to share price increases of 67%-200% from the share price at the time of issue. LTI also requires minimum service and compliance KPIs to be satisfied
Strategy behind this approach	The strategy requires executives with experience well beyond what IAM can afford in cash remuneration. Further there are no guarantees of success, so the framework relies heavily upon at-risk components	Conserve cash and therefore minimise shareholder dilution	Align behaviour in short-term, including risk management and revenue growth, while conserving cash	Align executives to manage all aspects required for shareholder growth including earnings growth, compliance and attracting shareholders

C. Remuneration structures for current executives

Remuneration levels will reflect the strategy outlined above. Any LTI award will only have value to the executive if the performance hurdles are met to enable vesting to occur, and for performance rights-related awards, if the share price on vesting exceeds the trigger price.

In the event of serious misconduct or a material misstatement in the company's financial statements, the RNC can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

D. Employment details of members of Key Management Personnel (KMP)

The following table provides employment details of persons who, during the financial year, were the Group's KMP. These are calculated in accordance with applicable accounting standards. No KMP remuneration was performance based. No additional share-based payments were granted to KMP in the financial year.

Name	Position held	Contract details	Non-salary cash-based incentives	Shares	Options	Fixed salary/fees	Total
Directors			%	%	%	%	%
J Nantes	Executive Chairman	3 months' notice	-	56.31	-	43.69	100.00
B Adcock	Non-Executive Director	-	-	-	-	-	-
F Dunn	Non-Executive Director	3 months' notice	-	-	-	100.00	100.00
C Swanger	Executive Director	3 months' notice	-	74.46	-	25.54	100.00
Executives							
J Lechte	CEO	3 months' notice	-	36.20	-	63.80	100.00
M Loughnan	CCO	3 months' notice	-	29.29	-	70.71	100.00

For senior executives of IAM, employment conditions are formalised in contracts of employment. No KMP have a fixed term contract.

E. Remuneration details

No new share-based payments were awarded to KMP during the financial year.

Details of the nature and amount of each major element of remuneration for KMP of the Group (calculated in accordance with applicable accounting standards):

	Short term benefit			Post employment	Long term benefit	Termination	Equity-based payments	
Key Management Personnel (KMP)	Salary/ Director's fees	Annual leave	Bonus	Super contributions	Long service leave	Termination benefits	Performance rights / Options	Total
	$	$	$	$	$	$	$	$
J Nantes[1]								
2022	**198,000**	**-**	**-**	**-**	**-**	**-**	**255,195**	**453,195**
2021	198,000	-	-	-	-	-	1,335,925	1,533,925
B Adcock								
2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2021	-	-	-	-	-	-	-	-
Fiona Dunn								
2022	**50,000**	**-**	**-**	**5,000**	**-**	**-**	**-**	**55,000**
2021	-	-	-	-	-	-	-	-
C Swanger[2]								
2022	**60,000**	**-**	**-**	**-**	**-**	**-**	**174,945**	**234,945**
2021	60,000	-	-	-	-	-	1,021,575	1,081,575
J Lechte								
2022	**200,000**	**3,076**	**-**	**20,000**	**483**	**-**	**126,821**	**350,380**
2021	200,000	10,972	-	19,000	221	-	357,870	588,063
M Loughnan								
2022	**237,500**	**16,538**	**-**	**22,676**	**449**	**-**	**114,790**	**391,953**
2021	200,000	14,222	-	19,000	177	-	598,975	832,374
Former KMP								
M Hackett[3]								
2022	-	-	-	-	-	-	-	-
2021	62,500	-	-	7,034	-	58,681	-	128,215
N Leman[4]								
2022	-	-	-	-	-	-	-	-
2021	28,000	-	-	-	-	-	-	28,000
Total 2022	**745,500**	**19,614**	**-**	**47,676**	**932**	**-**	**671,751**	**1,485,473**
2021	748,500	25,194	-	45,034	398	58,681	3,314,345	4,192,152

1. This amount is paid in accordance with a contract arrangement with CJN Advisory Pty Limited, an entity associated with John Nantes. Refer to Note 22: Related Party Transactions.
2. This amount is paid in accordance with a contract arrangement with Revolver Capital Pty Limited, an entity associated with Craig Swanger. Refer to Note 22: Related Party Transactions.
3. Michael Hackett retired as a director on 4 December 2020.
4. This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Limited, an entity associated with Nathan Leman, who retired as a director on 4 December 2020.

Performance rights granted, vested and forfeited during the year

The terms and conditions relating to performance rights granted as remuneration to KMP are as follows:

Grant date	Fair value at grant date $	Grant value $	Reason for grant Note	Percentage vested during the year %	Percentage lapsed during the year %	Percentage remaining as unvested %	Expiry date	Range of possible values relating to future payments
Granted during 2021:								
J Nantes								
4/12/2020	0.31	539,400	(i)	100			1/4/2025	n/a
4/12/2020	0.21	680,520	(ii)			100	1/4/2025	n/a
C Swanger								
4/12/2020	0.31	483,600	(i)	100			1/4/2025	n/a
4/12/2020	0.21	466,520	(ii)			100	1/4/2025	n/a
M Loughnan								
1/7/2020	0.11	267,510	(i)	100			1/7/2025	n/a
1/7/2020	0.05	229,580	(ii)			100	1/7/2025	n/a
Granted during 2021:								
J Lechte								
1/4/2020	0.04	338,189	(ii)			100	1/4/2025	n/a

(i) Performance rights were issued as part of the Group's LTIP and vest upon 1 year minimum service subject to meeting the share price hurdle and the exercise price is $nil.

(ii) Performance rights were issued as part of the Group's LTIP and vest upon 2 years minimum service subject to meeting the share price hurdle and the exercise price is $nil.

Number of performance rights granted as remuneration

All LTI equity is subject to a voluntary escrow which requires that no shares are sold until 1 year after exit from the Group. There are generally shareholder return triggers linked to a share price and minimum service standards such as terms of service attached to the grant of performance rights.

			Grant details		Exercised		Other changes[1]	
Name	Balance at 30/06/2021 No.	Issue Date	Rights No.	Value $	Rights No.	Value $	Value $	Balance at 30/06/2022 No.
J Nantes	3,180,000	4/12/2020	-	-	-	-	1,740,000	4,920,000
C Swanger	2,180,000	4/12/2020	-	-	-	-	1,560,000	3,740,000
J Lechte	8,830,000	1/4/2020	-	-	-	-	-	8,830,000
M Loughnan	6,825,000	1/7/2020	-	-	(2,410,000)	(267,510)	-	4,415,000
Total	**21,015,000**		**-**	**-**	**(2,410,000)**	**(267,510)**	**3,300,000**	**21,905,000**

	Balance at 30/6/22	Vested no.	Unvested no.
J Nantes	4,920,000	1,740,000	3,180,000
C Swanger	3,740,000	1,560,000	2,180,000
J Lechte	8,830,000	-	8,830,000
M Loughnan	4,415,000	-	4,415,000
Total	**21,905,000**	**3,300,000**	**18,605,000**

The fair value of performance rights granted as remuneration as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period.

[1] In the Company's 2020 AGM Notice of Meeting, the language used in the explanatory notes relating to resolutions seeking approval of performance rights to be issued to directors was sufficiently unclear and contradictory that the Board sought ratification of the same rights on 5 November 2021 in the following AGM. These rights were reported as lapsed in the prior year report and are thus not included in the balance at 30 June 2021, but have now been confirmed. Rights are vested but shares have not been issued. Directors and KMP voluntarily elected for these performance rights to vest at $0.45 and escrow them to a $0.75 price hurdle. This was done to align their interests with those of shareholders.

Description of performance rights issued as remuneration

Details of the performance rights granted as remuneration to those KMP listed in the previous table are as follows:

Grant date	Issuer	Entitlement on exercise	Dates exercisable	Share price hurdle	Value at grant date	Amount paid/payable by recipient $
1/4/20	Income Asset Management Group Limited	1:1	1/4/25	$0.45 [1]	$0.04	nil
1/7/20	Income Asset Management Group Limited	1:1	1/7/25	$0.45 [1]	$0.05	nil
4/12/20	Income Asset Management Group Limited	1:1	1/4/25	$0.35	$0.31	nil
4/12/20	Income Asset Management Group Limited	1:1	1/4/25	$0.45 [1]	$0.21	nil

Award values at grant date were determined using a Monte Carlo, Black-Scholes or binomial pricing method.

Further details relating to performance criteria required for vesting have been provided in the performance rights granted as share-based payments table on page 25.

[1] Executive Directors and KMP voluntarily elected for these performance rights to vest at $0.45 and escrow them to a $0.75 price hurdle. This was done to align their interests with those of shareholders.

F. KMP Shareholdings

The number of ordinary shares in Income Asset Management Group Limited held by each of the KMP of the Group during the financial year is as follows:

	Balance at 1 July 2021	Granted as remuneration	Purchased / sold	Net change other	Other movement	Balance at 30 June 2022
J Nantes	9,255,649	-	92,592	-	-	9,348,241
C Swanger	846,923	-	78,703	-	-	925,626
B Adcock	67,052,179	-	6,296,296	-	-	73,348,475
Fiona Dunn	-	-	-	-	250,000	250,000
J Lechte	11,518,461	-	3,015,568	-	-	14,534,029
M Loughnan	1,755,000	2,410,000	185,185	-	-	4,350,185
TOTAL	**90,428,212**	**2,410,000**	**9,668,344**	**-**	**250,000**	**102,756,556**

G. KMP Other Equity Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

H. Participation in IAM Notes

On 24 December 2020, Income Asset Management Group Limited issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested (refer Note 15(ii)). Below is a list of KMP who participated in the issue and their relevant interest from the issue. The issue of options to directors was subject to shareholder approval and subsequently approved on 10 August 2021.

KMP	Notes ($)	Options (no.)
B Adcock	725,000	1,450,000
J Nantes	50,000	100,000
J Lechte	500,000	1,000,000
M Loughnan	50,000	100,000

I. KMP Contracts for Services

Other than as disclosed in employment details of members of key management personnel (KMP) and other executives (refer point D), there are no formal employment contracts in place for any other key management personnel in the Group.

J. Transactions with KMP

From time to time KMP may purchase or supply goods or services from or to the Group.

These transactions are made on an arms-length commercial basis and are outlined below:

- **John Nantes** is a director of CJN Advisory Pty Ltd (CJN Advisory), who undertakes responsible manager and consulting services work for the Group. During the 2022 year, $198,000 (2021: $198,000) was paid by the Group to CJN Advisory and at 30 June 2022 the Group had no (2021: $nil) outstanding amounts with CJN Advisory.
- **Craig Swanger** is a director of Revolver Capital Pty Ltd (Revolver Capital). Revolver Capital undertakes project management and consulting work for the Group on a cost recovery basis. During the 2022 year, $60,000 (2021: $60,000) was paid by the Group to Revolver Capital and at 30 June 2022 the Group had an outstanding payable of $5,500 (2021: $nil) to Revolver Capital.

This report of the directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

John Nantes
Executive Chairman

Corporate Governance Statement

The Group is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect.

We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

This Corporate Governance Statement reports on the Group's key governance principles and practices. These are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

The Board monitors the operational and financial position and performance of the Group and oversees the business strategy, including approving the strategic goals of the Group and considering and approving its business plan and the associated subsidiary entities and corporate budgets.

The IAM Management System describes the Group's way of working, enabling the Group to understand and manage its business to achieve its objectives. It defines the boundaries within which the Group's employees and contractors are expected to work.

