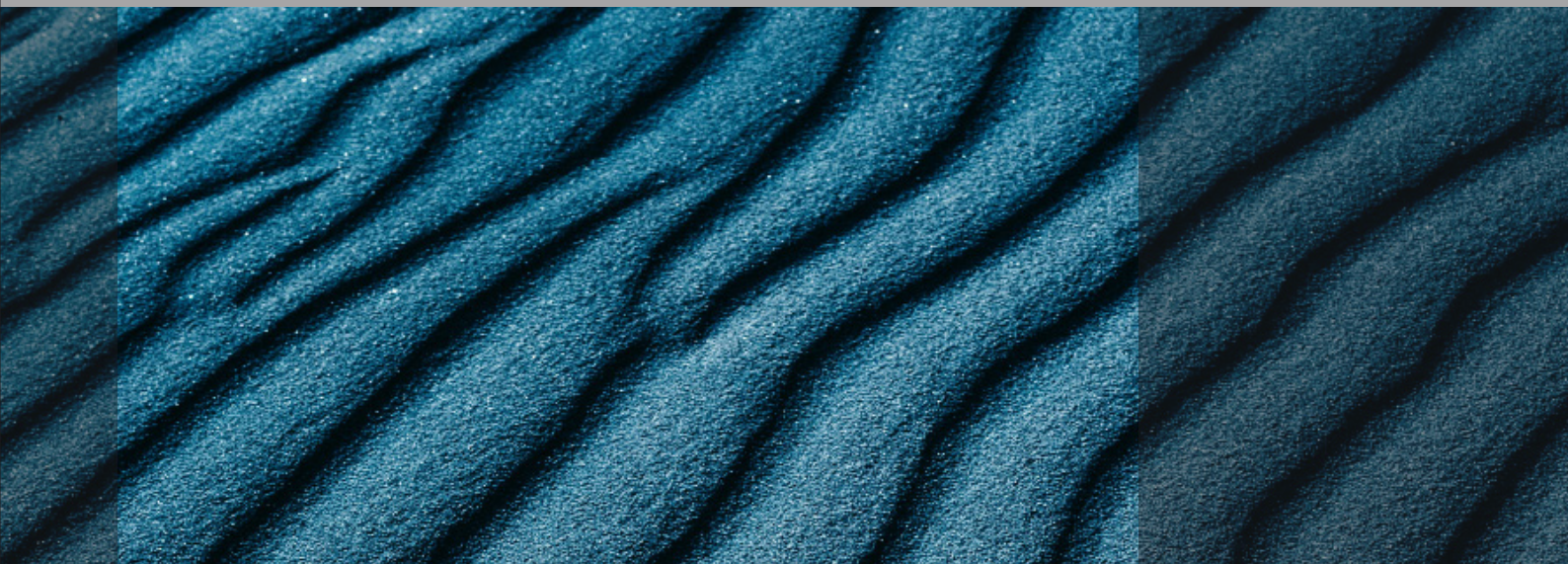
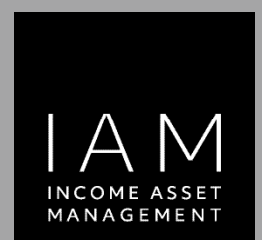


2022-2023

A N N U A L R E P O R T



Income Asset
Management
Group Limited.



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2023 Highlights

Since the February 2021 launch of the new Group, we have achieved significant growth in new clients, trading volume, Assets under Advice and a material uplift in revenue. The business is already recognised as an industry leader in our sector, our growth trajectory is well placed and scaling up has begun.

Our vision

"To be a leading player in the Australian capital markets, providing innovative and client-focused solutions for investors."

Our people

"We only hire the best people who are recognised as being highly skilled in their field. Our leaders lead by example, emphasising ethical and transparent behaviour at all times."

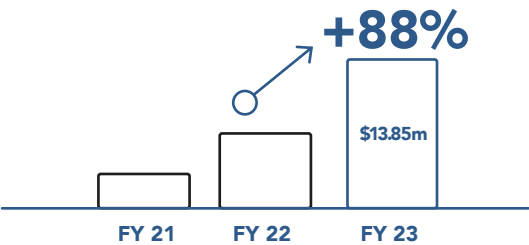
Our business model

"We look to bring interesting deals with good risk/return metrics, and we bring boring deals in interesting ways. We also bring liquidity where this didn't exist previously."

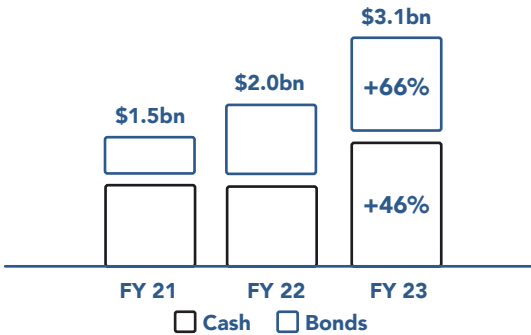
— Jon Lechte, CEO

Our achievements

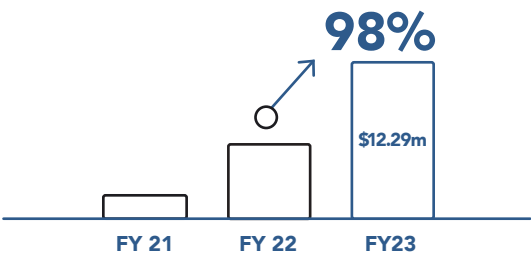
Revenue increased 88% to \$13.85m year on year



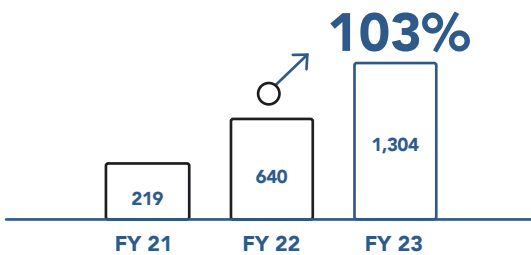
Total Assets under Administration (AuA) across bonds and cash
\$3.1bn, up 55% year on year



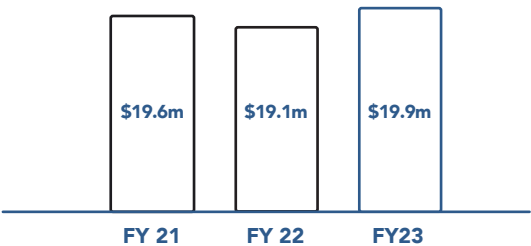
Capital Markets revenue is up 98% year on year



Capital Markets Clients increased 103% year on year



Total expenses have remained steady





Capital Markets Trading
235%
increase YoY



Launched new operational system and client platform to improve Bond trading experience for clients and improve efficiencies



IAM Capital Markets via our trustee business TAL, placed **\$265m** of loans expanding our capability in providing flexible funding structures for borrower



Purchased the management rights to the **Global Credit Opportunity Fund** for \$350,000 establishing our first internally managed fund



IAM Syndicate Loan product launched using TAL's capacity as custodian and trustee. **\$115m** placed through the IAM network



Successfully placed **A\$170m** and **US\$31m** high-yield notes for a domestic infrastructure company

The Group generated **\$3.5m** cash from the sale of 25% stake in Fortlake Asset Management



Donated \$100,000 to The Smith Family \$150 donation per new client

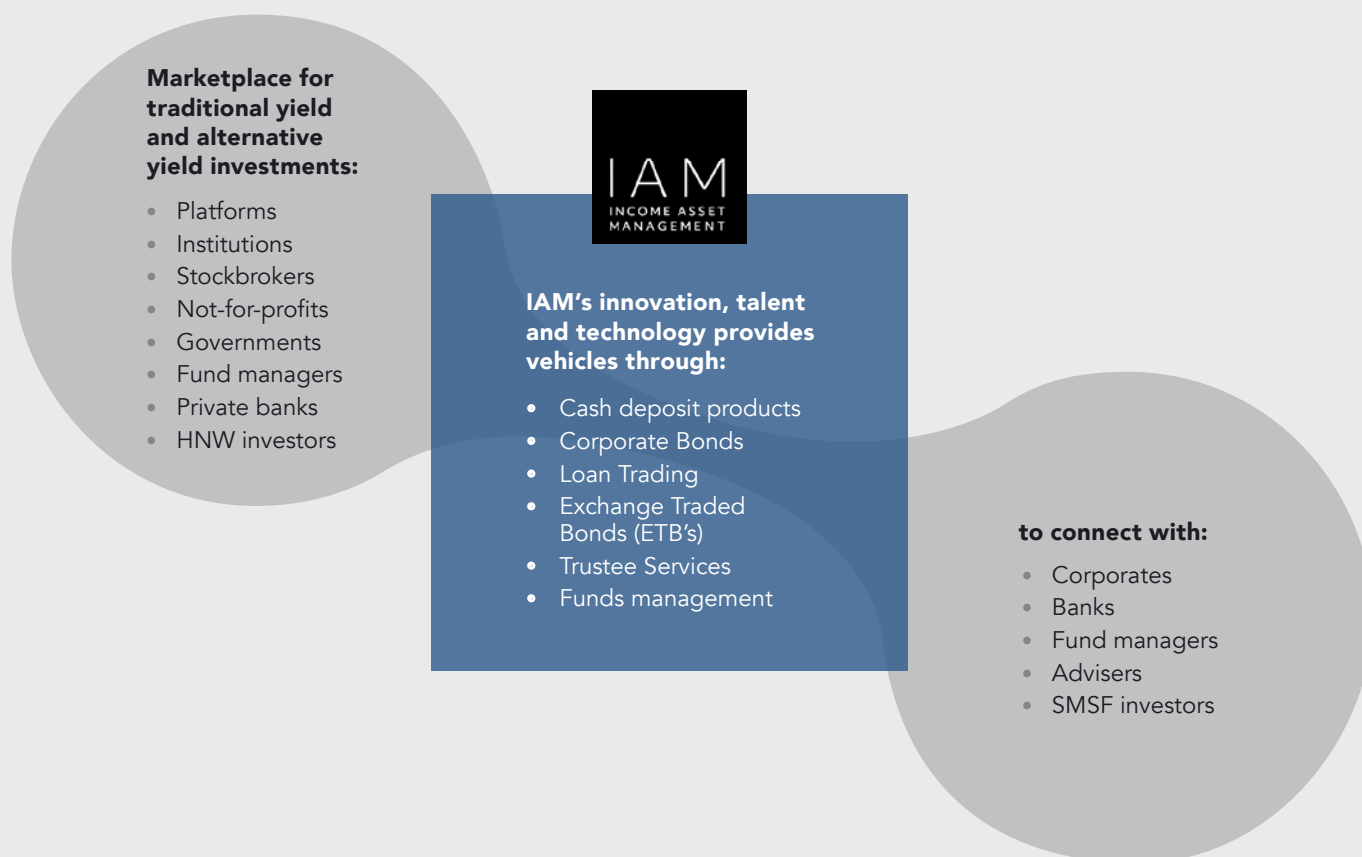
Placed **\$113.6m** in **10 deals** where IAM was the lead manager and placed a further **\$339m** in **29 primary market** deals.

Our business model

IAM's business model continues to evolve responding to market demand and opportunities.

We solve for those who need debt capital in a fair and efficient way, while solving for those seeking appropriate yield that matches the risk they are willing take. We also help companies capitalise their business through debt offerings, especially during volatile periods like we have seen throughout FY23. We do this with great people who are highly experienced, technology that is on a global standard and with a business process that drives efficiency, compliance and transparency.

We expect our business model to continue to evolve as the marketplace does. We are also looking to reshape the marketplace with Exchange Traded Bonds (ETB's) and while business risk occurs from innovation and the pursuit of growing to plan, we believe we have the right people to manage that risk and continue to create value for our clients.



Strategically we seek to grow our Cash, Capital Markets, Debt Capital Markets, Funds Management and Trustee businesses both individually through client and deal flow acquisition and servicing, and also by each division working together to produce multiple forms of revenue streams.



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 2023, and to update you on our progress, performance and outlook.

The financial year ending 30 June 2023 experienced another year of volatile market conditions with rapid interest rate rises, higher inflation and broad market uncertainty. This made for a challenging period however IAM displayed exceptional financial resilience as we invested heavily in our business model and continued to solve for our clients' capital and yield needs.

Over the year, we delivered on our priorities:

- 1. AuA growth** — Moving from \$2b to \$3.1b in AuA continued to validate our business model, especially as we improved our margins.
Strengthen the balance sheet — we closed the financial year with \$9.3m in cash, an increase from \$2.8m as at 30 June 2022. Very importantly, we generated three successive quarters of positive cashflow during the period, an achievement we are very proud of. \$5m of capital was added to the balance sheet by way of issuing a bond, paying a 12% pa coupon and providing a 4:1 option at 25c to note holders. This note and capitalisation allowed our Debt Capital Markets teams to lead the charge on secondary trading and new issues which helped catapult the results for the year. We also sold our 25% position in Fortlake Asset Management for \$2.5m, and received repayment of the \$1m loan advanced to Fortlake as well as avoiding further funding commitments to Fortlake as a result.
- 2. Product innovation** — We originated and/or distributed more than 10 new debt instruments for a value of \$114m into the wholesale market across multiple industries, successfully launched our model bond portfolio business and continued working on product innovation to scale further. We are currently pursuing an ETB offering, a solution that will be unique to the Australian marketplace and one that could reshape the investment landscape in bonds. We are intending to launch it in FY24.
- 3. Revenue and client growth** — We increased our revenue from \$7.38m total revenue in FY22, to \$13.85m for the year ending 30 June 2023. We also increased our number of wholesale clients to 1,304 from 640 the previous year.
- 4. Talented people** — Throughout the year we continued to invest in our people, adding more client facing staff to drive revenue growth and better client interactions. We also added specific talent experienced in Credit Funds Management as well as key operational staff in support of our growth.
- 5. Continue to operate ethically and set the benchmark** — We do not charge our clients exit fees and at times have also reimbursed the exit fees of competitors so clients can more freely trade their assets as they see fit. We have meticulously worked on Debt Capital Markets mandates, to improve terms and conditions for both the buyers and sellers, creating a more efficient and fair market. We continue to make 'how' we operate just as important as 'what we achieve'.
- 6.**

These results, while demonstrating growth in the company across important key metrics, have not come without some challenging operational issues that we worked hard to resolve. We moved to a new global technology platform, we also experienced lags in DCM deals and bond trading pauses caused by general market volatility and the rapid interest rate rises. Market volatility can create increased activity for us, but it can also create risk and revenue gaps at times, and larger scale will help reduce the impacts of such risks.

Board and Governance

The IAM Board had its first full year together, with Fiona Dunn joining the prior year, complementing Craig Swanger, Brook Adcock and myself. The Board is committed to safeguarding the assets of the business, especially within the AFSL regulated environment. This meant continued oversight of our compliance regime, which is quite detailed given the multiple AFSL's requirements and business units we operate, as well as the requirement expected of an ASX listed financial services company. Meeting compliance standards, fostering innovation, managing risks, overseeing business operations and expenses, fulfilling capital and Net Tangible Assets prerequisites, and adhering to regulations, all require the Board to be across complicated facets of the business. This understanding enables the Board to oversee and manage these areas as expected. With the talent on the Board and also within our subsidiary boards and key personnel, we have continued to seek to raise the bar on our governance standards and focus heavily on continuously improving in every relevant area.

IAM operates a strong internal compliance committee that meets at least monthly and has within it key personnel from within the business and Board to ensure compliance requirements are met, risk standards imposed, and any required action undertaken and reviewed. As part of this, IAM contracts a legal compliance team headed by Cameron Coleman, an expert in financial services with over 25 years' experience, to chair our Audit Risk and Compliance Committee, provide general counsel services and also advise our DCM business. IAM has invested heavily in compliance and sees this investment as a proprietary asset in itself, which is very difficult to replicate.

Positioned for the future

Jon Lechte, CEO, now in his 4th year, has built a very strong and unique business. He is very focussed on seeing the business grow the right way while also innovating further to help investors get access to yield that has typically been restricted to most Australians since the bond and debt markets began. The board and I enjoy working with Jon and his great team of executives and the people talent throughout the business. They all work together very much focussed on helping clients and the business succeed together.

Our business model will continue to evolve and we expect to continue to execute the strategy put in place two years ago, growing revenue and margin, while also building a strong moat around our asset classes and market opportunities. Our business faces market, interest rate, compliance, capital, talent and technology risks each day but with our model, processes and people we expect to continue to grow and manage these risks as we have been doing these last few highly volatile years.

I'd like to thank Jon Lechte and all of his team, for the hard work put in this previous year, navigating through another extremely challenging and ever-changing market. As a result of all their hard work the company is very well placed. I'd also like to thank our Board and Compliance teams for the significant time provided and workload executed in ensuring we operate as diligently as possible and ensuring we value the trust our clients put in us. And I'd especially like to thank our shareholders and note holders who have put capital behind us, appreciating what we do and how we go about solving for our clients' needs. We will continue to work smart and hard to deliver for you. Breaking out from being a market secret to one of Australia's leading and most important investment firms is a clear 2023/24 goal for the company.



John Nantes
Executive Chairman



Chief Executive Officer's report

Jon Lechte, CEO

I am pleased with the results from FY23 – but far from content. I see this past year as a stepping stone to our near-term goal of building a business that is comfortably and predictably profitable while also being ethical and compliant, aspirational and credible. The foundations are laid; we are now building on them.

As we begin the new financial year, IAM Group still relies heavily on IAM Capital Markets and IAM Cash Markets for our revenue base. These divisions are funding not only their own businesses but also the growth aspirations of the whole group. In FY24 we expect this to change, as we expand and build into two exciting new business opportunities, Funds Management and Exchange Traded Bonds (ETB's).

To be clear, we expect both the incumbent Capital Markets and Cash Markets businesses to grow significantly in FY24 – enough to make the group cleanly profitable. Assets under Administration (AuA) from IAM Cash Markets, run by Bianca Burt, not only grew from \$1.2bn to \$1.7bn in FY23, but increased its margin while doing so. We expect growth in our cash book to continue into FY24 and accelerate.

The underlying business in Capital Markets, jointly run by James Shillington and Kyle Lambert, is shaping up well and we will build on last year's base with the following initiatives in FY24:

- We are implementing a new administration system that will greatly enhance the user experience for our clients. The bond-trading portal is mostly in place, with cash to follow in the future.
- We started loan trading in FY23 and expect it to be a significant revenue source in FY24 and beyond.
- We are adding client-facing (revenue writing) staff. They are telling us that they choose IAM over our competitors because we offer a better career and a more rewarding place to work. IAM staff are nurtured, and are self-driven. They understand and live our values and grow with our firm. It is an exciting place to be, and we are choosing the best in the business to be part of it.

The new initiatives in Funds Management and ETB's will add to our 'core' revenues above and build a more sustainable and recurring revenue stream.

Funds Management

IAM Funds Management CEO, Jonathan Baird, has built an impressive blueprint for success in this important initiative for IAM. We have been invested in the funds management industry for some time through our investments in Fortlake Asset Management and Tactical Global Management. In FY23 we decided to divest from Fortlake and establish our own fixed income fund offering, the Global Credit Opportunities Fund.

We purchased this credit fund from River Capital in May 2023, with Daniel Saldanha and Anthony Swan joining us from River Capital to continue to manage the fund. The acquisition comes with \$75 million of funds under management (FUM) and an impressive two-year track record. With distribution under the stewardship of Jon Baird and Adam Muston, I am sure we will soon build significant inflow into this product offering.

Exchange Traded Bonds (ETB's)

ETB's is an initiative we asked Celeste Norman to lead in early 2023. Through Trustees Australia Limited and the new IAM Group subsidiary, ETB Pty Ltd, we will bring corporate bonds to self-managed super funds (SMSFs) and retail investors through the Cboe Australia securities exchange.

ETB's will cover the ever-starved retail investment "middle ground". They will provide better access to OTC bonds for retail investors by lowering the previously high entry requirements. ETB's enable small parcel bond investment by using a quoted fund model similar to the structure used in exchange traded funds.

When assessing this opportunity, we considered the following:

- **Is there retail demand for fixed income investments?**

Yes – we see retail appetite for listed hybrids and exchange traded fixed income funds (ETF's), which are also examples of listed products successfully attracting retail demand.

- **Will the market accept the exchange traded model?**

Yes – existing high levels of retail appetite in exchange traded funds shows excitement in, and understanding of, this model.

- **Will the regulator allow single-asset quoted funds?**

Yes – regulations allow single-asset quoted fund structures, and ASIC and Cboe Australia have previously approved single-asset funds for quotation.

Armed with this confidence, the extensive OTC fixed income expertise of the IAM Group, and critical lessons learned from existing single-asset funds, we developed a product that offers retail investors accessible and affordable fixed income exposures.