The IAM Management System establishes a common approach to how we operate, wherever the location. The group, as a listed entity, must comply with the Corporations Act 2001 (Cth), the ASX Listing Rules, the Australian Financial Services Licence conditions and authorities and other Australian and international laws.

The ASX Listing Rules require the Group to report on the extent to which it has followed the Corporate Governance Recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement, which was lodged with this Annual Report, discloses the extent to which the Group will follow the recommendations taking into account the relatively small size of the Group in determining the extent of practical implementation.

The website (incomeam.com) contains copies of Board and committee charters and copies of many of the policies and documents mentioned in this Statement, which form part of the IAM Management System. The website is updated regularly to ensure it reflects the Group's most current corporate governance information.

Auditor's Independence Declaration

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INCOME ASSET MANAGEMENT GROUP LIMITED

As lead auditor of Income Asset Management Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Income Asset Management Group Limited and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney

29 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue and operational income	3(a)	7,382,248	4,292,167
Business operating expenses		(2,286,030)	(1,785,240)
Employment expenses	3(b)(ii)	(10,187,621)	(12,637,848)
Finance costs	3(b)(i)	(730,985)	(421,888)
Depreciation and amortisation expense		(1,546,066)	(1,415,613)
Property operating expenses		(173,061)	(116,320)
Software and infrastructure expenses		(1,787,900)	(1,058,089)
Other expenses		(2,406,929)	(2,200,202)
Share of net profit from associate	11(c)	143,343	49,387
Loss before income tax		(11,593,001)	(15,293,646)
Income tax expense	4(b)	–	–
Loss for the year attributable to members		(11,593,001)	(15,293,646)

Other comprehensive income			
Items will be classified subsequently to profit or loss		–	–
Items that will not be reclassified to profit or loss		–	–
Other comprehensive income for the year		–	–
Total comprehensive loss for the year attributable to members		(11,593,001)	(15,293,646)

Earnings per share	25	**Cents**	**Cents**
Basic earnings per share		(4.3)	(7.5)
Diluted earnings per share		(4.3)	(7.5)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
Current Assets			
Cash and cash equivalents	5	2,849,309	6,029,545
Trade and other receivables	6	998,176	888,073
Financial assets at fair value through profit or loss	7	79,547	1,019,773
Other assets	8	376,801	536,367
Total Current Assets		4,303,833	8,473,758
Non-Current Assets			
Right of use assets	9	856,257	415,551
Intangibles	10	5,548,348	6,598,254
Investments accounted for using the equity method	11	6,188,015	2,149,437
Property, plant & equipment	12	176,580	215,222
Other non-current assets	13	1,318,494	630,387
Total Non-Current Assets		14,087,694	10,008,851
Total Assets		18,391,527	18,482,609
Current Liabilities			
Trade and other payables	14	1,594,109	2,294,286
Lease liabilities	9	301,497	244,548
Borrowings	15	29,430	29,898
Provisions	16	571,208	370,640
Total Current Liabilities		2,496,244	2,939,372
Non-Current Liabilities			
Lease liabilities	9	594,389	212,603
Borrowings	15	3,877,903	3,457,903
Provisions	16	40,855	45,927
Total Non-Current Liabilities		4,513,147	3,716,433
Total Liabilities		7,009,391	6,655,805
Net Assets		11,382,136	11,826,804
Equity			
Issued capital	17	47,319,283	38,372,712
Reserves	18	10,006,184	6,886,842
Retained earnings		(45,943,331)	(33,432,750)
Total Equity		11,382,136	11,826,804

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

Cash Flows from Operating Activities	Note	2022 $	2021 $
Receipts from customers and other sources of income		5,601,772	2,851,111
Payments to suppliers and employees		(15,368,035)	(11,293,531)
Net proceeds from sale of financial instruments at fair value through profit or loss		2,895,833	1,253,016
Interest received		4,720	1,101
Finance costs paid		(306,547)	(199,546)
Net operating cash flows	5(b)	(7,172,257)	(7,387,849)
Cash Flows from Investing Activities			
Payment for property, plant & equipment	12	(143,448)	(121,399)
Proceeds from sale of property, plant & equipment		330	-
Loan to associate	13(i)	(416,666)	(500,000)
Net payment for office bonds		(97,548)	(99,959)
Payment for equity-accounted investment	11(c)	(3,000,000)	(50)
Net investing cash flows		(3,657,332)	(721,408)
Cash Flows from Financing Activities			
Proceeds from issue of notes	15(ii)	-	4,500,000
Proceeds from issues of shares	17	8,330,334	5,969,666
Cost of raising capital	17	(414,203)	(312,546)
Proceeds from related party borrowings	15(iv)	-	5,572,370
Repayment of related party borrowings	15(iv)	-	(5,572,370)
Proceeds from borrowings		49,050	80,932
Repayment of borrowings		(49,518)	(68,684)
Repayments of lease principle	5(c)	(316,874)	(264,780)
Net financing cash flows		7,598,789	9,904,588
Net increase / (decrease) in cash held		(3,230,800)	1,795,331
Cash at the beginning of the period		6,029,545	4,234,214
Effect of exchange rates on cash held in foreign currencies		50,564	-
Cash at the end of the financial year	5(a)	2,849,309	6,029,545

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Issued Capital Ordinary $	Option Reserve $	Retained Earnings $	Total $
Balance at 1 July 2021		38,372,712	6,886,842	(33,432,750)	11,826,804
Comprehensive income					
Loss attributable to members of parent entity for the year		-	-	(11,593,001)	(11,593,001)
Total comprehensive loss for the year		-	-	(11,593,001)	(11,593,001)
Transactions with owners, in their capacity as owners and other transfers					
Contributions of equity, net of transaction costs		7,916,131	-	-	7,916,131
Contingent consideration reserve	11(c)(i)	-	370,684	-	370,684
Share-based payment - TGM investment	11(c)	524,550	-	-	524,550
Share-based payments - employee scheme	24(a)(iii)	-	2,336,968	-	2,336,968
Shares issued on exercise of rights	18(a)	678,390	(678,390)	-	-
Share-based payments	24(a)(iii)	(172,500)	172,500	-	-
Shares issued on exercise of options	18(a)	-	(105,420)	105,420	-
Transfer of share-based payment reserve		-	1,023,000	(1,023,000)	-
Total transactions with owners and other transfers		8,946,571	3,119,342	(917,580)	11,148,333
Balance at 30 June 2022		47,319,283	10,006,184	(45,943,331)	11,382,136

	Note	Issued Capital Ordinary $	Option Reserve $	Retained Earnings $	Total $
Balance at 1 July 2020		30,867,822	435,409	(19,162,104)	12,141,127
Comprehensive income					
Loss attributable to members of parent entity for the period		-	-	(15,293,646)	(15,293,646)
Total comprehensive loss for the year		-	-	(15,293,646)	(15,293,646)
Transactions with owners, in their capacity as owners and other transfers					
Capital raise transaction costs		5,585,120	72,000	-	5,657,120
Share-based payment		20,000	-	-	20,000
Issued note - option premium reserve	15(iii)	-	1,260,000	-	1,260,000
Contingent consideration reserve	11(c)	-	2,100,000	-	2,100,000
Share-based payments - employee scheme			5,942,203	-	5,942,203
Exercise of performance rights		1,899,770	(1,899,770)		-
Transfer of share-based payment reserve			(1,023,000)	1,023,000	-
Total transactions with owners and other transfers		7,504,890	6,451,433	1,023,000	14,979,323
Balance at 30 June 2021		38,372,712	6,886,842	(33,432,750)	11,826,804

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1: Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of Income Asset Management Group Ltd (IAM) and controlled entities (the Group). IAM is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, IAM, have not been presented within this financial report as permitted by the Corporations Act 2001. Supplementary information about the parent entity is disclosed in Note 2: Parent Information.

The financial statements were authorised for issue as at the date of the Directors' Declaration.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, the Corporations Act 2001 and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

A. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (IAM) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 21: Controlled Entities.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

B. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income for the period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense (income) is charged or credited directly to equity outside the profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from (a) the initial recognition of goodwill, or (b) the initial recognition of an asset or liability in a transaction which, (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised unless the deferred tax asset relating to temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Tax consolidation

IAM and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax assets and liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2004. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

C. Fair Value of Assets and Liabilities

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.

D. Property and Office Equipment

Each class of property and office equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Office equipment

Office equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and accumulated impairment. In the event the carrying amount of office equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to be estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease is the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (Refer to Note 1(G)) for details of impairment.

The carrying amount of office equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful-life rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate (years)
Leasehold improvements	7
Office equipment	3–10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

E. Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

F. Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

1. Amortised cost

   Measurement is on the basis of the two primary criteria:

   - the contractual cash flow characteristics of the financial asset; and
   - the business model for managing the financial assets.

   A financial asset is subsequently measured at amortised cost if it meets the following conditions:

   - the financial asset is managed solely to collect contractual cash flows; and
   - the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

2. Fair value through profit and loss

   Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

   (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

   (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss as net trading income.

Financial liabilities

All of the Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability; that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Group does not have any financial liabilities classified as held for trading, designated as fair value through profit or loss or any financial guarantee contracts.

A financial liability cannot be reclassified.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and

- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics and the days past due.

There are no expected credit losses in the Group's financial assets.

G. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

H. Investments Using Equity

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

I. Intangible Assets Other Than Goodwill

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. Intangible assets are subsequently measured at cost less amortisation and any impairment. The amortisation method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Capitalisation of platform development costs

Research costs and costs associated with maintaining software programs are expensed in the period in which they are incurred. Development costs and software costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets and amortised from the point which the asset is ready for use when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised platform costs are amortised on a straight line basis over the period of their expected benefit to the Group of 10 years. The remaining useful life is 6.1 years.

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful life of 20 years.

J. Equity-settled Compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non- employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and statement of profit and loss and other comprehensive income respectively. The fair value of options and rights may be determined using either a Black-Scholes, Monte Carlo or Binomial pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

K. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and personal leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and personal leave are recognised as a part of current trade and other payables in the Statement of Financial Position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

L. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

M. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

N. Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

O. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

P. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. Receivables and payables are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

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

Q. Comparative Figures

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

R. Revenue and Other Income

Revenue Recognition

Financial services revenue

Revenue is recognised for the major business activities using the methods outlined below:

1. Net trading income

   The Group operates a fixed income trading business trading in bonds. The Group, trading as the principal, sells bonds to, or buys from, its clients and the fixed income market. Bond trading income is recognised on the trade date, which is the date the Group meets the requirements to recognise the financial asset.

2. Revenue from contracts with customers

   Revenue from contracts with customers is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and their revenue can be reliably measured.

   - Fee Revenue includes placement or arrangement fees derived from bonds. Placement fees arise where the Group arranges for a number of investors to participate in the acquisition of fixed rate securities to be issued on the primary markets by an issuer intending to raise capital. As consideration for the arrangement of the issue, the Group earns an arrangement or placement fee. Revenue is recognised when the customer has received the benefit of the service such that the performance obligation has been met — that is at the time when agreement is reached with individual investors to acquire notes, or with an underwriter to take up any remaining notes. The revenue may be reduced for rebates, or for underwriting fees.

   - Services revenue — the Group provides responsible entity services and other administrative services to funds. Revenue is measured at the time when the performance obligation is met and services are transferred.

Government funding

Government grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Interest received

Interest income is recognised using the effective interest method.