Our ETB product:

- Allows investors to choose their exposures to quality credit and recognisable issuers based on the underlying bonds available through ETB's.
- Has a low ongoing management fee that accrues daily, with no upfront fees, optimising investor return.
- Has unit creation facilities that use cash or assets at the choice of the investor.
- Allows cash redemptions and the ability for certain eligible investors to redeem their positions back to OTC bonds.
- Uses existing investor HIN numbers, relationships with brokers, and platform or application memberships, and
- Offers on-market access with liquidity supported by an external market maker.

We believe our ETB product replicates the best structural components of ordinary exchange traded funds, while

putting investment choices back into the hands of investors. We also see opportunities for OTC bond issuers, and debt capital markets and syndication teams, to work alongside the ETB team to achieve better pricing (lower yields) for their debt issuances, from a larger pool of demand and, potentially, larger volume issues.

The business is still in its infancy, and we are working with Cboe Australia to obtain approvals to make new bonds available soon. We expect that the growth of issues and size of the offering will start to take shape throughout FY24 and become a mainstay of financial markets.

I will close by thanking my leadership team for crazy levels of enthusiasm and hours at the wheel. The passion for our business is palpable. We are collectively driven for success and are determined to achieve it the 'right' way. We developed our IAM Group vision and values together and have complete buy-in by all. We will instil them in the business and refer to them as we hire, bring transactions, and trade with stakeholders. They will permeate throughout all that we do.

I am proud of what we have built so far and super excited about what is yet to come.



Jon Lechte, CEO

Our values

Our values at IAM Group are not clichés. We work to them and believe in them. Here are our values and examples of how we use them in our business.



I am

Employees of IAM are genuinely excited about our work and what we are building at IAM. We see ourselves as an owner of the business.

Our key people have equity in IAM and aspire to more. We believe we are on the right path as we build a business that investors can trust.



I trust

We do the right thing by our people, clients, shareholders and business partners. We act ethically, with integrity and transparency, and deliver on our promises.

Investments we show our clients are always sold to professional investors at the same time and price. We do not overcharge and we always provide transparency on pricing.



I care

We care about our people and support our workforce through flexible, accountable and collaborative work practices.

We care about our clients, and we are proactive in our approach to compliance. We do not tolerate practices that risk our clients, reputation or capital.

At IAM we do not require our clients / investors to pay an exit fee to move their income assets to another financial service provider, we are confident our level of service, access to income investments and transparent pricing will out-perform the competition. IAM staff are not restrained by unfair employment terms and if our staff choose to leave for another opportunity IAM does not take legal action to stop this. IAM staff want to stay and contribute to building IAM and we continue to attract and grow our talent from the market and referrals.



I aspire

We encourage boldness and aspirational thinking within regulatory guardrails. We invest in innovation, encourage controlled risks, implement sustainable expansion practices and reward success.

In addition to great pricing and transparency on traditional corporate bond and deposit products, we aspire to provide the best suite of investments in the market.

Examples of our aspiration and innovative approach include:

- IAM recognising that secondary loan markets offer opportunities for investors, then using Trustees Australia as a bare trustee we enable investors to take part in this previously inaccessible market.
- IAM bringing to market an ETF in the form of a bond, effectively a single-asset fund, which enables investors who are more comfortable with exchange-based investing the option to do so.

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

Income Asset Management Group delivers leading financial product solutions in Cash, Bonds and Funds Management to wholesale and sophisticated clients and professional investors. Additionally, IAM owns Trustees Australia Limited, a trustee business that provides responsible entity, custody and trustee services internally.

Our licences were enhanced to include margin lending, foreign exchange, derivatives trading and market-making.

We have a range of solutions that capture 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 2023, the Group comprised the operating entities and Australian Financial Services Licensees shown in the table below.

Group Entities	AFSL
Income Asset Management Group Limited	None
IAM Capital Markets Limited	283119
IAM Cash Markets Pty Ltd	Corporate Authorised Representative of AFSL 283119
IAM Funds Pty Ltd	Corporate Authorised Representative of AFSL 260038
Trustees Australia Limited	260038

Our Business Divisions

IAM Capital Markets

IAM Capital Markets provides advisers and direct investors with access to the over-the-counter (OTC) and listed bond markets, and the syndicated loan market, as well as leading many debt capital primary issuances.



Our business model

- **Our revenue model** includes transactional brokerage, new issue fees, custodial and management fees.
- **Our clients** include financial advisers, 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.**
- **Syndicated loan offering.**
- **Managed portfolio services.**
- **Model portfolios.**
- **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.
- **Regular post-deal interaction** to assist with future capital plans, such as refinancing.

FY23 results

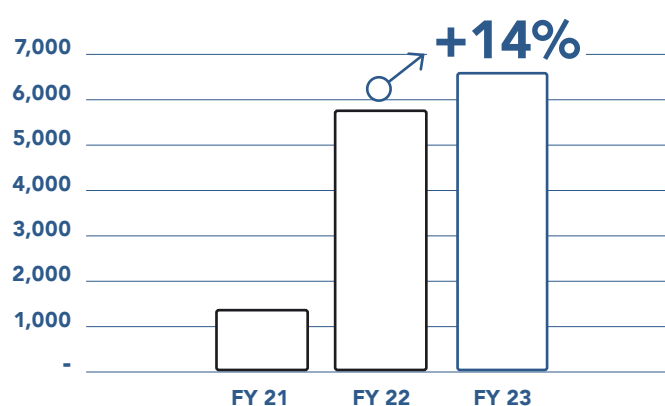
Successfully placed A\$170 million of high-yield notes for Newcastle Coal Infrastructure Group followed by US\$31 million of similar structured notes.

Successfully launched the IAM Syndicate Loan product leveraging Trustees Australia Limited's capacity as custodian and trustee. A\$115 million placed through the IAM Capital Markets network.

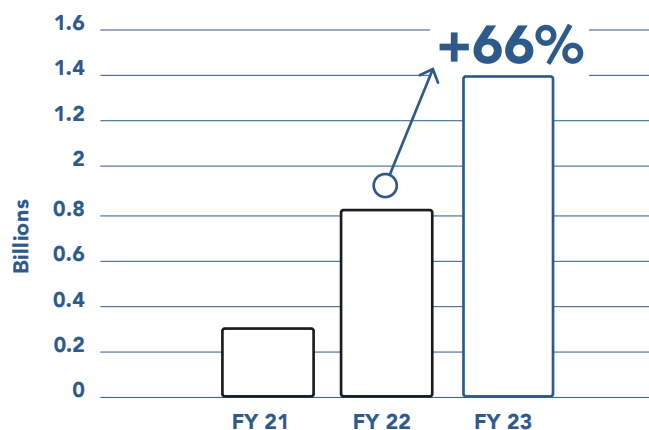
Signed an exclusive agreement with a large domestic bank to provide model portfolios and direct fixed income to their family office and private banking investors.

Bond assets under administration surpassed A\$1.4 billion.

Bond Trade Volumes



Bond Assets under Administration (\$bn)



Medium term outlook

IAM Capital Markets is now well established in the fixed income market, reaching critical scale through our partnerships with stockbrokers, financial advisers, private banks and direct investors. Our product suite has increased with the addition of syndicated loans, model portfolios and the managed account service. Our traditional bond trading business continues to grow as a more investor-friendly

bond market (higher outright returns) attracts investors to add fixed income to their portfolios for a more predictable income stream. We have recently added our own bond fund and are expecting to issue our first listed units in Exchange Traded Bonds (ETB's) to offer investors a wider range of investment options.

IAM Cash Markets

IAM Cash Markets' active cash management solutions remain a key pillar of our services model and our online cash management platform assists growth across the business. The platform streamlines the process of investing in term deposits and at-call accounts, helping our established customer base seeking new income investment opportunities earn a higher yield.

Our business model

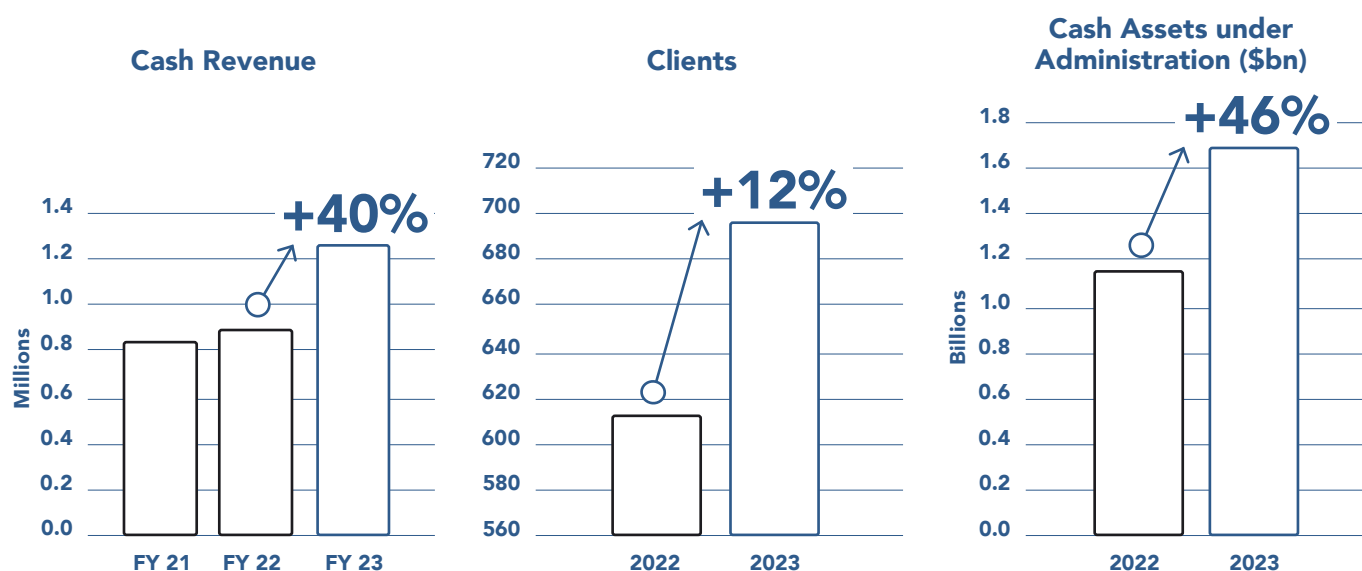
- A revenue model based on brokerage commission.
- We offer a range of term deposit investments from leading banks and financial institutions.
- Our clients include corporates, not-for-profits (NFPs), family offices, wealth managers, aged care providers and semi-government authorities.

Our services

- IAM Cash Management Account – offering competitive rates on interest, at call via our online platform.
- 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 authorised deposit-taking institutions (ADIs). All banks partnering with IAM are covered by the Australian Government's bank deposit guarantee.
- Deposit portfolio optimisation and managed portfolio services.

FY23 results

- Cash assets under administration increased 46% year on year (YoY), closing the year at \$1.7 billion.
- There was a significant increase in wealth managers and financial advisers using the IAM cash management platform to invest their clients' funds and obtain a higher yield by diversifying the ADIs they invest in.
- Revenue up 40% YoY.



Medium term outlook

IAM Cash Markets is well positioned to increase both client numbers and assets under administration over the next period, with interest rates continuing to rise and renewed interest in this asset class.

IAM Funds

The IAM Funds (IAMF) team has been working tirelessly to refine the foundations to support our strategy to deliver a diversified investment management business, by investor type, investment style and asset class.

IAM Funds has three primary structures through which we can deliver best in class investment strategies to meet client objectives.

Internal Investment Management – IAMF has built the infrastructure in conjunction with Trustees Australia Ltd to support a range of internal investment capabilities. That said, we only target sectors and strategies where we believe we have a sustainable competitive advantage.

Fixed Income is in the firm's DNA, so it is little surprise that when combined with a higher interest rate environment that our first internally managed Fund is the IAM Global Credit Opportunities Fund (GCOF), which we acquired along with the responsible investment team from River Capital in June 2023.

The senior members of this team include Daniel Saldanha, Portfolio Manager/Head of Credit and Fixed Income, and Anthony Swan, Senior Investment Analyst, who have both been known to IAMF's Executives for over 10 years. The team implements a differentiated approach to credit markets, one which places greater emphasis on corporate fundamental analysis relative to peers. This approach underpins high-conviction security selection within niche and under-researched segments of the market to generate alpha. Rather than larger peers who employ excessive security diversification due to their size and therefore have a reliance on top-down calls such as interest positioning to generate alpha.

GCOF has delivered strong risk adjusted returns relative to the broader credit market and peer group and the team expect to benefit from a broad-based distribution effort across private wealth channels in Australia.

IAMF's internal management focus over the coming year will be centred around our newly established capability, whilst carefully analysing other opportunities that may present in an ever-changing market.



Affiliated Investment Management – IAMF has a structure to incubate new investment managers or purchase a minority equity position within established businesses, where there is a compelling growth strategy.

IAMF closed out its initial incubation investment, selling our position within Fortlake Asset Management for \$2.5m and recovering our working capital loan of \$1m, bolstering our balance sheet and ceasing our loan commitment to Fortlake.

IAMF maintains its 25% holding in derivative overlay specialist Tactical Global Management (TGM). TGM are well positioned to take advantage of a number of trends within discrete segments of the market. Within superannuation, their well-established offerings in Asset Allocation Rebalancing and Beta Transfer have them well positioned to support funds who face continued regulatory pressure and seek to minimise unintended tracking error.

In Wealth Management, TGM have spent considerable time developing ESG focused equity strategies and a Tax effective FX Hedging vehicle which they hope to launch in the coming year.



Managed Accounts – The collaboration of IAMF and IAM Capital Markets, places IAM in a unique competitive position to deliver a range of IMAs and model portfolios to institutional and wholesale investors. Utilising the administration and custodial infrastructure of Capital Markets, IAMF has a strong pipeline of potential mandates employing the proven investment process of IAMF's investment team.

Over the coming 12 months, we aim to take advantage of the higher yield environment with strategies such as GCOF and our managed account offering both benefiting from market conditions. IAMF will selectively increase the breadth of our product suite and gradually increase our sales footprint.

Importantly, the increasingly diversified nature of our product base will continue to build a resilient annuity stream of management fees for years to come and will be supplemented by performance fees from relevant strategies.



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.

The past financial year was an important year for our Trustee business. There was an increase in bonds held under custody and the fees earned from loan syndications was a new line item this year.

Trustees Australia Limited (TAL) added to its responsible entity and trustee obligations by accepting appointment as trustee of the wholesale IAM Global Credit Opportunities Fund that we acquired in May 2023. This is in addition to its existing appointments as responsible entity and trustee.

The current value of funds for which TAL acts as trustee or responsible entity is \$624m.

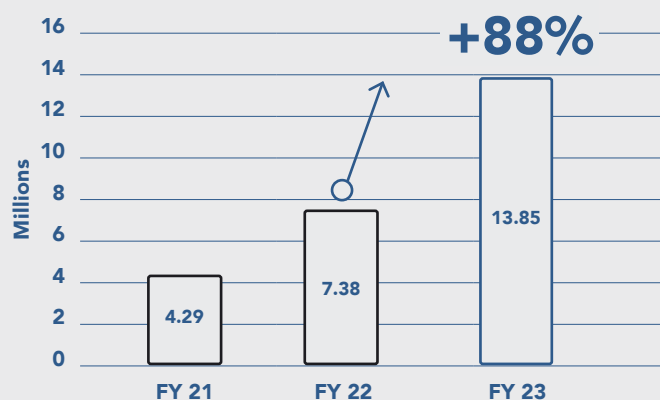
TAL has been party to 15 DCM transactions during FY23. TAL has acted as:

- joint lead manager with IAM Capital Markets Ltd;
- distributor; and
- provider of administrative services.

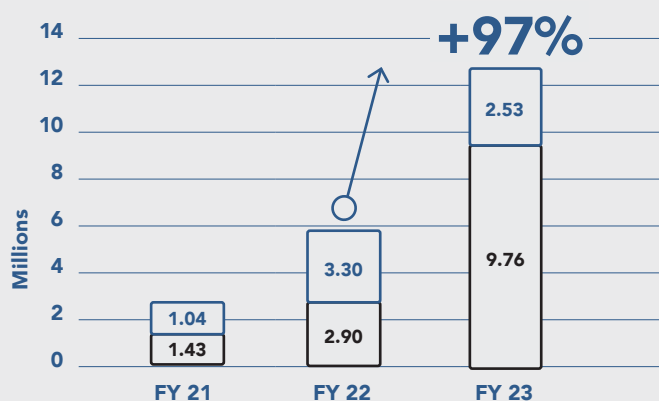
Primary and secondary private placement loan transactions - IAM notes expansion of its loan book held through TAL as bare trustee for IAM clients, and growth of its client base. The total loan book amounts to over \$265m at 30 June 2023.

TAL and IAM Capital Markets continue to provide custodial services for the IAM Group. While no custody fees have been charged in FY23, we anticipate this will form a new revenue stream in FY24 once our new operating platform is fully functional.

Operating result

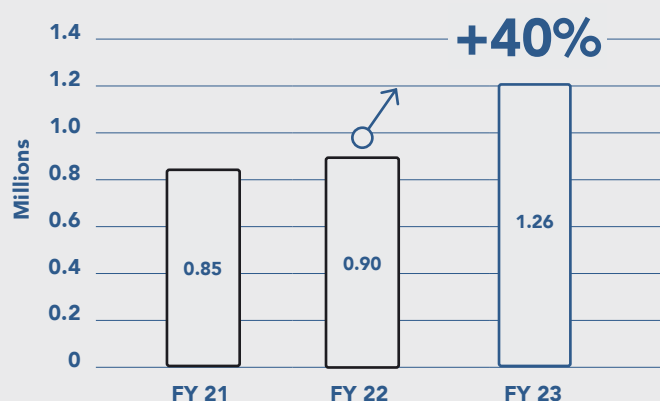


Total revenue increased **88%** to \$13.85m (2022: \$7.38m)



□ Bond Trading — Brokerage □ Placement Fees

Revenue for Capital Markets increased 97%
to \$12.29m (2022: \$6.20m) with a significant contributor being loan trading, a new revenue stream in FY23



Revenue from Cash products increased 40%
to \$1.26m (2022: \$0.90m)



Service fee revenue increased from \$0.03m to \$0.13m as the Funds business started to generate distribution and management fee revenue



\$3.5m Cash received on sale of 25% of Fortlake
\$0.13m Profit on disposal of investment in associate entity
Share of net profit from associates decreased from \$0.14m in 2022 to a loss of \$0.14m in 2023



Total expenses increased 4% to \$19.9m (2022: \$19.12m). The cost base has been largely stable through the year.

Key contributors to core business operating costs:

Employment expenses have decreased 8% to \$9.4m (2022: \$10.19m) with restructuring of administrative roles resulting in redundancy costs, along with selected salary increases for key staff. Lower share-based payment costs have also contributed to the decrease. Headcount has remained broadly flat through the year.

Business operating expenses are down 7.3% to \$2.12m (2022: \$2.3m). Contractor costs are down 47% as contract roles were brought onto staff or rationalised. Travel costs are up as we return to post-covid levels of travel.

Software and Infrastructure costs are up 8% to \$1.9m (2022: \$1.8m) due to inflationary cost increases and increased use of sales data software.

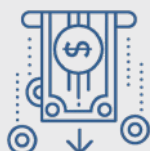
Other expenses include consulting and legal fees of \$1.20m, up 36% from \$0.88m in 2022, supporting the development of new products such as ETB's, and ongoing work to strengthen the governance of TAL.



Depreciation and amortisation costs have increased 12% to \$1.73m (2022: \$1.55m) largely attributable to the new lease for the Sydney office.

Share-based payments have decreased 79% to \$0.49m (2022: \$2.34m) as issued awards amortise.

Finance costs increased from \$0.73m in 2022 to \$2.18m due to the November issuance of the new IAM note of \$10m. Interest is payable on the note at 12%. The noteholders were granted 4 options at \$0.25 for each \$1 invested.



Net operating cash outflows were \$1.15m for the year. This is a significant improvement on the equivalent figure in 2022 of \$7.17m outflow. There was a positive operating cash movement for the past three quarters and the first quarter reflects a period when investors were still digesting rapidly rising bond rates.

The improved net operating cash outflows reflect strong revenue growth, with constant operating cash outflows.

Financial Position



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

- **Cash and cash equivalents** of \$9.28m (2022: \$2.85m), an increase of \$6.43m. The issuance of the IAM Note in November 2022 added net \$5.1m in debt funding, and the sale of the Fortlake business added a further \$3.5m.
- Intangible assets of \$5.07m (2021: \$5.55m), primarily relating to our proprietary technology platform and the purchase of the management rights to the Global Credit Opportunities Fund.
- Investment in associates of \$3.68m, down \$2.51m on prior year (2022: \$6.19m) due to the sale of Fortlake Asset Management.
- Trade and other receivables and Trade and other payables include a gross up for fund management fees, cleared early in July 2023.
- Total borrowings of \$6.90m (2022: \$3.91m) primarily reflects the net position following the issue of \$10m new IAM Note in November 2022.