S. Responsible Entity Obligations

The Group acts as responsible entity for managed investment schemes registered with the Australian Securities and Investment Commission. A responsible entity is liable for limited obligations of its underlying trusts, and generally has a right of indemnity against the trusts' assets. These financial statements do not recognise such liabilities except to the extent that the Group has committed a breach of fiduciary duty, or the extent that an underlying trust might have insufficient assets to settle its obligations. Such circumstances have not arisen. The Group has no obligation in respect of any borrowing or other liability of any trust for which it acts as responsible entity.

The Consolidated Cash Flow Statement does not reflect any cash flows attributable to the activities of the group undertaken on behalf of the trusts. At the end of the reporting period, to the directors' knowledge the assets of the trust's are sufficient to meet their liabilities.

Commissions and fees earned in respect of the trusts' activities are included in profit and loss, which also includes commissions and fees earned or paid from fund management activities.

T. Critical Accounting Estimates and Judgments

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

Key Estimates

(i) Impairment — general

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using either fair value less costs to sell, value-in-use calculations or an alternative valuation technique which incorporates various key assumptions.

(ii) Goodwill

The Group makes assessments of goodwill based on recoverable amount calculations, refer Note 10.

(iii) Impairment — software

The Group determines recoverable amounts of its software on a regular basis to assess whether an impairment expense should be recognised in the current accounting period. Recoverable amount assessments are performed using various valuation methodologies that may include, capitalisation of future maintainable earnings, net present value of future cash flows, asset-based methods and comparable market transactions. The Group has determined its finite life intangible assets are not impaired when considering these valuation techniques in conjunction with the accumulated costs of developing its software and bringing them to their current state, refer Note 10: Intangible Assets.

There has been no impairment charge recognised during the year (2021: Nil).

(iv) Estimation of useful lives of software

At each reporting date the Group re-evaluates the estimated useful lives and related amortisation charge for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

There has been no change to the useful life of the software during the year (2021: Nil change).

(v) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and suppliers 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 a Binomial, Monte Carlo 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 may affect the value of share-based payments recorded in the financial statements.

Key Judgements

(i) Future Tax benefit of Tax Losses

At 30 June 2022, the directors reassessed the recoverability of the future tax benefits of tax losses and consider there is no certainty that future taxable profit will be available to enable the benefit of tax losses to be realised. At each period end the directors will reassess the recoverability of the future tax benefit of these tax losses. Furthermore, the tax benefit of these losses will only be obtained if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- The Group continues to comply with the conditions for deductibility of losses imposed by the relevant tax legislation.

In particular, the Group's tax losses can be carried forward to offset its future income and the future income of members of its tax consolidated group, subject to the satisfaction of the Continuity of Ownership Test or the Same or Similar Business Test, and having regard to the application of the "available fraction".

U. New and Amended Accounting Policies Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period but determined that their application to the financial statements is either not relevant or not material.

Note 2: Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

Statement of Financial Position	**2022**	**2021**
Assets	**$**	**$**
Current assets	6,623,119	3,694,090
Non-current assets	12,202,949	11,049,362
Total assets	18,826,068	14,743,452
Liabilities		
Current liabilities	8,596,373	1,379,212
Non-current liabilities	4,476,411	3,716,433
Total liabilities	13,072,784	5,095,645
Equity		
Issued capital	47,319,283	38,372,712
Reserves	10,006,184	7,909,842
Retained earnings	(51,572,183)	(36,634,747)
Total Equity	5,753,284	9,647,807
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(15,319,702)	(14,343,408)
Total comprehensive loss	(15,319,702)	(14,343,408)

Contingent liabilities and guarantees

The parent company does not have any contingent liabilities or guarantees in place for the year ended 30 June 2022.

Other contingent matters of the company, or the Group, are mentioned in Note 19: Commitments and Contingencies.

Contractual commitments

At 30 June 2022, the parent company had not entered into any contractual commitments (2021: $nil).

Note 3: Revenue and Expenses

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

(a) Revenue and operational income	Note	2022 $	2021 $
• Brokerage and commissions		902,793	853,638
• Placement fees		3,296,309	1,043,698
• Service fees		32,829	34,811
Revenue from contracts with customers	(i)	4,231,931	1,932,147
Net trading income	(ii)	2,952,994	1,421,479
Total operating revenue		7,184,925	3,353,626
Other sources of revenue	(iii)	197,323	938,541
Total revenue		7,382,248	4,292,167

(i) Revenue disaggregation

The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by service line and timing of revenue recognition.

Service lines:			
• financial services		4,231,931	1,932,147

Timing of revenue recognition

Services transferred to customers:			
• at a point in time		4,231,931	1,932,147

(ii) Net trading income			
• Income from financial instruments held at fair value through profit or loss		2,952,994	1,421,479

(iii) Other sources of revenue			
• Interest — unrelated		4,720	1,101
• ATO Incentives		-	57,900
• R&D tax incentives		192,603	879,540
		197,323	938,541

(b) Expenses

(i) Finance costs			
• Bank loans and overdrafts		1,580	1,721
• Lease liabilities		39,405	36,279
• Interest paid		690,000	383,888
		730,985	421,888

(ii) Employee benefits expense			
• Wages and salaries costs		7,036,637	6,013,735
• Superannuation		618,520	509,779
• Employee benefits provisions		195,496	172,131
• Share-based payment expenses		2,336,968	5,942,203
		10,187,621	12,637,848

Note 4: Income Tax Expense

	2022 $	2021 $
(a) The components of tax expense / (benefit) comprise		
Current tax	-	-
Under / (over) provision prior year	-	-
	-	-

	2022 $	2021 $
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows		
Prima facie tax payable / (benefit) on loss from ordinary activities before income tax at 25% (2021: 26%):	(2,898,250)	(3,976,348)
Add /(less)		
Tax effect of:		
• current period tax losses not recognised	2,384,770	2,573,664
• net amount of expenses not currently deductible	597,662	1,629,037
• other income not included in assessable income	(84,182)	(226,353)
Income tax expense / (benefit) attributable to entity	-	-

Applicable weighted average effective tax rates are nil due to losses.

(c) Deferred tax assets not recognised

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1: Statement of Significant Accounting Policies occur. The amount of losses ultimately available is also dependent on compliance with conditions of deductibility imposed by Taxation law.

	2022 $	2021 $
Temporary differences	(503,735)	(378,006)
Tax losses	12,456,740	9,974,152
Capital losses	418,865	418,865
Net unbooked deferred tax assets	12,371,870	10,015,011

The group has unconfirmed revenue losses of $49,826,963 (2021: $39,896,609) and capital losses of $1,675,458 (2021: $1,675,458).

These losses can only be carried forward to offset against taxable profits made in future income years if the Group can satisfy the Continuity of Ownership Test (COT), or failing COT, the Business Continuity Test (BCT) in respect of those losses. Whilst the Group is of the view that it has satisfied the necessary criteria, it has not sought any independent advice to confirm whilst it is still in a loss making position.

Note 5: Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank and on hand	2,849,309	6,029,545
	2,849,309	6,029,545

Cash at bank earns interest at floating rates based on daily bank rates.

The fair value of cash, cash equivalents and overdrafts is $2,849,309 (2021: $6,029,545).

(a) Reconciliation of Cash

For the purpose of the Consolidated Cash Flow Statement, cash includes cash and cash equivalents comprising the following at 30 June:

	Note	2022 $	2021 $
Cash at bank and in hand		2,849,309	6,029,545
	26	2,849,309	6,029,545

(b) Reconciliation of Profit after Income Tax to Cash Flows from Operations

	2022 $	2021 $
Net loss after income tax	(11,593,001)	(15,293,646)
Adjustment of non cash items		
Fair value changes (unrealised)	783	(50)
Amortisation & depreciation	1,546,066	1,415,613
Net exchange rate differences	(50,563)	-
Bad debts	503	6,545
Share-based payment expenses	2,336,968	5,962,203
Interest paid	424,438	222,342
Share of profits from associates	(143,343)	(49,387)
Changes in assets and liabilities, net of the effects of movements in subsidiaries		
Increase in trade debtors and receivables	548,509	(556,998)
Increase in financial assets at fair value	(69,842)	(10,438)
Increase in trade creditors	(368,271)	744,327
Increase in provisions	195,496	171,640
Net operating cash flows	(7,172,257)	(7,387,849)

(c) Changes in Liabilities arising from Financing Activities

	1 July 2021 $	Cash flows $	Non-cash movements $	30 June 2022 $
Short-term borrowings	29,898	(468)	-	29,430
Lease liabilities	457,151	(316,874)	755,608	895,885
Long-term borrowings	3,457,903	-	420,000	3,877,903
	3,944,952	(317,342)	1,175,608	4,803,218

Note 6: Trade and Other Receivables

Current	Note	2022 $	2021 $
Trade debtors		249,419	355,441
Other receivables		748,757	532,632
Total current receivables	(i)	998,176	888,073
Financial Assets classified as loans and receivables			
Trade and other receivables			
• Total current		998,176	888,073
Financial assets	26	998,176	888,073

(i) Significant management judgement — expected credit loss provision

The Group applies the simplified approach to providing for expected credit loss prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group has not recorded an impairment for expected credit losses in the current or prior year as all trade and other receivables are considered credit worthy ADI's and other institutions with no material balances past due. The effect of any expected credit loss is considered immaterial.

Note 7: Financial Assets at Fair Value

Current	Note	2022 $	2021 $
Unlisted investments at fair value			
• Corporate bonds		79,547	1,009,285
Listed investments at fair value			
• Corporate bonds		-	10,488
Total current financial assets at fair value through profit or loss	27	79,547	1,019,773

Note 8: Other Assets

Current	Note	2022 $	2021 $
Prepayments		376,801	362,473
Bonds and deposits	26	-	173,894
Total other assets		376,801	536,367

Note 9: Right of Use Assets

(a) AASB 16 related amounts recognised in the statement of financial position

	Note	2022 $	2021 $
Right of use assets			
Leased building		1,908,774	1,153,165
Accumulated depreciation		(1,052,517)	(737,614)
		856,257	415,551

Movement in carrying amounts:

Leased building:			
Opening net carrying amount	(i)(iii)	415,551	244,779
Additions	(ii)	755,609	462,025
Depreciation expense for the period		(314,903)	(291,253)
		856,257	415,551

(i) The Group has the following carried forward lease recognised under AASB 16.

A 3-year lease for office premises in Adelaide Street, Brisbane, with an expiry date of 30 November 2023.

(ii) The Group entered into the following lease recognised under AASB 16 during the period.

A 5-year lease for office premises in Flinders Lane, Melbourne, with an expiry date of 11 November 2026.

Management estimate — lease term and discount rate

The lease has no option period and as such there is no option included in the calculation of the lease liability. A benchmarked borrowing rate of 4.75% has been used as the incremental borrowing rate.

(iii) The following carried forward lease recognised under AASB 16 expired during the period.

A 4-year lease for office premises in Clarence Street, Sydney, which expired 30 November 2021.