Capital management

In November 2022 the Group issued a \$10m Note with attaching options to institutional and sophisticated investors, repaying the \$4.5m Note that had been issued in December 2020 and raising a further \$5.5m in debt funding. The funds were raised to support the ongoing growth of the Company, especially the IAM Capital Markets and Trustees Australia businesses that are experiencing growth.

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 and compliance assurance, 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. IAM continues to add further revenue generating opportunities such as custody fees and revenue from the ETB launch to assist in diversifying our source of revenue and doing so with added scale.

The Group anticipates its chosen sectors; Cash, Bonds, Debt Capital Markets and Funds Management, to continue to provide growth opportunities for each business unit. The increased RBA rate and our own ability to continue to innovate product and services will help support protect the revenue and cost lines within the business, as well as allow margin improvement where appropriate.

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 these risks, the Group has established policies, procedures, standards and training in respect of business operations, AFSL compliance, financial requirements, supervision, conflicts management, financial services laws and business continuity. Management continues to invest in our operational capability across processes, technology and high calibre human resources, improving our business and assisting to attract and retain sophisticated clientele.

Compliance risk

The Group is subject to applicable laws, regulations and contractual arrangements and is exposed to regulatory or legislative changes which increase both compliance risks and associated costs. Regulatory changes or breaches have the ability to result in negative impacts on the Group's reputation, operations and profitability, and significant fines or other adverse consequences may apply.

To mitigate these issues, the Group has a compliance framework in place including various policies, processes and approval and supervision protocols have been established to facilitate legal, regulatory compliance and internal controls effectiveness. Management liaises with government and regulatory bodies on relevant proposed legal and regulatory changes and product development, 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 services providers in an industry that is highly concentrated. The Group faces the risk that its competitors, or new entrants to the market, will increase their competitive position through marketing campaigns, product innovation, or advances in technological infrastructure to support client investments. Where these circumstances result in the Group competing less effectively against its competitors, the Group's business, financial performance and operations may be adversely affected.

To mitigate the issue, the Group works closely with its clients and internal and external experts to address ongoing needs. Through these continuous improvement initiatives, the launch of broader income related products and services and technology improvements, the Group aims to remain ahead of the competition curve. The Group also leverages its internal technology resources and global technology providers to remain competitive and adapt our products and services to the changing technological landscape.

Cyber security, data loss, theft or corruption

The Group, through its technology platform, security protocols and business processes, manages 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 cyber security attacks on the Group's systems or unauthorised disclosure of confidential customer information or loss of information (e.g. system problems). While the Group implements a robust set of security measures and actively monitors its technology environment to detect, alert and remediate any occurrence of such security breaches, there is a risk that such measures may not be adequate in all circumstances.

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 retain existing and attract new customers, continue growth prospects, and keep operating results, financial performance or information confidential.

To mitigate the issue, the Group has implemented a data breach policy and associated protocols, which seek to continuously improve the Group's technology and security landscape. The Group undertakes regular penetration testing through external consultants, and is implementing additional controls assurance 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 interruptions, failures, service outages or data corruption events that could arise as a result of computer viruses, bugs or 'worms', malware, internal or external use by websites, cyber security attacks or other disruptions including natural disasters or power outages. Such events outside of the Group's reasonable control may lead to business disruption and delay in customer outcomes. There is also a risk that the Group's potential growth may be constrained by a lack of scalability in the IT infrastructure.

To mitigate the issue, the Group engages global providers of technology services that have capacities 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 information may adversely affect the Group's customers and reputation. In addition to this, the Group may be required to pay significant fines to regulatory bodies in relation to any privacy breach, particularly where such a breach could have been avoided through reasonable and adequate controls.

To mitigate the issue, the Group has implemented a series of robust security measures which are reviewed and upgraded regularly. Complementing this, the Group regularly conducts penetration testing and only allows access by third parties via secure protocols. The Group takes its obligations seriously and seeks to continuously monitor and improve its regulatory and technological controls.

Director information

The directors of IAM Group Limited during the year ended 30 June 2023 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)

Wistr Limited,
Chairman since June 2016

1stGroup Limited,
Non-Executive Director since June 2022

Experience

John has over 25 years of experience in Financial Services, Private Equity, Tax and Accounting, Corporate Finance, Capital Markets, and M&A. He is also the Chairman of Wistr (WZR:ASX), a non-bank lender of consumer loans in Australia, as well as a non-executive director of 1st Group (1ST:ASX), a newly merged leading Healthtech company in Australia, and a non-executive director of Thinxtra, a public non-listed IOT technology company.

John has a strong reputation for advising to or directly building profitable and fast growing businesses, especially those reliant on technology, product innovation, and market disruption with strict compliance and governance requirements, having previously also held corporate roles such as: Group Head of WHK/Crowe Horwath Wealth Management; CEO Prescott Securities; Executive roles at St George Bank/ Bank SA and financial advisory roles at Colonial State Bank.

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)

Wistr 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

Bachelor of Science

MAICD

Diploma of Air Force Studies

Directorships in other listed entities
(past 3 years)

1stGroup Limited,
Non-Executive Director since June 2022

Experience

Brook spent 13 years as a Pilot in the RAAF and another 13 years flying for Qantas before owning and developing several businesses including Pandora Jewellery Australia.

Brook is a leading entrepreneur and private investor in Australia and is the Executive Chairman of Adcock Private Equity. Adcock Private Equity has strong positions in listed and unlisted companies across sectors such as fintech, healthtech and legaltech.

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 Chidrawi 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:

Director	Board Meetings		Audit Committee Meetings		People, Culture & Remuneration Committee Meetings		Risk Committee Meetings	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
J Nantes	14	14	4	4	2	2	1	1
C Swanger	14	10	-	-	2	2	-	-
B Adcock	14	11	4	3	2	1	1	1
F Dunn	14	14	4	4	-	-	1	1

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 2023, there was a payment of \$24,809 (2022: \$34,137) 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 2023 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:			
24-Dec-20	9,084,000	\$0.50	4-Mar-24
16-Aug-21	1,500,000	\$0.41	18-Aug-24
04-Nov-22	45,660,000	\$0.25	31-Dec-25
Performance rights granted:			
01-Apr-20	8,830,000	\$0.45	1-Apr-25
09-Sep-20	1,640,000	\$0.45	9-Sep-25
01-Dec-20	4,815,000	\$0.50	1-Dec-25
01-Dec-20	7,230,000	\$0.75	1-Dec-25
26-Oct-21	15,000,000	\$0.00	26-Oct-41
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
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

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

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001.

Significant changes

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

In the opinion of the directors, there are no material matters that have arisen since 30 June 2023 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 2023 has been received and is set out on page 36.

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 and growth strategy.

As shown on the following pages, key management personnel (KMP) including Directors have been granted Long Term Incentive (LTI) performance rights. These include shareholder return triggers linked to a share price ranging from 20cps to 45cps, 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 total expected 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 People, Culture and Remuneration Committee (PCRC). The role of the PCRC is set out in its charter, which is reviewed annually. Further details about the role and operation of the PCRC are included in our Remuneration Policy on our website incomeam.com.

B. Income Asset Management Group executive remuneration framework (2023-2026)*

(TFR: Total Fixed Remuneration; STI: Short Term Incentives; LTI Long Term Incentives)

*Applies to KMP and selected Directors. Total Remuneration has reflected the market's conditions using TFR (cash salary and super), STI and LTI (equity-linked securities), albeit with some LTI having relatively short maturities. During a review conducted February 2023 to August 2023, STI and LTI strategies were separately devised but considered by the Board in the context of the framework below.

Remuneration (Rem) Component	Total Remuneration (TR)	Total Fixed Remuneration (TFR)	Variable Short-Term Remuneration (STI)	Variable Long-Term Remuneration (LTI)
Objectives	Attract, motivate and retain executive talent required to deliver strategy	Appropriately balance fixed (TFR) and at-risk components (STI and LTI)	Create reward differentiation to drive performance values and behaviours.	Create shareholder value through equity alignment.
Amount and Range (Min Rem – Max Rem)	Expected TR is at 2nd-3rd quartile level for IAM current size. Max TR is 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 TFR being at current market if executives do not grow the company's value in line with the strategy, but well under market if they do.	0-50% depending upon position. None for directors. 100% of STI is at risk- meaning that the minimum STI payment is nil for all recipients.	LTI to form 40-70% of TR but flexible to suit value-added to the Company. 100% of LTI is at risk, meaning that the minimum LTI payment is nil for all recipients.
Conditions to exceed Min	Must pass all compliance KPIs to exceed minimum remuneration. In order to reach maximum remuneration, individual STI and LTI hurdles must be exceeded each year, 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 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 PCRC 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 including Directors. These are calculated in accordance with applicable accounting standards. No KMP remuneration was performance based.

Name	Position held	Contract details	Non-salary cash-based incentives	Shares	Options	Fixed salary/fees	Total
Directors			%	%	%	%	%
J Nantes	Executive Chairman	3 months' notice	-	-	-	100.00	100.00
B Adcock	Non-Executive Director	-	-	-	-	-	-
F Dunn	Non-Executive Director	-	-	-	-	100.00	100.00
C Swanger	Executive Director	3 months' notice	-	-	-	100.00	100.00
Executives							
J Lechte	CEO	3 months' notice	-	-	-	100.00	100.00
Former Executives							
M Loughnan ¹	CCO	3 months' notice	-	-	-	100.00	100.00

1. Resigned 28 February 2023.

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

E. Remuneration details

Details of the nature and amount of each major element of remuneration for KMP and other executives of the Group:

	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								
2023	206,334	-	-	-	-	-	-	206,334
2022	198,000	-	-	-	-	-	255,195	453,195
B Adcock								
2023	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
Fiona Dunn								
2023	60,000	-	-	6,300	-	-	-	66,300
2022	50,000	-	-	5,000	-	-	-	55,000
C Swanger ²								
2023	60,000	-	-	-	-	-	-	60,000
2022	60,000	-	-	-	-	-	174,945	234,945
J Lechte								
2023	212,821	(6,924)	-	22,073	2,687	-	-	230,657
2022	200,000	3,076	-	20,000	483	-	126,821	350,380
Former KMP M Loughnan ³								
2023	208,333	(28,846)	-	18,969	(626)	170,063	(229,580)	138,313
2022	237,500	16,538	-	22,676	449	-	114,790	391,953
Total 2023	747,488	(35,770)	-	47,342	2,061	170,063	(229,580)	701,604
Total 2022	745,500	19,614	-	47,676	932	-	671,751	1,485,473

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 23: 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 23: Related Party Transactions.