(b) AASB 16 related amounts recognised in the statement of profit or loss

	2022 $	2021 $
Depreciation charge related to right of use assets	314,903	291,253
Interest expense on lease liabilities (included in finance costs)	39,405	36,279

(c) AASB 16 related amounts recognised in the statement of cash flows

	2022 $	2021 $
Total principal and interest cash outflows for leases	316,874	264,780

(d) Lease liabilities

Current	Note	2022 $	2021 $
Lease liabilities		301,497	244,548
Total current lease liabilities		301,497	244,548
Non-current			
Lease liability		594,389	212,603
Total non-current lease liabilities		594,389	212,603
Total lease liabilities	26	895,886	457,151

(e) Lease liabilities maturity analysis

2022	Less than 1 year	1 to 2 years	2 to 5 years	5 + years	Total
Lease payments	338,233	244,601	429,846	-	1,012,680
Finance costs	(36,736)	(28,257)	(51,801)	-	(116,794)
	301,497	216,344	378,045	-	895,886
2021					
Lease payments	269,153	173,966	59,228	-	502,347
Finance costs	(24,605)	(14,535)	(6,056)	-	(45,196)
	244,548	159,431	53,172	-	457,151

Note 10: Intangible Assets

	2022 $	2021 $
Goodwill — at cost	226,316	226,316
	226,316	226,316
Software development — at cost	11,383,682	10,420,664
less accumulated amortisation	(6,073,285)	(4,061,141)
	5,310,397	6,359,523
Trademarks and patent — at cost	14,714	14,714
less accumulated amortisation	(3,079)	(2,299)
	11,635	12,415
Total intangibles	5,548,348	6,598,254

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of intangible asset between the beginning and the end of the year:

		Goodwill	Software	Trademarks	Total
Consolidated	**Note**	**$**	**$**	**$**	**$**
Balance at 1 July 2021		226,316	6,359,523	12,415	6,598,254
Additions		-	-	-	-
Amortisation charge		-	(1,049,126)	(780)	(1,049,906)
Balance at 30 June 2022	(i)	226,316	5,310,397	11,635	5,548,348
Balance at 1 July 2020		226,316	7,408,657	13,193	7,648,166
Amortisation charge		-	(1,049,134)	(778)	(1,049,912)
Balance at 30 June 2021		226,316	6,359,523	12,415	6,598,254

(i) Intangible Assets

Goodwill relates to the subsidiary IAM Capital Markets Limited Cash Generating Unit.

Internally generated software intangibles relate to the Cash Generating Units of IAM Cash Markets and IAM Capital Markets.

As part of the financial year impairment assessment process, the Group has considered the carrying value of the intangible assets balance and note that no impairment charge is required at 30 June 2022.

The useful lives of the intangible assets were also considered to remain appropriate at 30 June 2022.

Management estimate — fair value of intangible assets

The recoverable amounts were determined based on value-in-use calculations which require the use of various assumptions. The key assumptions used for the assessment are a discount rate of 12.98%; an equity risk premium of 12%; a risk-free rate of 3.50%; a beta of 0.79 and a terminal growth rate of 2.7%.

The calculations use the 2022 result plus cash flow projections based on financial forecasts covering a four-year period. The revenue forecast has assumed a 99% growth forecast for the year ended June 2023, and 63% for the year ended June 2024, as the business gains significant scale in bond activities. This drops to 5% p.a. as a sustainable growth rate in the final year of the model as the business matures. Operating cost outflows are expected to increase modestly in line with inflation.

Sensitivity to change in assumptions

Sensitivity analysis on changes to key assumptions and cash flow projections used in the value-in-use calculations indicate that reasonable changes in the key assumptions will not cause the recoverable amount of the CGU to be less than its carrying value.

One of the key variables analysed was a 20% drop in revenue in each period of the cash flow projections.

Note 11: Investments Accounted for Using the Equity Method

	2022 $	2021 $
Investments accounted for using the equity method	6,188,015	2,149,437

(a) Carrying amounts

The Group holds investments that undertake funds management activities. Information relating to these entities are set out below:

		Note	Ownership Interest		Carrying Value	
Name of Company	Principal Activities		2022 %	2021 %	2022 $	2021 $
Unlisted						
Fortlake Asset Management Pty Ltd	Funds Management		25	25	2,322,613	2,149,437
Tactical Global Management Ltd	Funds Management	(i)	25	-	3,865,402	-
					6,188,015	2,149,437

Each of the above entities is incorporated and has its principal place of business in Australia and is accounted for using the equity method.

(i) On 26 October 2021, the Group announced the completion of its investment in Tactical Global Management Ltd (TGM). The investment in TGM expands the Group's offering to include low volatility ESG/SDG equity funds, derivative overlays and foreign exchange hedging products for Australian and international investors. In addition, TGM will support the expansion of the Group's Treasury Management Services business through their expertise in overlay management and investment compliance capabilities. Our fund incubation business, IAM Funds Pty Ltd, has taken a 25% interest in TGM at a cost of $3,895,232. The total cost is comprised of $3,000,0000 cash, $524,550 for 1,500,000 IAM shares issued at $0.35 on completion and $370,684 of contingent consideration upon TGM achieving certain funds under management and net profit after tax milestones and Income Asset Management Group Limited achieving a specified strike price hurdle.

Significant management judgement — contingent consideration

The Group has identified a contingent consideration portion of the transaction as a result of an assessment of the commercial nature of the obligation and its linkage to the underlying valuation of the entity. The Group has assessed that it is probable the funds under management, NPAT and strike price hurdles will be achieved and has therefore recorded the $370,684 at fair value as contingent consideration within the option reserve, with a corresponding increase in the carrying value of the investment in TGM.

(ii) Significant management estimate — impairment assessment

Impairment testing is carried out on the amount at fair value as contingent consideration payable accounted for using the equity method at each reporting date. For the purpose of impairment testing, each investment is assessed individually as each represents a separate 'cash generating unit' (CGU), with the carrying value compared to the 'recoverable amount'. The 'recoverable amount' is defined as the higher of each CGU's fair value less costs of disposal and its value in use.

As a result of this analysis, there has been no impairment to the Group's investments accounted for using the equity method in the period ended 30 June 2022 (30 June 2021: $nil).

(b) Summarised financial information for joint ventures

The tables below provide summarised financial information for the entities accounted for using the equity method. The information disclosed reflects the amounts presented in the financial statements the individual entities and not the Group's share of those amounts.

	Fortlake Asset Management Pty Ltd		Tactical Global Management Ltd
	2022	2021	2022
Summarised statement of financial position	$	$	$
Cash and cash equivalents	689,890	318,429	952,988
Other current assets	1,658,925	551,119	1,187,327
Total current assets	2,348,815	869,548	2,140,315
Total non-current assets	1,799,491	1,729,117	1,103,824
Current financial liabilities	(154,094)	-	(101,172)
Other current liabilities	(222,091)	(87,317)	(660,650)
Total current liabilities	(376,185)	(87,317)	(761,822)
Non-current financial liabilities	(1,067,751)	(500,000)	(431,529)
Other current liabilities	(319)	-	(34,171)
Total non-current liabilities	(1,068,070)	(500,000)	(465,700)
Net assets	2,704,051	2,011,348	2,016,617
Group share %	25%	25%	25%
Reconciliation to carrying amounts			
Opening net assets 1 July	2,011,348	-	-
Net assets on initial investment	-	-	2,135,946
Issued Shares	-	2,000,150	-
Total comprehensive income / (loss)	692,703	11,198	(119,329)
Dividends paid	-	-	-
Closing net assets	2,704,051	2,011,348	2,016,617
Group's share of net assets	676,013	502,837	504,154
Consideration premium	1,646,600	1,646,600	3,361,248
Carrying amount	2,322,613	2,149,437	3,865,402
Summarised statement of comprehensive income			
Revenue	1,267,132	305,029	2,361,279
Net profit / (loss) for the year after tax	683,351	(17,919)	(119,329)
Other comprehensive income	9,352	29,117	-
Total comprehensive income / (loss)	692,703	11,198	(119,329)
Dividend received from joint venture entities	-	-	-
Depreciation and amortisation	(1,883)	-	(135,217)
Interest income	-	-	335

At 30 June 2022, the Group's maximum exposure to loss from its interests is as follows:

Fortlake is the carrying amount of the investment of $2,322,613 (June 2021: $2,149,437) and a $916,666 (June 2021: $500,000) interest free loan for working capital requirements (refer Note 13(i)).

TGM is the carrying amount of the investment of $3,865,402 (June 2021: $nil).

There were no commitments or contingencies of joint ventures in the period ended 30 June 2022.

(c) Movement in carrying amounts

	Note	Fortlake Asset Management Pty Ltd		Tactical Global Management Ltd
		2022	2021	2022
		$	$	$
Carrying amount at the beginning of the year		2,149,437	-	-
Purchase of shares in entity under joint control		-	50	3,000,000
IAM shares issued on completion of investment	11(a)(i)	-	-	524,550
Contingent consideration - Fortlake		-	2,100,000	-
Contingent consideration - TGM	(i)	-	-	370,684
Share of profit / (loss) after tax		173,176	49,387	(29,832)*
Carrying amount at the end of the year		2,322,613	2,149,437	3,865,402

*Share of profit after income tax for TGM is for the period of ownership 26 October 2021 to 30 June 2022.

(i) Management estimate — fair valuation of contingent consideration (TGM)

On completion of the investment in TGM and as part of the shareholder agreement, 15,000,000 performance rights in IAM were granted to various parties associated with TGM in three tranches. The Group has assessed the probability that the rights will vest and become payable and has used the probability in calculating the contingent consideration.

The performance rights were issued for no consideration and vest based upon TGM achieving certain funds under management and NPAT milestones and IAM achieving a specified hurdle share price.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

	Tranche 1	Tranche 2	Tranche 3
Fair value at grant date (per right)	$0.35	$0.35	$0.35
Grant date	26 October 2021	26 October 2021	26 October 2021
Number of rights	5,000,000	5,000,000	5,000,000
Probability of vesting	11.3%	5.1%	4.8%
Exercise price	nil	nil	nil
Expiry date	26 October 2041	26 October 2041	26 October 2041
Share price at grant date	$0.33	$0.33	$0.33
Expected price volatility of the Company's shares	60%	60%	60%
Expected dividend yield	nil	nil	nil
Risk-free interest rate	0.21%	0.21%	0.21%

Note 12: Property, Plant and Equipment

	2022 $	2021 $
Plant and equipment owned		
• at cost	417,124	281,925
less accumulated depreciation	(246,632)	(181,051)
Total plant and equipment, net	170,492	100,874
Leasehold improvements		
• at cost	276,666	269,951
Less accumulated amortisation	(270,578)	(155,603)
Total Leasehold improvements, net	6,088	114,348
Total property, plant and equipment, net	176,580	215,222

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

30 June 2022	**Plant & equipment** $	**Leasehold improvements** $	**Total** $
Balance beginning of the financial year	100,874	114,348	215,222
Disposals	(834)	-	(834)
Additions	136,733	6,715	143,448
Depreciation expense	(66,281)	(114,975)	(181,256)
Balance at end of financial year	170,492	6,088	176,580

30 June 2021	**Plant & equipment** $	**Leasehold improvements** $	**Total** $
Balance beginning of the financial year	36,646	131,624	168,270
Additions	107,428	13,971	121,399
Depreciation expense	(43,200)	(31,247)	(74,447)
Balance at end of financial year	100,874	114,348	215,222

Note 13: Other Non-current Assets

	Note	2022 $	2021 $
Loan to associate	(i)	916,666	500,000
Bonds and deposits	26	401,828	130,387
Total other non-current assets		1,318,494	630,387

(i) Fortlake interest free loan

On establishment of Fortlake Asset Management Pty Ltd (refer Note 11), IAM Funds Pty Ltd agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The loan has been classified as non-current at 30 June 2022 and the outstanding balance is $916,666 (June 2021: $500,000). The Group has assessed the future forecasts of Fortlake and not recorded an impairment for expected credit losses in the period.

Note 14: Trade and Other Payables

	Note	2022 $	2021 $
Current — unsecured			
Trade creditors		550,874	530,683
Sundry creditors and accrued expenses		1,043,235	1,763,603
Total current payables	26	1,594,109	2,294,286
Financial liabilities at amortised cost classified as trade and other payables		1,594,109	2,294,286

Note 15: Borrowings

Current	Note	2022 $	2021 $
Loans — unsecured	(i)	29,430	29,898
Total current borrowing		29,430	29,898
Non-current			
Issued notes	(ii)	4,500,000	4,500,000
Issued notes — option premium	(iii)	(622,097)	(1,042,097)
Total non-current borrowing		3,877,903	3,457,903
Total borrowings	26	3,907,333	3,487,801

(i) Unsecured short-term loan for the payment of the Group's insurance policy.

(ii) Issued notes

On 24 December 2020, IAM issued a 6% unsecured note with a face value of $4,500,000 and a maturity of 3 years. The borrowing will be used to fund the growth in capital requirements of the IAM Funds and IAM Capital Markets businesses. Interest is payable quarterly in arrears at a rate of 6% based on face value and notes have been measured at amortised cost.

The noteholders were also issued with two ASX listed options for every $1 invested. Each option entitles the holder to purchase one IAM share at an exercise price of $0.50 at any time during the 3-year life of the option. Refer Note (iii) below for details of the fair valuation process.

(iii) Issued notes — option premium

The option premium on the issued note represents the options on IAM shares outlined in (ii) above. The premium represents an additional borrowing cost, and is incorporated within the effective interest rate on the issued note liability.

Management estimate — fair valuation of option premium

The fair value of the options was determined using a Black-Scholes pricing model taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

Fair value at grant date (per right)	$0.14
Grant date	24 December 2020
Number of rights	9,000,000
Exercise price	$0.50
Expiry date	24 December 2023
Share price at grant date	$0.34
Expected price volatility of the Company's shares	79%
Expected dividend yield	nil
Risk-free interest rate	0.10%

The $622,097 balance at 30 June 2022 (1,042,097 at 30 June 2021) represents the fair value of $1,260,000 less $637,903 in effective interest for the period on the option premium.

(iv) Related party funding

Commencing in October 2020, the Group entered into a borrowing agreement with Jon Lechte (CEO), who provided a loan facility for an amount of not more than $2,500,000 at any time. The interest rate was 5.01%, repayment was made with 30 days' notice and the facility was used to purchase inventory or to facilitate settlements for the Capital Markets business. The facility was not utilised this financial year and was closed 31 December 2021.

In the 2021 comparative period the facility was utilised at various times and the cumulative total proceeds received was $5,572,370 and all utilised amounts during the year had been repaid by year end. Interest on the facility of $26,809 was paid.

Note 16: Provisions

	2022 $	2021 $
Current		
Employee benefits	571,208	370,640
Total current provisions	571,208	370,640
Non-Current		
Employee benefits	40,855	45,927
Total non-current provisions	40,855	45,927
Opening Balance	416,567	244,927
Additional provisions	549,884	362,454
Amounts used	(354,388)	(190,814)
Closing Balance	612,063	416,567

Provision for employee benefits

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

The current portion for this provision includes the total amount accrued for annual leave and long service entitlements that have vested due to employees having completed the required period of service. Based on past experience the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities as the Group does not have an unconditional right to defer settlement of the amount in the event the employees wishes to leave their employment.

Note 17: Issued Capital

	2022 $	2021 $
Issued capital	47,319,283	38,372,712

(a) Movement in ordinary shares as of 30 June 2022:

Date	Detail	Note	Number of shares	Issue Price ($)	Issued Capital
1 July 2021	Opening balance		236,748,844		38,372,712
14 July 2021	Performance rights exercised	(i)	2,410,000	$0.11	267,510
16 August 2021	Share placement	(ii)	29,741,977	$0.27	8,030,334
2 November 2021	Options exercised	(iii)	1,000,000	$0.30	300,000
2 November 2021	Performance rights exercised	(iv)	4,820,000	$0.09	410,880
2 November 2021	Performance rights exercised	(v)	1,500,000	$0.35	524,550
	Transaction costs				(586,703)
30 June 2022	Closing balance		276,220,821		47,319,283

(i) On 14 July 2021, IAM issued 2,410,000 shares at an average issue price of $0.111 upon vesting of employee performance rights.

(ii) On 16 August 2021, IAM issued 29,741,977 shares to sophisticated investors at an issue price of $0.27. This is tranche two of the $14M placement announced in June 2021.

(iii) On 2 November 2021, IAM issued 1,000,000 shares to Blue Ocean Equities on conversion of options at an exercise price of $0.30.

(iv) On 2 November 2021, IAM issued 4,820,000 shares at an average issue price of $0.085 upon vesting of employee performance rights.

(v) On 2 November 2021, IAM issued 1,500,000 shares at an average issue price of $0.35 as part of the investment in TGM (refer note 11(a)(i))

(b) Movement in ordinary shares as of 30 June 2021:

Date	Detail	Note	Number of shares	Issue Price ($)	Issued Capital
1 July 2020	Opening balance		198,343,257		30,867,822
10 July 2020	Share-based payment	(i)	153,846	$0.13	20,000
4 March 2021	Performance rights exercised	(ii)	11,321,866	$0.15	1,649,981
21 June 2021	Share placement	(iii)	22,109,875	$0.27	5,969,666
29 June 2021	Performance rights exercised	(iv)	4,820,000	$0.05	249,789
	Transaction costs		-		(384,546)
30 June 2021	Closing balance		236,748,844		38,372,712

(i) On 10 July 2020, IAM issued 153,846 shares at an issue price of $0.13 to a supplier for recruitment costs.

(ii) On 4 March 2021, IAM issued 11,321,866 shares at an average issue price of $0.15 upon vesting of employee performance rights.

(iii) On 21 June 2021, IAM issued 22,109,875 shares to sophisticated investors. This is tranche one of a two-tranche placement of $14M at an issue price of $0.27. Tranche two received shareholder approval on 10 August 2021 and the balance of 29,741,977 shares were issued on 16 August 2021.

(iv) On 29 June 2021, IAM issued 4,820,000 shares at an average issue price of $0.05 upon vesting of employee performance rights.

(c) Capital Management

The Group's debt and capital includes shares and financial liabilities, supported by financial assets. The Group's capital is managed by assessing the Group's financial risks and adjusting its capital structure in response to changes in those risks and in the market. Financial risk consideration includes the management of debt levels, distributions to shareholders and share issues. Given the increased risks associated with high levels of gearing, the directors have elected to maintain low levels of borrowings. The strategy adopted to manage capital is consistent with prior years.

Trustees Australia Limited and IAM Capital Markets Limited hold Australian financial services licences. Conditions of each licence authorisation require each licensee to maintain a number of minimum financial standards as set out in Note 19: Commitments and Contingencies.

Note 18: Reserves

	2022 $	2021 $
Option reserve	10,006,184	7,909,842

(a) Movement in options/performance rights as of 30 June 2022:

Date	Detail	Note	No. of options / performance rights	Option Reserve ($)
1 July 2021	Opening balance		60,937,333	6,886,842
16 August 2021	Contingent consideration reserve	11(c)(i)	16,500,000	370,684
16 August 2021	Blue Ocean Options - capital raise costs	(i)	1,500,000	172,500
2 November 2021	Blue Ocean Options - exercised		(1,000,000)	(105,420)
5 November 2021	Lapsed share-based payments reinstated		3,300,000	1,023,000
30 June 2022	Share-based payments - employee scheme		17,170,000	2,336,968
30 June 2022	Performance rights exercised		(7,230,000)	(678,390)
30 June 2022	Closing balance		91,177,333	10,006,184

(i) On 16 August 2021, IAM issued 1,500,000 options to Blue Ocean at an issue price of $0.115.

(b) Movement in options/performance rights as of 30 June 2021:

Date	Detail	Note	No. of options / performance rights	Option Reserve ($)
1 July 2020	Opening balance		17,993,333	435,409
29 July 2020	Capital raise transaction cost		1,200,000	72,000
6 November 2020	Contingent consideration reserve	11(c)	10,000,000	2,100,000
24 December 2020	Issued notes - option premium reserve	15(iii)	9,000,000	1,260,000
Jul20 - Jun21	Share-based payments - employee scheme		42,185,866	5,942,203
Jul20 - Jun21	Performance rights exercised		(16,141,866)	(1,899,770)
30 June 2021	Performance rights lapsed		(3,300,000)	(1,023,000)
30 June 2021	Closing balance		60,937,333	6,886,842

(b) Options / Performance Rights

There are 89,677,333 (2021: 60,937,333) options and performance rights on issue at 30 June 2022.

Note 19: Commitments and Contingencies

(i) Responsible Entity and AFSL Licence Obligations

The Group holds the following financial services licences under section 913B of the Corporations Act 2001:

Name	Licence No.
IAM Capital Markets Limited	283119
Trustees Australia Limited	260038

As a condition of licence authorisation, each licensee is required to maintain a number of base level financial requirements and Trustees Australia has additional financial requirements as a result of being licensed to provide Responsible Entity services. At 30 June 2022, all entities meet the base level requirements and Trustees Australia meets its additional financial requirements.

During the year, the Group cancelled the following financial services licences:

Name	Licence No.	Cancellation Date
Income Asset Management Group Limited	260033	17.05.2022
IAM Cash Markets Pty Ltd	459645	22.02.2022

(ii) Fortlake interest free loan

On establishment of Fortlake Asset Management Pty Ltd, IAM Funds Pty Ltd agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The outstanding balance is $916,666 (June 2021: $500,000). Refer Note 13(i).

There are no other commitments and contingencies reported at 30 June 2022.

Note 20: Key Management Personnel (KMP) Interests

(a) Names and positions held of KMP in office at any time during the financial year are:

Name	Position
John Nantes	Executive Chairman
Brook Adcock	Non-Executive Director
Fiona Dunn	Non-Executive Director (appointed 01.09.2021)
Craig Swanger	Executive Director
Jon Lechte	CEO
Matthew Loughnan	CCO

(b) KMP Compensation by Category

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2022.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows, no other remuneration has been paid apart from that listed:

	2022 $	2021 $
Short-term	765,114	773,694
Post employment	47,676	45,034
Other long-term	932	398
Termination payments	-	58,681
Share-based payments	671,751	3,314,345
	1,485,473	4,192,152

Short-term employee benefits

These amounts include fees and benefits paid to the Executive Chair, directors and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the costs of superannuation contributions made during the year.

Other long-term benefits

These amounts represent the movement in long service leave benefits accruing during the year.

Termination benefits

These are amounts payable as a result of either i) the Group's decision to terminate an employee's employment before the normal retirement date, or ii) an employee's decision to accept voluntary redundancy in exchange for those benefits.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity settled benefit schemes as measured by the fair value of the options and shares granted.

Note 21: Controlled Entities

(a) Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(A). The country of incorporation of all subsidiaries is also the principal place of business.

Particulars in relation to controlled entities	Country of incorporation	Note	Class of Equity	2022 Percentage Owned	2021 Percentage Owned
Parent Entity				%	%
Income Asset Management Group Limited	Australia	(i)	ordinary		
Wholly Owned Controlled Entities					
IAM Capital Markets Limited			ordinary	100	100
Trustees Australia Limited			ordinary	100	100
IAM Cash Markets Pty Ltd			ordinary	100	100
Australian Share Registers Pty Ltd (dormant)			ordinary	100	100
IAM Funds Pty Ltd			ordinary	100	100
Cashwerkz Group Trust (dormant)			units	100	100

The financial year of all controlled entities is the same as that of the holding company.