3. Resigned on 28 February 2023.

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 forfeited 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	0.21	680,520	(i)	-	100	-	1/4/2023	n/a
C Swanger								
4/12/2020	0.21	466,520	(i)	-	100	-	1/4/2023	n/a
M Loughnan								
1/7/2020	0.05	229,580	(i)		100	-	1/7/2023	n/a
Granted during 2020:								
J Lechte								
1/4/2020	0.04	338,189	(i)	-	-	100	1/4/2025	n/a

- i. 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.

Name	Grant details				Exercised		Forfeited	Balance at 30/06/2023
	Balance at 30/06/2022	Issue Date	Rights	Value	Rights	Value	Value	
	No.		No.	\$	No.	\$	No.	
J Nantes ¹	4,920,000	4/12/2020	-	-	(1,740,000)	(539,400)	(3,180,000)	-
C Swanger ¹	3,740,000	4/12/2020	-	-	(1,560,000)	(483,600)	(2,180,000)	-
J Lechte	8,830,000	1/4/2020	-	-	-	-	-	8,830,000
M Loughnan ²	4,415,000	1/7/2020	-	-	-	-	(4,415,000)	-
Total	21,905,000		-	-	(3,300,000)	(1,023,000)	(9,775,000)	8,830,000

	Balance at 30/6/23	Vested no.	Unvested no.
J Lechte	8,830,000	-	8,830,000
Total	8,830,000	-	8,830,000

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 Forfeited due to lapse of performance rights upon expiry on 1 April 2023.

² Forfeited on resignation 28 February 2023.

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

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 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 the KMP 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:

Current KMP:	Balance at 1 July 2022	Granted as remuneration	Purchased / sold	Other movement	Balance at 30 June 2023
J Nantes	9,232,857	1,740,000	-	-	10,972,857
C Swanger	925,626	1,560,000	-	-	2,485,626
B Adcock	73,348,475	-	(14,000,000)	-	59,348,475
Fiona Dunn	250,000	-	-	-	250,000
J Lechte	14,534,029	-	1,082,586	-	15,616,615
TOTAL	98,290,987	3,300,000	(12,917,414)	-	88,673,573

Former KMP:	Balance at 1 July 2022	Granted as remuneration	Purchased / sold	Other movement	Balance at 30 June 2023
M Loughnan ¹	4,350,185	-	-	-	4,350,185
TOTAL	4,350,185	-	-	-	4,350,185

¹ Resigned 28 February 2023.

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 4 November 2022, IAM issued a 12% unsecured note and each noteholder was also issued 4 options for every \$1 invested (refer Note 16(ii)). Below is a list of KMP who participated in the issue and their relevant interest from the issue.

KMP	Notes (\$)	Options (no.)
J Nantes	50,000	200,000
J Lechte	500,000	2,000,000
M Loughnan	75,000	300,000

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 2023 year, \$206,334 (2022: \$198,000) was paid by the Group to CJN Advisory and at 30 June 2023 the Group had no (2022: \$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 2023 year, \$60,000 (2022: \$60,000) was paid by the Group to Revolver Capital and at 30 June 2023 the Group had no (2022: \$5,500) outstanding payable 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.

Environmental, Social and Governance Considerations

The Group recognises that stakeholders are increasingly looking to organisations to outline their Environmental, Social and Governance (ESG) framework and approach, in order to assess the long-term sustainability of the organisations. ESG requires a focus on risk management: monitoring and mitigating risks across all three areas.

The Group expects to commence the process to establish an ESG framework to measure, report and manage the risks and opportunities associated with changes in ESG factors.

We expect that the establishment of such a framework will align with our Corporate Values and bring greater transparency for all stakeholders – clients, shareholders, employees and communities. It will also assist us in managing risk, especially climate risk, and contribute to improvement in our financial performance.

Auditor's Independence Declaration



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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 2023, 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.

A handwritten signature in black ink, appearing to read 'Tim Aman', is written over a thin horizontal line.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney

31 August 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and operational income	4(a)	13,854,862	7,382,248
Business operating expenses		(2,119,175)	(2,286,030)
Employment expenses	4(b)(ii)	(9,374,015)	(10,187,621)
Finance costs	4(b)(i)	(2,181,679)	(730,985)
Depreciation and amortisation expense		(1,732,931)	(1,546,066)
Property operating expenses		(62,801)	(173,061)
Software and infrastructure expenses		(1,927,114)	(1,787,900)
Other expenses		(2,579,146)	(2,406,929)
Share of net (loss) / profit from associate	12(c)	(138,109)	143,343
Loss before income tax		(6,260,108)	(11,593,001)
Income tax expense	5	-	-
Loss for the year attributable to members		(6,260,108)	(11,593,001)
Other comprehensive income			
Items that 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		(6,260,108)	(11,593,001)
Earnings per share			
	26	Cents	Cents
Basic earnings per share		(2.2)	(4.3)
Diluted earnings per share		(2.2)	(4.3)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	6	9,279,270	2,849,309
Trade and other receivables	7	2,123,516	998,176
Financial assets at fair value through profit or loss	8	982	79,547
Other assets	9	471,545	376,801
Total Current Assets		11,875,313	4,303,833
Non-Current Assets			
Right of use assets	10	1,169,550	856,257
Intangibles	11	5,069,853	5,548,348
Investments accounted for using the equity method	12	3,679,856	6,188,015
Property, plant & equipment	13	153,471	176,580
Other non-current assets	14	392,169	1,318,494
Total Non-Current Assets		10,464,899	14,087,694
Total Assets		22,340,212	18,391,527
Current Liabilities			
Trade and other payables	15	4,636,629	1,594,109
Lease liabilities	10	508,000	301,497
Borrowings	16	11,659	29,430
Provisions	17	617,391	571,208
Total Current Liabilities		5,773,679	2,496,244
Non-Current Liabilities			
Lease liabilities	10	751,006	594,389
Borrowings	16	6,888,644	3,877,903
Provisions	17	94,435	40,855
Total Non-Current Liabilities		7,734,085	4,513,147
Total Liabilities		13,507,764	7,009,391
Net Assets		8,832,448	11,382,136
Equity			
Issued capital	18	48,514,383	47,319,283
Reserves	19	9,189,227	10,006,184
Retained earnings		(48,871,162)	(45,943,331)
Total Equity		8,832,448	11,382,136

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

		2023	2022
	Note	\$	\$
Cash Flows from Operating Activities			
Receipts from customers and other sources of income		4,064,413	5,601,772
Payments to suppliers and employees		(14,310,326)	(15,368,035)
Net proceeds from sale of financial instruments at fair value through profit or loss		10,007,407	2,895,833
Interest received		43,271	4,720
Finance costs paid		(954,158)	(306,547)
Net operating cash flows	6(b)	(1,149,393)	(7,172,257)
Cash Flows from Investing Activities			
Payment for property, plant & equipment	13	(71,740)	(143,448)
Proceeds from sale of property, plant & equipment		-	330
Acquisition of a business net of cash acquired	11	(356,272)	-
Loan repaid by associate	14(i)	1,041,666	-
Loan to associate	14(i)	(125,000)	(416,666)
Net payment for office bonds		9,660	(97,548)
Proceeds from sale of equity-accounted investment	12(a)(i)	2,500,000	-
Payment for equity-accounted investment	12(c)	-	(3,000,000)
Net investing cash flows		2,998,314	(3,657,332)
Cash Flows from Financing Activities			
Proceeds from issue of notes	16(ii)	5,101,250	-
Proceeds from issues of shares	18	-	8,330,334
Cost of raising capital	18	-	(414,203)
Proceeds from related party borrowings	16(iv)	1,000,000	-
Repayment of related party borrowings	16(iv)	(1,000,000)	-
Proceeds from borrowings		139,913	49,050
Repayment of borrowings		(157,684)	(49,518)
Repayments of lease principal	10(c)	(546,744)	(316,874)
Net financing cash flows		4,536,735	7,598,789
Net increase / (decrease) in cash held		6,385,656	(3,230,800)
Cash at the beginning of the period		2,849,309	6,029,545
Effect of exchange rates on cash held in foreign currencies		44,305	50,564
Cash at the end of the financial year	6(a)	9,279,270	2,849,309

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Issued capital ordinary \$	Option reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2022		47,319,283	10,006,184	(45,943,331)	11,382,136
Comprehensive income					
Loss attributable to members of parent entity for the period		-	-	(6,260,108)	(6,260,108)
Total comprehensive loss for the period		-	-	(6,260,108)	(6,260,108)
Transactions with owners, in their capacity as owners, and other transfers					
Issued note - option premium reserve	16(iii)	-	2,720,000	-	2,720,000
Contingent consideration reserve	3(a)(i)	-	119,705	-	119,705
Share-based payments – employee scheme	25(a)(iii)	-	485,835	-	485,835
Shares issued on exercise of rights	18(a)(i)	1,195,100	(1,195,100)	-	-
Share-based payments	19(a)	-	384,880	-	384,880
Contingent consideration reserve	19(a)	-	(2,100,000)	2,100,000	-
Transfer of share-based payment reserve		-	(1,232,277)	1,232,277	-
Total transactions with owners and other transfers		1,195,100	(816,957)	3,332,277	3,710,420
Balance at 30 June 2023		48,514,383	9,189,227	(48,871,162)	8,832,448

	Note	Issued Capital Ordinary \$	Option Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2021		38,372,712	6,886,842	(33,432,750)	11,826,814
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	12(c)	-	370,684	-	370,684
Share-based payment - TGM investment	12(c)	524,550	-	-	524,550
Share-based payments - employee scheme	25(a)(iii)	-	2,336,968	-	2,336,968
Shares issued on exercise of rights	19(b)	678,390	(678,390)	-	-
Share-based payments	25(a)(iii)	(172,500)	172,500	-	-
Shares issued on exercise of options	19(b)	-	(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

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 22: 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.

Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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 as 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 test valuation 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:

- 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
- 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.

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 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. Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

iii. Goodwill

The Group makes assessments of goodwill based on recoverable amount calculations, refer Note 11.

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 11: Intangible Assets.