(i) The ultimate controlling entity of the Group is Income Asset Management Group Limited.

(b) Significant restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

Note 22: Related Party Transactions

Related parties of the IAM Group are:

- controlled entities
- key management personnel and their associates
- director related entities
- joint ventures accounted for under the equity method

Entities with significant influence over the Group are:

- Relevant interests associated with Director, Brook Adcock, own 26.55% (June 2021: 27.28%) of the ordinary shares in IAM at the date of this report.

Transactions with related parties

Transactions with related parties are made at arm's length at normal market prices and on normal commercial terms.

The following transactions occurred with director related parties:

- John Nantes is a director of CJN Advisory Pty Ltd (CJN Advisory), who undertakes responsible manager and consulting services work for the Group. During the period, $198,000 (2021: $198,000) was paid by the Group to CJN Advisory and at 30 June 2022 the Group had no (2021: $nil) outstanding amounts with CJN Advisory.

- Craig Swanger is a director of Revolver Capital Pty Ltd (Revolver Capital). Revolver Capital undertakes project management and consulting work for the Group on a cost recovery basis. During the period, $60,000 (2021: $60,000) was paid by the Group to Revolver Capital and at 30 June 2022 the Group had $5,500 (2021: $nil) outstanding with Revolver Capital.

The following transactions occurred with directors:

- On 24 December 2020, IAM issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested. Below is a list of directors who participated in the issue and their relevant interest from the issue.

	Notes ($)	Options (No.)
Brook Adcock	725,000	1,450,000
John Nantes (indirect holdings)	50,000	100,000

Interest on the notes of $46,500 (2021: $24,715) has been expensed in finance costs.

The following transactions occurred with KMP:

- On 24 December 2020, IAM issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested. Below is a list of KMP who participated in the issue and their relevant interest from the issue.

	Notes ($)	Options (No.)
Jon Lechte	500,000	1,000,000
Matthew Loughnan	50,000	100,000

Interest on the notes of $33,000 (2021: $17,540) has been expensed in finance costs.

Loans from related parties:

- Commencing in October 2020, the Group entered into a borrowing agreement with Jon Lechte (CEO), who provided a loan facility for an amount of not more than $2,500,000 at any time. The interest rate was 5.01%, repayment was to be made with 30 days' notice and the facility was used to purchase inventory or to facilitate settlements for the Capital Markets business. The facility was not utilised this financial year and was closed 31 December 2021.

- In the 2021 comparative period the facility was utilised at various times and the cumulative total proceeds received was $5,572,370 and all utilised amounts during the year had been repaid by year end. Interest on the facility of $26,809 was paid.

Loans to related parties:

- On establishment of Fortlake Asset Management Pty Ltd, IAM Funds Pty Ltd agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The outstanding balance is $916,666 (June 2021: $500,000). Refer Note 13(i).

Note 23: Segment Information

The Group has only one operating segment based on the information provided to the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)). Therefore, as the results are the same as the consolidated entity, no reconciliation of operating segment information has been presented. The disaggregation of revenue is reported in Note 3(a).

Note 24: Share-based Payments

(i) Employee share scheme

The Group established the Long Term Incentive Plan (LTIP) on 30 November 2016 as an incentive scheme to recognise and motivate employees to strive for Group performance. The Group considers that the LTIP reflects our commitment to deliver competitive remuneration in order to attract and retain high calibre professionals to the Group, while prudently managing the Group's cash reserves and aligning the interests of executives and shareholders.

The LTIP allows the Board to grant performance rights and/or options to eligible employees. An eligible employee of the Group is an employee (including a director employed in an executive capacity) and any other person who is declared by the Board to be eligible to receive a grant of performance rights or options.

The number available to be granted is determined by the Board and is generally based on shareholder return triggers linked to a share price and are also subject to various minimum service standards such as term of service.

Set out below are performance rights and options granted under the plan during the period:

Grant date	Expiry date	Hurdle price	Note	Exercise price	Balance at 1 July 2021	Granted during the year	Vested & issued during the period	Confirmed during the year	Balance at 30 June 2022	Vested and exercisable at end of the year
Performance rights										
1/4/2020	1/4/2025	$0.45*		-	8,830,000	-	-	-	8,830,000	-
1/7/2020	1/7/2025	$0.30		-	2,410,000	-	(2,410,000)	-	-	-
1/7/2020	1/7/2025	$0.45*		-	4,415,000	-	-	-	4,415,000	-
9/9/2020	9/9/2025	$0.45		-	1,640,000	-	-	-	1,640,000	-
1/10/2020	1/10/2025	$0.30		-	4,820,000	-	(4,820,000)	-	-	-
1/12/2020	1/12/2025	$0.50		-	4,815,000	-	-	-	4,815,000	-
1/12/2020	1/12/2025	$0.75		-	7,230,000	-	-	-	7,230,000	-
4/12/2020	1/4/2025	$ 0.45*		-	5,360,000	-	-	-	5,360,000	-
1/11/2021	1/7/2022	-	a	-	-	500,000	-	-	500,000	-
1/11/2021	1/7/2023	-	a	-	-	500,000	-	-	500,000	-
1/11/2021	1/7/2024	-	a	-	-	500,000	-	-	500,000	-
1/11/2021	1/7/2025	$0.45	a	-	-	1,000,000	-	-	1,000,000	-
1/11/2021	1/7/2026	$0.75	a	-	-	1,500,000	-	-	1,500,000	-
1/11/2021	1/10/2023	$0.75	b	-	-	8,830,000	-	-	8,830,000	-
5/11/2021	1/4/2025	$0.35	c	-	-	-	-	3,300,000	3,300,000	3,300,000
30/5/2022	30/5/2027	-	d	-	-	350,000	-	-	350,000	-
30/5/2022	30/5/2027	$0.45	d	-	-	400,000	-	-	400,000	-
30/5/2022	30/5/2027	$0.45	d	-	-	400,000	-	-	400,000	-
22/6/2022	22/4/2027	$0.45	e	-	-	1,820,000	-	-	1,820,000	-
22/6/2022	22/4/2027	$0.75	e	-	-	1,370,000	-	-	1,370,000	-
Options										
24/12/2020	24/12/2023	-		$0.50	84,000	-	-	-	84,000	84,000
					39,604,000	17,170,000	(7,230,000)	3,300,000	52,844,000	3,384,000

* Executive Directors and senior management have voluntarily agreed to raise the hurdle price from $0.45 to $0.75 by way of escrow.

(a) Performance rights granted to employee — 1 November 2021

Number of rights	500,000	500,000	500,000	1,000,000	1,500,000
Fair value at grant date (per right)	$0.344	$0.344	$0.344	$0.241	$0.198
Hurdle price	n/a	n/a	n/a	$0.45	$0.75
Service hurdle	1 July 2022	1 July 2023	1 July 2024	1 July 2025	1 July 2026
Grant date	1 November 2021	1 November 2021	1 November 2021	1 November 2021	1 November 2021
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00
Expiry date	1 July 2026	1 July 2026	1 July 2026	1 July 2026	1 July 2026
Share price at grant date	$0.32	$0.32	$0.32	$0.32	$0.32
Expected price volatility of Company's shares	60%	60%	60%	60%	60%
Expected dividend yield	nil	nil	nil	nil	nil
Risk-free interest rate	0.21%	0.21%	0.21%	0.21%	0.21%

(b) Performance rights granted to employees — 1 November 2021

Number of rights	8,830,000
Fair value at grant date (per right)	$0.049
Hurdle price	$0.75
Service hurdle	1 October 2022
Grant date	1 November 2021
Exercise price	$0.00
Expiry date	1 October 2023
Share price at grant date	$0.32
Expected price volatility of Company's shares	60%
Expected dividend yield	nil
Risk-free interest rate	0.21%

(c) Performance rights confirmed to directors — 5 November 2021

On 5 November 2021, it was resolved at the AGM that 3,300,000 performance rights previously issued to Directors at the 2020 AGM be confirmed, with terms and conditions that have now been clarified.

(d) Performance rights granted to employee — 30 May 2022

Number of rights	350,000	400,000	400,000
Fair value at grant date (per right)	$0.171	$0.06	$0.06
Hurdle price	n/a	$0.45	$0.45
Service hurdle	30 May 2023	30 May 2024	30 May 2025
Grant date	30 May 2022	30 May 2022	30 May 2022
Exercise price	$0.00	$0.00	$0.00
Expiry date	30 May 2027	30 May 2027	30 May 2027
Share price at grant date	$0.175	$0.175	$0.175
Expected price volatility of Company's shares	29%	29%	29%
Expected dividend yield	nil	nil	nil
Risk-free interest rate	2.98%	2.98%	2.98%

(e) Performance rights granted to employees — 22 June 2022

Number of rights	1,820,000	1,370,000
Fair value at grant date (per right)	$0.06	$0.06
Hurdle price	$0.45	$0.75
Service hurdle	22 April 2023	22 April 2024
Grant date	22 June 2022	22 June 2022
Exercise price	$0.00	$0.00
Expiry date	22 April 2027	22 April 2027
Share price at grant date	$0.15	$0.15
Expected price volatility of Company's shares	29%	29%
Expected dividend yield	nil	nil
Risk-free interest rate	2.98%	2.98%

(ii) Other options granted

Set out below are other options granted during the period:

Grant date	Expiry date	Type	Note	Exercise price	Balance at 1 July 2021	Granted during the period	Exercised during the period	Forfeited during the period	Balance at 31 December 2021	Vested and exercisable at end of the period
28/9/2018	30/9/2021	Options		$0.30	1,000,000	-	(1,000,000)	-	-	-
28/9/2018	30/9/2022	Options		$0.40	133,333	-	-	-	133,333	133,333
1/7/2020	30/6/2023	Options		$0.20	1,200,000	-	-	-	1,200,000	1,200,000
16/8/2021	16/8/2024	Options	a	$0.405	-	1,500,000	-	-	1,500,000	1,500,000
					2,333,333	1,500,000	(1,000,000)	-	2,833,333	2,833,333

(a) Options granted to suppliers - 16 August 2021

Blue Ocean Equities was issued options as part consideration for placement fees in respect of the June 2021 share placements. The options were issued for no consideration and vested immediately. The fair value of the options was determined using a Black Scholes valuation model, taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

Number of options	1,500,000
Fair value at grant date (per option)	$0.115
Grant date	16 August 2021
Exercise price	$0.405
Expiry date	16 August 2024
Share price at grant date	$0.33
Expected price volatility of Company's shares	60%
Expected dividend yield	nil
Risk-free interest rate	0.24%

During the period $172,500 (2021: $72,000) has been expensed as transaction costs in equity.

(iii) Total expenses arising from share-based transactions recognised during the period are as follows:

	Note	2022 $	2021 $
Employee share scheme - share-based payment expenses	3(b)(ii)	2,336,968	5,942,203
Other options granted - transaction costs		172,500	72,000

(iv) Other share-based payments

16,500,000 performance rights were issued for the Group’s investment in Tactical Global Management Ltd. 15,000,000 of these performance rights have been allocated as contingent consideration ($370,684) and 1,500,000 performance rights converted into IAM shares issued on completion ($524,550). (refer Note 11(c)).