There has been no impairment charge recognised during the year (2022: 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 (2022: 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

vi. Future Tax benefit of Tax Losses

At 30 June 2023, 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	2023	2022
Assets	\$	\$
Current assets	5,624,623	6,623,119
Non-current assets	13,227,948	12,202,949
Total assets	18,852,571	18,826,068
Liabilities		
Current liabilities	22,034,870	8,596,373
Non-current liabilities	7,734,085	4,476,411
Total liabilities	29,768,955	13,072,784
Equity		
Issued capital	48,514,383	47,319,283
Reserves	9,189,227	10,006,184
Retained earnings	(68,619,994)	(51,572,183)
Total Equity	(10,916,384)	5,753,284
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(20,380,087)	(15,319,702)
Total comprehensive loss	(20,380,087)	(15,319,702)

Contingent liabilities and guarantees

The parent company does not have any contingent liabilities or guarantees in place for the year ended 30 June 2023. Other contingent matters of the company, or the Group, are mentioned in Note 20: Commitments and Contingencies.

Contractual commitments

At 30 June 2023, the parent company had not entered into any contractual commitments (2022: \$nil).

Note 3: Business Combination

On 23 June 2023, Income Asset Management Group Limited acquired a business which includes the management rights and the rights to the contracts of a multi-strategy credit fund, subsequently renamed IAM Global Credit Opportunities Fund and also became the replacement trustee. The acquisition forms part of the Group's strategy to own and manage its own fund and increase recurring revenue through internal investment management. As part of the transaction, Daniel Saldanha (Head of Credit and Fixed Income) and Anthony Swan (Director - Senior Investment Analyst) have joined the Group and will add to existing inhouse capabilities.

(a) Purchase consideration:

	Note	\$
Cash		350,000
Consideration shares	(i)	119,705
Total purchase consideration		469,705

(i) The consideration shares are subject to various performance milestones and Daniel Saldanha remaining employed with the company on a conversion date. The consideration securities are forfeited if performance hurdles are not satisfied and the conversion dates are as follows:

- First tranche of consideration shares - 14 July 2024
- Second tranche of consideration shares - 14 July 2025

The consideration shares have been valued using forecast total revenue of the acquired business and a risk-free rate of 3.24% to calculate the fair values below:

- First tranche of consideration shares - \$72,794
- Second tranche of consideration shares - \$46,911

(b) Fair value of assets acquired and liabilities:

	Note	\$
Intangible asset - management rights	11	556,745
Provisions		(87,040)
Net identifiable assets acquired and liabilities		469,705
Acquisition costs expensed to profit or loss		24,750

(c) As the completion date was 23 June 2023, the acquired entity has no material results contributed to the Group since acquisition.

Note 4: 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	2023 \$	2022 \$
• Brokerage and commissions		1,259,492	902,793
• Placement fees		2,529,322	3,296,309
• Service fees		129,897	32,829
Revenue from contracts with customers	(i)	3,918,711	4,231,931
Net trading income	(ii)	9,761,927	2,952,994
Total operating revenue		13,680,638	7,184,925
Other sources of revenue	(iii)	174,224	197,323
Total revenue		13,854,862	7,382,248

(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	3,918,711	4,231,931
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Timing of revenue recognition

Services transferred to customers:

• at a point in time	3,918,711	4,231,931
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(ii) Net trading income

• Income from financial instruments held at fair value through profit or loss	9,761,927	2,952,994
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(iii) Other sources of revenue

• Interest — unrelated	44,274	4,720
• Gain on disposal of equity investment	129,950	-
• R&D tax incentives	-	192,603
	174,224	197,323

(b) Expenses

(i) Finance costs

• Bank loans and overdrafts	161,755	1,580
• Lease liabilities	85,395	39,405
• Interest paid	1,934,529	690,000
	2,181,679	730,985

(ii) Employee benefits expense

• Wages and salaries costs	8,149,627	7,036,637
• Superannuation	725,830	618,520
• Employee benefits provisions	12,723	195,496
• Share-based payment expenses	485,835	2,336,968
	9,374,015	10,187,621

Note 5: Income Tax Expense

	2023	2022
	\$	\$
(a) The components of tax expense / (benefit) comprise		
Current tax	-	-
Under / (over) provision prior year	-	-
	-	-
(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% (2022: 25%):	(1,565,027)	(2,898,250)
Add / (less)		
Tax effect of:		
• current period tax losses not recognised	1,112,330	2,384,770
• net amount of expenses not currently deductible	245,917	597,662
• other income not included in assessable income	206,780	(84,182)
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.		
Temporary differences	(450,374)	(503,735)
Tax losses	13,569,070	12,456,740
Capital losses	-	418,865
Net unbooked deferred tax assets	13,118,696	12,371,870

The group has unconfirmed revenue losses of \$54,276,280 (2022: \$49,826,963) and no (2022: \$1,675,458) capital losses.

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 6: Cash and Cash Equivalents

	2023 \$	2022 \$
Cash at bank and on hand	9,279,270	2,849,309
	9,279,270	2,849,309

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

The fair value of cash, cash equivalents and overdrafts is \$9,279,270 (2022: \$2,849,309).

(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	2023 \$	2022 \$
Cash at bank and in hand		9,279,270	2,849,309
	27	9,279,270	2,849,309

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

	2023 \$	2022 \$
Net loss after income tax	(6,260,108)	(11,593,001)
Adjustment of non cash items		
Fair value changes (unrealised)	(5,530)	783
Amortisation & depreciation	1,732,932	1,546,066
Net exchange rate differences	(44,305)	(50,563)
Bad debts	-	503
Share-based payment expenses	485,835	2,336,968
Interest paid	1,227,521	424,438
Share of profits from associates	138,109	(143,343)
Gain on disposal of equity investment	(129,950)	-
Changes in assets and liabilities, net of the effects of movements in subsidiaries		
(Increase) / decrease in trade debtors and receivables	(1,220,084)	548,509
(Increase) / decrease in financial assets at fair value	84,096	(69,842)
Increase / (decrease) in trade creditors	2,804,618	(368,271)
Increase in provisions	12,723	195,496
Net operating cash flows	(1,149,393)	(7,172,257)

(c) Changes in Liabilities arising from Financing Activities

	1 July 2022 \$	Cash flows \$	Non-cash movements \$	30 June 2023 \$
Short-term borrowings	29,430	(17,771)	-	11,659
Lease liabilities	895,885	(546,744)	909,864	1,259,005
Long-term borrowings	3,877,903	5,101,250	(2,090,509)	6,888,644
	4,803,218	4,536,735	(1,180,645)	8,159,308

Note 7: Trade and Other Receivables

		2023	2022
Current	Note	\$	\$
Trade debtors		280,871	249,419
Other receivables		1,842,645	748,757
Total current receivables	(i)	2,123,516	998,176

Financial Assets classified as loans and receivables

Trade and other receivables

• Total current		2,123,516	998,176
Financial assets	27	2,123,516	998,176

(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 8: Financial Assets at Fair Value

		2023	2022
Current	Note	\$	\$
Unlisted investments at fair value			
Corporate bonds		982	79,547
Total current financial assets at fair value through profit or loss	27	982	79,547

Note 9: Other Assets

		2023	2022
Current		\$	\$
Prepayments		471,545	376,801
Total other assets		471,545	376,801

Note 10: Right of Use Assets

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

	Note	2023 \$	2022 \$
Right of use assets			
Leased building		2,127,498	1,908,774
Accumulated depreciation		(957,948)	(1,052,517)
		1,169,550	856,257

Movement in carrying amounts:

Leased building:			
Opening net carrying amount	(i)	856,257	415,551
Additions	(ii)	909,864	755,609
Depreciation expense for the period		(596,571)	(314,903)
		1,169,550	856,257

(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.

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

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

A 3-year lease for office premises in Martin Place, Sydney, with an expiry date of 19 July 2025.

(iii) 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 6% has been used as the incremental borrowing rate.

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

	2023 \$	2022 \$
Depreciation charge related to right of use assets	596,571	314,903
Interest expense on lease liabilities (included in finance costs)	85,395	39,405

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

	2023 \$	2022 \$
Total principal and interest cash outflows for leases	546,744	316,874

(d) Lease liabilities

		2023	2022
Current	Note	\$	\$
Lease liabilities		508,000	301,497
Total current lease liabilities		508,000	301,497
Non-current			
Lease liability		751,006	594,389
Total non-current lease liabilities		751,006	594,389
Total lease liabilities	27	1,259,006	895,886

(e) Lease liabilities maturity analysis

2023	Less than 1 year	1 to 2 years	2 to 5 years	5 + years	Total
Lease payments	567,970	526,408	289,445	-	1,383,823
Finance costs	(59,970)	(35,076)	(29,770)	-	(124,817)
	508,000	491,332	259,675	-	1,259,006
2022					
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

Note 11: Intangible Assets

	Note	2023	2022
		\$	\$
Goodwill — at cost		226,316	226,316
		226,316	226,316
Software development — at cost		11,383,682	11,383,682
less accumulated amortisation		(7,113,244)	(6,073,285)
		4,270,438	5,310,397
Trademarks and patent — at cost		20,986	14,714
less accumulated amortisation		(4,632)	(3,079)
		16,354	11,635
Management rights - at fair value	3	556,745	-
Total intangibles		5,069,853	5,548,348

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:

Consolidated	Note	Management Rights \$	Goodwill \$	Software \$	Trademarks \$	Total \$
Balance at 1 July 2022		-	226,316	5,310,397	11,635	5,548,348
Additions		556,745	-		6,272	563,017
Amortisation charge		-	-	(1,039,959)	(1,553)	(1,041,512)
Balance at 30 June 2023	(i)	556,745	226,316	4,270,438	16,354	5,069,853
Balance at 1 July 2021		-	226,316	6,359,523	12,415	6,598,254
Amortisation charge		-	-	(1,049,126)	(780)	(1,049,906)
Balance at 30 June 2022		-	226,316	5,310,397	11,635	5,548,348

(i) Intangible Assets

Management rights relates to the IAM Global Credit Opportunities Fund (refer Note 3).

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 2023.

The useful lives of the intangible assets were also considered to remain appropriate at 30 June 2023.

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 12.09%; an equity risk premium of 10.5%; a risk-free rate of 3.79% and a beta of 0.79.

The calculations use the 2023 result plus cash flow projections covering a four-year period and are based on financial forecasts for the businesses which utilise the internally generated software. The revenue forecast has assumed a 97% growth forecast for the year ended June 2024 and this drops to 5% p.a. as a sustainable growth rate in the remaining years of the model. 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 12: Investments Accounted for Using the Equity Method

	2023	2022
	\$	\$
Investments accounted for using the equity method	3,679,856	6,188,015

(a) Carrying amounts

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

Name of Company	Principal Activities	Note	Ownership Interest		Carrying Value	
			2023	2022	2023	2022
			%	%	\$	\$
Unlisted						
Fortlake Asset Management Pty Ltd	Funds Management	(i)	-	25	-	2,322,613
Tactical Global Management Ltd	Funds Management		25	25	3,679,856	3,865,402
					3,679,856	6,188,015

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 22 May 2023, the Group announced it had exited its 25% interest in Fortlake Asset Management (Fortlake) for a total amount of \$3,541,666. The consideration was comprised of \$2,500,000 for the Fortlake shares and \$1,041,666 for the repayment of the loan the Group provided to Fortlake for working capital purposes. The Group also cancelled the 10,000,000 performance rights issued to associates of Fortlake on acquisition.