Note 25: Earnings Per Share

Earnings per share	2022 cents	2021 cents
Basic loss per share	(4.3)	(7.5)
Diluted loss per share	(4.3)	(7.5)

Reconciliation of earnings to profit or loss		
Loss attributed to shareholders	(11,593,001)	(15,293,646)

	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	269,791,745	202,893,213
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	269,791,745	202,893,213

All options on issue are considered to be dilutive potential ordinary securities, however they are presently anti-dilutive at 30 June 2022 as the Group is in losses.

Note 26: Financial Risk Management

The Group's principal financial instruments are set out below.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	Note	2022 $	2021 $
Financial assets at amortised cost:			
Cash and cash equivalents	5	2,849,309	6,029,545
Trade and other receivables [(1)]	6	998,176	888,073
Bonds and deposits	8,13	401,828	304,281
Loans to jointly controlled associates	13	916,666	500,000
Financial assets at fair value through profit or loss			
Corporate bonds	7	79,547	1,019,773
Total financial assets		5,245,526	8,741,672
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14	1,594,109	2,294,286
Lease liabilities	9	895,886	457,150
Borrowings	15	3,907,333	3,487,801
Total financial liabilities		6,397,328	6,239,237

[(1)] Excludes Prepayments

The Group's activities expose it to a variety of financial risks, namely market risk (which includes foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for monitoring the Group's risk management framework. Risk governance is managed through the Audit, Risk and Compliance Committee which reports to the Board monthly and is responsible for monitoring adherence to the Risk Appetite Statement and Enterprise Risk Management Framework. Written policies for risk management such as balance sheet management and pricing policies are in place in order to identify and assess the risks faced by the Group, set appropriate risk limits, monitor risks and adherence to risk policies. Risk management policies are regularly reviewed to reflect changes in the activities undertaken by the Group and changes in market conditions.

The Group's compliance function provides regular training to all employees with the aim of ensuring all employees understand their responsibilities within the risk management environment.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign currency sensitivity due to the purchase and sale of bonds in foreign currencies and selling and buying foreign currency bonds in Australian dollar contracts. It is also exposed due to the purchase of foreign- denominated bonds which the Group may hold for short durations before selling to investors. Certain supplier contracts are denominated in foreign currency, but this does not constitute a material exposure.

In order to limit its exposure to foreign currency sensitivity on bonds held the Group imposes limits on the duration and value of foreign-denominated bonds it may hold.

The Group has not performed a sensitivity analysis relating to its exposure to foreign currency risk as the short-term exposure is immaterial. Foreign currency denominated financial assets and liabilities, translated into Australian dollars at the closing rate, are as follows:

2022	USD	GBP	NZD
Cash and cash equivalents (AUD equivalent)	124,203	25,496	14,403
Trade and other receivables (AUD equivalent)	16,184	-	-
Financial assets through profit and loss (AUD equivalent)	-	-	-
Trade and other payables (AUD equivalent)	(171,638)	-	-
Short-term exposure	(31,251)	25,496	14,403
2021			
Cash and cash equivalents (AUD equivalent)	349,756	2,625	-
Trade and other receivables (AUD equivalent)	8,961	-	-
Financial assets through profit and loss (AUD equivalent)	-	-	-
Trade and other payables (AUD equivalent)	(107,234)	-	-
Short-term exposure	251,483	2,625	-

The Board considers financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are reviewed by the Board when necessary. These include the use of credit risk policies and future cash flow requirements.

Sensitivity

The table below summarises the impact of increases/decreases in exchange rates on the Group's (after tax) profit for the year.

The analysis is based on the price sensitivity assumption that exchange rates have increased/decreased by 10% (2021: 10%) with all other variables held constant.

	2022		2021	
	+10%	-10%	+10%	-10%
Impact on after-tax profit	$	$	$	$
USD	3,125	(3,125)	(25,148)	25,148
GBP	(2,550)	2,550	(262)	262
EUR	(1,440)	1,440	-	-
Total	(865)	865	(25,410)	25,410

(i) Price risk

Through its business transactions and investments, the Group is exposed to bond securities price risk. The risk is the potential for losses in Group earnings as a result of adverse market movements and arises from investments held by the Group and classified as financial assets at fair value through profit or loss.

The Group manages the price impact of market risk through exposure to bond securities by setting limits on its exposures to bonds by risk classification and in total. The performance of the Group's bond securities exposures and market risk are monitored on a regular basis.

Assets as at 30 June	**2022**	**2021**
Listed bond securities	-	10,488
Unlisted bond securities	79,547	1,009,285
Total assets at fair value through profit or loss	79,547	1,019,773

Sensitivity

The table below summarises the impact of increases/decreases in equity/debt securities prices on the Group's (after tax) profit for the year and on equity.

The analysis is based on the price sensitivity assumption that prices have increased/decreased by 5% (2021: 5%) with all other variables held constant.

	2022	**2021**
	+/–5%	**+/–5%**
	$	**$**
Impact on after-tax profit	3,977	50,989
Impact on equity	3,977	50,989

(iii) Interest rate risk

The Group's main interest rate risk arises from holding cash and cash equivalents and borrowings with variable rates. During 2022 and 2021, the Group's cash and cash equivalents were denominated in Australian dollars. The Group's borrowings were also denominated in Australian dollars. The Group reviews its interest rate exposure as part of the Group's cash flow management and takes into consideration the yields, duration and alternative financing options as part of the renewal of existing positions.

As at the reporting date, the Group had the following cash and cash equivalents and borrowings:

	2022		**2021**	
	Effective interest rate	**Balance**	**Effective interest rate**	**Balance**
	%	**$**	**%**	**$**
Cash and cash equivalents	0%	2,849,309	0%	6,029,545
Bonds and deposits (bank guarantees)	0%	401,828	0%	304,281
Net exposure to interest rate risk		3,251,137		6,333,826
Other payables	0%	(19,522)	0%	(28,055)
Net exposure to interest rate risk		(19,522)		(28,055)

Sensitivity

At 30 June 2022, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, after tax profit and equity for the year would have been $27,596 lower/higher (2021: change of 100 basis points: $60,295 lower/higher).

(b) Credit risk

Credit risk arises from the risk that a counterparty will default on its obligations to the group, resulting in a loss to the Group, and includes potential loss of principal and interest, disruption to cash flows, and increased collection costs. The Company's credit risk arises from cash and cash equivalents, corporate bonds, deposits with banks and credit exposures to wholesale and retail customers, including outstanding receivables from unsettled transactions.

The Company has the following assets with exposure to credit risks:

	2022 $	2021 $
Cash at bank	2,849,309	6,029,545
Trade and other receivables	998,176	888,073
Bonds and deposits	401,828	304,281
Financial assets at fair value through profit or loss — corporate bonds	79,547	1,019,773
Loans to jointly controlled associates	916,666	500,000
Total	5,245,526	8,741,672

(i) Impaired trade, other and loan receivables

While cash and cash equivalents and financial assets at fair value through profit or loss are also subject to the impairment requirements of AASB 9, the identified impairment loss was nil.

Trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rate and loss allowance has been assessed as $nil as at 30 June 2022 (30 June 2021: $nil). This is because there is no history of default, revenue is generated primarily through providing brokerage services to customers who are credit worthy ADI's and other institutions with no material balances past due. Hence the recoverability of receivables can be determined with a high degree of certainty on a forward-looking basis. Furthermore, the Group also considered the classification of trade receivables as shown below. Refer to Note 1 (F) for more information on the trade receivables policy of the Group.

The Group records trade receivables and loans in the following classifications:

Neither past due nor impaired trade receivables and loans are those that are within their relevant contractual payment terms and thus have no expected credit loss due to the reasons above.

Past due but not impaired trade receivables and loans are those that have fallen outside of their contractual settlement terms. However there remains an expectation of full recovery, with no change in credit risk based on the value of the underlying bond securities and the financial position of the client or counterparty and as such there is no expected credit loss.

Past due and impaired trade receivables and loans are those that have fallen outside of the prescribed settlement terms and/or there is evidence to suggest that the client or counterparty will fail to meet their obligations and thus would result in an expected credit loss. This is $nil as at 30 June 2022 (2021: $nil).

Trade and other receivables	2022 $	2021 $
Neither past due nor impaired	947,749	735,317
Past due but not impaired	50,427	152,755
	998,176	888,072

Loans held at amortised cost		
Neither past due nor impaired	916,666	500,000

Bonds and deposits

The Group held term deposits of $401,828 at 30 June 2022 (2021: $304,281). The term deposits are held with AA- rated banks as security for bank guarantees issued in connection with certain leases for premises. The Group obtained bank guarantees that guarantee certain lease commitments of the Group to the lessor. In connection with these bank guarantees, the banks required the Group to enter into certain term deposits and pledge these term deposits to the respective banks as a condition of the bank guarantee. The Group considers that its term deposits have low credit risk based on the external credit ratings of the banks.

Corporate Bonds

The Company is also exposed to credit risk in relation to corporate bonds measured at fair value through profit or loss. The maximum exposure at 30 June 2022 is the carrying amount of these investments of $79,547 (2021: $1,019,773) as set out in the table above.

Loans to jointly controlled associates

The loan to a jointly controlled associate is considered low credit risk, has had no significant increase in credit risk during the year, and as such no loss allowance has been provided. Loans to associates are considered to be low credit risk when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. A new loan provided to an associate is only provided once the underlying prospects of the entity have been fully evaluated and found to be within our risk appetite. As such, at 30 June 2022, the expected credit loss rate in relation to the loan to associate was 0% (2021: 0%), and the loss allowance was $nil (2021: $nil). Refer to Note 1 (H) for more information on the investments and other financial assets policy of the Group.

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings. These credit ratings are only available for cash assets and corporate bonds:

Cash	Rating agency	2022 $	2021 $
AA-	S&P	2,839,087	5,947,539
Baa1	Moody's	10,222	81,779
BBB	S&P	-	226
Unrated		-	-
Total		2,849,309	6,029,544
Corporate Bonds			
A1	Moody's	-	188,870
B+	S&P	-	150,000
Unrated		79,547	680,903
Total		79,547	1,019,773

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with appropriately regulated financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below presents maturity of the Group's financial liabilities. The financial liabilities are broken down into maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Amounts are disclosed as contractual undiscounted cash flows.

		Contractual cash outflows			
	Carrying amount	0–30 days	30 days – 1 year	1 year +	Total
2022	$	$	$	$	$
Trade and other payables	1,594,109	602,836	991,273	-	1,594,109
Lease liabilities	895,886	24,411	277,085	594,390	895,886
Borrowings	3,907,333	4,905	4,905	3,897,523	3,907,333
Total	6,397,328	632,152	1,273,263	4,491,913	6,397,328
2021					
Trade and other payables	2,294,286	1,699,939	594,347	-	2,294,286
Lease liabilities	457,151	31,129	209,271	216,751	457,151
Borrowings	3,487,801	-	29,898	3,457,903	3,487,801
Total	6,239,238	1,731,068	833,516	3,674,654	6,239,238

Note 27: Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss.

(a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into:

Level 1: The fair value of financial instruments that are traded in active and transparent markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices for identical financial instruments at the end of the reporting period.

Level 2: The fair value of financial instruments that are traded in active and transparent markets other than quoted market prices within Level 1 (for example, over-the-counter bonds and derivatives) is determined using valuation techniques which maximises the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If inputs are not based on observable market data, the instrument is included in Level 3.

The following table provides the fair values of the Group's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2022	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets					
Unlisted - corporate bonds		-	79,547	-	79,547
Listed - corporate bonds		-	-	-	-
Total financial assets	7	-	79,547	-	79,547

30 June 2021	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets					
Unlisted — corporate bonds		–	1,009,285	–	1,009,285
Listed — corporate bonds		10,488	–	–	10,488
Total financial assets	7	10,488	1,009,285	–	1,019,773

The fair value of listed corporate bonds is based on quoted market prices at the end of the reporting period using the period end closing price. These instruments are included in level 1.

The fair value of unlisted corporate bonds is based on independent valuations, whose inputs into the data include some observable market data. These instruments are included in level 2.

(b) Fair value estimation

The fair value of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

		Carrying Amount		Fair Value	
		2022	2021	2022	2021
Financial assets	**Footnote**	**$**	**$**	**$**	**$**
Financial assets at amortised cost:					
• Cash and cash equivalents	(i)	2,849,309	6,029,545	2,849,309	6,029,545
• Trade and other receivables	(i)	998,176	888,073	998,176	888,073
• Bonds and deposits	(ii)	401,828	304,281	401,828	304,281
• Loans to jointly controlled associates	(ii)	916,666	500,000	916,666	500,000
Financial assets at fair value through profit or loss:					
• Corporate bonds		79,547	1,019,773	79,547	1,019,773
Total financial assets		5,245,526	8,741,672	5,245,526	8,741,672
Financial liabilities					
Financial liabilities at amortised cost:					
• Trade and other payables	(i)	1,594,109	2,294,286	1,594,109	2,294,286
• Lease liabilities	(ii)	895,886	457,151	895,886	457,151
• Borrowings	(ii)	3,907,333	3,487,801	3,907,333	3,487,801
Total financial liabilities		6,397,328	6,239,238	6,397,328	6,239,238

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) Fair values are determined using amortised cost.

Note 28: Auditor's Remuneration

The following fees were paid or are payable for services provided by auditors:

	2022 $	2021 $
BDO Audit Pty Ltd		
• Auditing or reviewing the financial statements	151,535	88,867
	151,535	88,867
Nexia Brisbane Audit Pty Ltd		
• Auditing financial statements	-	962
	-	962
BDO (QLD) Pty Ltd		
• Taxation services	34,137	1,400
	34,137	1,400
Ernst & Young		
• Auditing financial statements	22,800	20,000
• Consulting services	136,731	18,987
	159,531	38,987
Total	345,203	130,216

On 4 December 2020, Nexia Brisbane Audit Pty Ltd resigned as auditor of the Group and BDO Audit Pty Ltd was appointed.

Note 29: Events After the Reporting Period

During July 2022, the Group entered into a 3-year lease for office premises in Martin Place, Sydney.

In the opinion of the directors there are no other material matters that have arisen since 30 June 2022 that have significantly affected or may significantly affect the Group, that are not disclosed elsewhere in this report or in the accompanying financial statements.

Directors' Declaration

For the year ended 30 June 2022

In accordance with a resolution of the directors of Income Asset Management Group Limited, the directors of the Company declare that:

(a) the financial statements and notes to the financial statements of the Company and of the Group, as set out on pages 32 to 80, and the remuneration disclosures that are contained within the remuneration report with the Directors' Report set out on pages 21 to 29 are in accordance with the *Corporations Act 2001*, and:

  (i) give a true and fair view of the Company's and Group's financial position as at 30 June 2022 and of their performance for the year ended on that date; and

  (ii) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

(b) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

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

John Nantes
Executive Chairman

29 August 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Income Asset Management Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Income Asset Management Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the ***Auditor's responsibilities for the audit of the Financial Report*** section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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

Key audit matter	*How the matter was addressed in our audit*
Valuation of Equity Accounted Investments On 26 October 2021, the Group announced the completion of its investment in Tactical Global Management Ltd (TGM). IAM Funds Pty Ltd, has taken 25% interest in TGM at a cost of $3,895,232. The total cost is comprised of $3,000,000 cash, $524,550 for 1,500,000 IAM shares issued at $0.35 on completion and $370,862 of contingent consideration upon TGM achieving certain funds under management and NPAT milestones and the Group achieving a specified strike price hurdle. The valuation of this investment is considered a key audit matter due to the materiality of the balance, complexity of the transaction that took place, the judgements taken by management to arrive at a valuation.	Our procedures included but were not limited to: • Assessed the key terms of the transaction to ensure that the transaction was recorded correctly at initial recognition; • Reviewed management's assessment over the accounting for the initial investment and the contingent consideration and its consistency with the accounting standards; • Assessed the subsequent measurement of the investment and related impairment analysis; • Reviewed management's assessment over "control" over the entity and lack thereof and assessment over "significant influence" in accordance with AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures respectively. • Reviewed the related disclosures in the financial statements to ensure that these were consistent with AASB 128 Investments in Associates and AASB 12 Disclosures of Interests in Other Entities.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 29 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Income Asset Management Group Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 29 August 2022

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ASX Additional Information

Listed Equity Securities

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Shareholders on 25 August 2022:

Twenty Largest Shareholders

		Fully Paid Shares	
		Shares Held	% of Issued
1	Adcock Private Equity Pty Ltd	41,723,038	15.10%
2	Adcock Private Equity Pty Ltd	29,796,296	10.79%
3	J P Morgan Nominees Australia Pty Ltd	19,770,689	7.16%
4	UBS Nominees Pty Ltd	11,404,241	4.13%
5	Jonathan Lechte	8,030,000	2.91%
6	HSBC Custody Nominees (Australia) Limited	7,875,420	2.85%
7	De Nantes Investment Co Pty Ltd	7,749,496	2.81%
8	Third Return Super Pty Ltd	6,548,051	2.37%
9	BNP Paribas Noms Pty Ltd	5,938,062	2.15%
10	Citicorp Nominees Pty Limited	5,111,693	1.85%
11	Ms Evelyn Anderson	4,921,559	1.78%
12	Jabane Pty Ltd	4,613,050	1.67%
13	Jamplat Pty Ltd	4,600,000	1.67%
14	James Shillington	4,015,000	1.45%
15	Matthew Loughnan	4,015,000	1.45%
16	Kyle Lambert	4,015,000	1.45%
17	Onmell Pty Ltd	3,886,073	1.41%
18	Emery Number 2 Pty Ltd	3,846,153	1.39%
19	Austin Hird Pty Ltd	3,430,994	1.24%
20	Mr Rodney Bruce Ebsworth	3,261,235	1.18%
	Total of top twenty shareholdings	184,551,050	66.81%
	Total shares on issue	276,220,821	100.00%

Distribution of Shareholdings

Size of Holding	Number of Shareholders	Total Units	%
1 - 1,000	80	26,581	0.01%
1,001 - 5,000	199	457,661	0.17%
5,001 - 10,000	117	921,139	0.33%
10,001 - 100,000	233	9,199,776	3.33%
100,001 - 9,999,999,999	158	265,615,664	96.16%
	787	276,220,821	100.00%

Listed Options

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Listed Option holders on 25 August 2022:

Twenty Largest Listed Options Holders

		Listed options	
		Options Held	% of Issued
1	Adcock Private Equity Pty Ltd	1,450,000	15.96
2	Third Return Super Pty Ltd	1,000,000	11.01
3	Neate Investment Pty Ltd	1,000,000	11.01
4	Rustica Pty Ltd	700,000	7.71
5	Dom Holdings Pty Ltd	400,000	4.40
6	Ronald Brierley	400,000	4.40
7	Catherine Marson & Joseph Marson	250,000	2.75
8	Nigel Thomas	210,000	2.31
9	PW and VJ Cooper Pty Ltd	200,000	2.20
10	Notre Argent Pty Ltd	200,000	2.20
11	Mutual Trust Pty Ltd	200,000	2.20
12	Wayne Jenvey & Kirstie Sheldon	200,000	2.20
13	Lollywatch Pty Ltd	200,000	2.20
14	Matthew Brown	200,000	2.20
15	Sim Chan Venture Pty Ltd	200,000	2.20
16	Engelbert Investments Pty Ltd	150,000	1.65
17	Gregory Dyer & Deborah Dyer	130,000	1.43
18	Mark Loosemore & Jessica Loosemore	120,000	1.32
19	Hugh Abbott	110,000	1.21
20	Maclans Services Pty Ltd	100,000	1.10
	Total of Top Twenty Option Holders	7,420,000	81.68
	Total Options on Issue	9,084,000	100.00

Distribution of Listed Option Holdings

Size of Holding	Number of Option Holders	Total Units	%
1-1,000	-	-	0.00
1,001-5,000	42	84,000	0.92
5,001-10,000	-	-	0.00
10,001-100,000	21	1,680,000	18.49
100,001-9,999,999,999	19	7,320,000	80.58
	82	9,084,000	100.00

Marketable parcels

At 25 August 2022, using the last traded share price of $0.17 per share, there were 235 holdings totalling 316,872 shares, which were of less than a marketable parcel ($500).

Voting Rights

On a show of hands, every member present in person or by proxy or attorney or being a corporation by its authorised representative shall have one vote. On a poll, every member who is present in person or by proxy or attorney, or being a corporation, by its authorised representative, shall have one vote for every share of which he is the holder. Options and performance rights carry no voting rights.

Holder of Relevant Interest

The names of the substantial securityholders listed in the Company's register on 25 August 2022 are:

	Shares Held	Voting Power Advised
Brook Adcock and associated entities	73,348,475	26.55%
MA Financial Group Limited and associated entities	16,921,520	6.13%
Jon Lechte and associated entities	14,578,051	5.28%

Unquoted Securities

Performance rights over unissued shares

At the date of this report, there are 77,760,000 performance rights over unissued shares in the Company held by 22 rights holders. All holders hold more than 100,000 rights. 10,000,000 rights are held by Sheer Dynamics Pty Ltd 16,500,000 are held by the management of TGM. There are no holders holding 20% or more of the performance rights on issue.

Options over unissued shares

At the date of this report, there are 2,833,333 options over unissued shares in the Company, all of which are held by Blue Ocean Equities Pty Ltd.

Quoted Securities

Listed options over unissued shares

At the date of this report, there are 9,084,000 listed options over unissued shares in the Company.

On-market buy-backs

There is no current on-market buy-back in relation to the Company's securities.

No securities were purchased on market by the Company during the reporting period.

Corporate Directory

Board of Directors

John Nantes
Executive Chairman

Brook Adcock
Non-Executive Director

Craig Swanger
Executive Director

Fiona Dunn
Non-Executive Director

Craig Swanger
Executive Director

Company Secretary

Vanessa Chidrawi
Company Secretary

Corporate Office

Level 11, 4 Martin Place
Sydney NSW 2000

Telephone 1300 784 132
Email shareholders@incomeam.com
Web incomeam.com

Registered Office

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Brisbane QLD 4000

Telephone 1300 784 132
Email shareholders@incomeam.com
Web incomeam.com

Share Register

Boardroom Limited
GPO Box 3993
Sydney NSW 2001

Telephone 1300 737 760
Facsimile (02) 9279 0664
Email enquiries@boardroomlimited.com.au
Web boardroomlimited.com.au

Auditor

BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000

Telephone (02) 9251 4100
Facsimile (02) 9240 9821
Email info.sydney@bdo.com.au
Web bdo.com.au

Stock Exchange

IAM is listed on the ASX with ticker code IAM

Income Asset Management Group Limited
ABN 42 010 653 862

262 Adelaide St
Brisbane QLD 4000

incomeam.com

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