(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 2023 (30 June 2022: \$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	
	2023	2022	2023	2022
Summarised statement of financial position	\$	\$	\$	\$
Cash and cash equivalents	-	689,890	1,094,143	952,988
Other current assets	-	1,658,925	630,707	1,187,327
Total current assets	-	2,348,815	1,724,850	2,140,315
Total non-current assets	-	1,799,491	649,453	1,103,824
Current financial liabilities	-	(154,094)	(407,944)	(101,172)
Other current liabilities	-	(222,091)	(417,626)	(660,650)
Total current liabilities	-	(376,185)	(825,570)	(761,822)
Non-current financial liabilities	-	(1,067,751)	(234,884)	(431,529)
Other current liabilities	-	(319)	(39,416)	(34,171)
Total non-current liabilities	-	(1,068,070)	(274,300)	(465,700)
Net assets	-	2,704,051	1,274,433	2,016,617
Group share %		25%	25%	25%

Reconciliation to carrying amounts

Opening net assets 1 July	2,704,051	2,011,348	2,016,617	-
Net assets on initial investment	-	-	-	2,135,946
Issued Shares	-	-	-	-
Total comprehensive income / (loss)	189,748	692,703	(742,184)	(119,329)
Dividends paid	(2,893,799)	-	-	-
Closing net assets	-	2,704,051	1,274,433	2,016,617
Group's share of net assets	-	676,013	318,608	504,154
Consideration premium	-	1,646,600	3,361,248	3,361,248
Carrying amount	-	2,322,613	3,679,856	3,865,402

Summarised statement of comprehensive income

Revenue	1,384,753	1,267,132	2,887,476	2,361,279
Net profit / (loss) for the year after tax	91,297	683,351	(742,184)	(119,329)
Other comprehensive income	(43,860)	9,352	-	-
Total comprehensive income / (loss)	47,437	692,703	(742,184)	(119,329)
Dividend received from joint venture entities	-	-	-	-
Depreciation and amortisation	(6,631)	(1,883)	(195,188)	(135,217)
Interest income	-	-	46,150	335

At 30 June 2023, the Group's maximum exposure to loss from its interest in TGM is the carrying amount of the investment \$3,679,856 (2022: \$3,865,402).

In the 2022 comparative, the maximum exposure to loss from the Group's interest in Fortlake is the carrying amount of the investment of \$2,322,613 and a \$916,666 interest free loan for working capital requirements (refer Note 14(i)).

There were no commitments or contingencies of joint ventures in the period ended 30 June 2023.

(c) Movement in carrying amounts

	Fortlake Asset Management Pty Ltd		Tactical Global Management Ltd	
	2023	2022	2023	2022
	\$	\$	\$	\$
Carrying amount at the beginning of the year	2,322,613	2,149,437	3,865,402	-
Purchase of shares in entity under joint control	-	-	-	3,000,000
IAM shares issued on completion of investment	-	-	-	524,550
Contingent consideration - TGM	-	-	-	370,684
Share of profit / (loss) after tax	47,437*	173,176	(185,546)	(29,832)**
Disposal of share in entity under joint control	(2,370,050)	-	-	-
Carrying amount at the end of the year	-	2,322,613	3,679,856	3,865,402

*Share of profit after income tax for Fortlake is for the period of ownership 1 July 2022 to 22 May 2023.

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

Note 13: Property, Plant and Equipment

	2023 \$	2022 \$
Plant and equipment owned		
• at cost	487,424	417,124
less accumulated depreciation	(338,807)	(246,632)
Total plant and equipment, net	148,617	170,492
Leasehold improvements		
• at cost	8,154	276,666
Less accumulated amortisation	(3,300)	(270,578)
Total Leasehold improvements, net	4,854	6,088
Total property, plant and equipment, net	153,471	176,580

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.

	Plant & equipment \$	Leasehold improvements \$	Total \$
30 June 2023			
Balance beginning of the financial year	170,492	6,088	176,580
Additions	70,300	1,440	71,740
Depreciation expense	(92,175)	(2,674)	(94,849)
Balance at end of financial year	148,617	4,854	153,471

	Plant & equipment \$	Leasehold improvements \$	Total \$
30 June 2022			
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

Note 14: Other Non-current Assets

	Note	2023 \$	2022 \$
Loan to associate	(i)	-	916,666
Bonds and deposits	27	392,169	401,828
Total other non-current assets		392,169	1,318,494

(i) 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 was 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 was no fixed repayment date for the loan, however Fortlake could only pay dividends after repayment of the loan in full. On 25 May 2023, the loan was repaid in full on the sale of the Group's 25% interest in Fortlake (refer Note 12a(i)).

Note 15: Trade and Other Payables

	Note	2023 \$	2022 \$
Current — unsecured			
Trade creditors		2,926,652	550,874
Sundry creditors and accrued expenses		1,709,977	1,043,235
Total current payables	27	4,636,629	1,594,109
Financial liabilities at amortised cost classified as trade and other payables		4,636,629	1,594,109

Note 16: Borrowings

		2023	2022
Current	Note	\$	\$
Loans — unsecured	(i)	11,659	29,430
Total current borrowing		11,659	29,430
Non-current			
Issued notes	(ii)	9,216,370	4,500,000
Issued notes — option premium	(iii)	(2,327,726)	(622,097)
Total non-current borrowing		6,888,644	3,877,903
Total borrowings	27	6,900,303	3,907,333

i. Unsecured short-term loan for the payment of the Group's insurance policy and CRM software.

ii. Issued notes

On 4 November 2022, IAM issued a 12% unsecured note with a face value of \$10,000,000 and a maturity of 3 years. Interest is payable quarterly in arrears at a rate of 12% based on face value and notes have been measured at amortised cost. The borrowing will be used to fund the growth of the IAM Capital Markets and Trustees Australia businesses, and to repay the \$4,500,000 6% 3 year unsecured note that was issued on 24 December 2020.

The issued notes balance of \$9,216,370 (June 2022: \$4,500,000) represents the face value of the borrowing less costs of issuance of \$783,630 (June 2022: \$nil).

The noteholders were also issued with four ASX listed options for every \$1 invested. Each option entitles the holder to purchase one IAM share at an exercise price of \$0.25 at any time during the 3-year life of the option. Refer Note (iii) below for details of the fair valuation process. The existing ASX listed options, issued to the 2020 IAM note holders, remain on issue and expire on 4 March 2024. Each of these options 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.

	Options issued 4 November 2022	Options issued 24 December 2020
Fair value at grant date (per right)	\$0.068	\$0.14
Grant date	4 November 2022	24 December 2020
Number of rights	40,000,000	9,000,000
Exercise price	\$0.25	\$0.50
Expiry date	31 December 2025	24 March 2024
Share price at grant date	\$0.15	\$0.34
Expected price volatility of the Company's shares	32%	79%
Expected dividend yield	nil	nil
Risk-free interest rate	3.42%	0.10%

The IAM note option premium balance at 30 June 2023 of \$2,327,726 (2022: \$622,097) represents the fair value of \$3,980,000 less \$1,652,274 (2022: \$1,260,000 less \$637,903) in effective interest on the option premium.

iv. Related party funding

Commencing in September 2022, the Group entered into a borrowing agreement with Third Return Investments Pty Ltd, an entity associated with Jon Lechte (CEO), who provided a loan facility for an amount of not more than \$1,000,000 at any time. The interest rate was 6%, repayment was to be made by 1 September 2023 or with 2 business days' notice to the lender, and the facility was to be used to settle securities or bonds purchased by the Group. The facility was utilised this financial year between September and November and was repaid on 10 November 2022. Interest paid on the loan was \$13,063.

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.

A loan facility of \$500,000 was provided on 10 September 2022 by Adcock Private Equity Limited ATF Adcock Private Equity Trust, an entity associated with Director Brook Adcock. The facility was provided for the purpose of meeting any liabilities that fall due and general corporate purposes until such time as the Group could raise capital. The interest rate was 6% and repayment was to be made by 1 September 2023 or with 2 business days' notice to the lender. The facility was not utilised during the period. There was no comparable loan in the comparative period.

Note 17: Provisions

	2023 \$	2022 \$
Current		
Employee benefits	617,391	571,208
Total current provisions	617,391	571,208
Non-Current		
Employee benefits	94,435	40,855
Total non-current provisions	94,435	40,855
Opening Balance	612,063	416,567
Additional provisions	662,778	549,884
Amounts used	(563,015)	(354,388)
Closing Balance	711,826	612,063

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 wish to leave their employment.

Note 18: Issued Capital

	2023 \$	2022 \$
Issued capital	48,514,383	47,319,283

(a) Movement in ordinary shares as of 30 June 2023

Date	Detail	Note	Number of shares	Issue price \$	Issued capital \$
1 July 2022	Opening balance		276,220,821		47,319,283
3 November 2022	Performance rights exercised	(i)	3,800,000	\$0.31	1,195,100
30 June 2023			280,020,821		48,514,383

- i. On 3 November 2022, IAM issued 3,800,000 shares at an average issue price of \$0.31 upon vesting of employee performance rights.

(b) 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	Share-based payment	(i)	2,410,000	\$0.11	267,510
16 August 2021	Performance rights exercised	(ii)	29,741,977	\$0.27	8,030,334
2 November 2021	Share placement	(iii)	1,000,000	\$0.30	300,000
2 November 2021	Options 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.

(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.

Income Capital Markets Limited and Trustees Australia 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 20: Commitments and Contingencies.

Note 19: Reserves

	2023	2022
	\$	\$
Option reserve	9,189,227	10,006,184

(a) Movement in options/performance rights as of 30 June 2023:

Date	Detail	Note	No. of options / performance rights	Option Reserve (\$)
1 July 2022	Opening balance		89,677,333	10,006,184
30 September 2022	Blue Ocean Options - Lapsed	25(b)	(133,333)	(13,237)
4 November 2022	Issued notes - option premium reserve	16(iii)	40,000,000	2,720,000
4 November 2022	Share based payments	25(b)(i)	5,660,000	384,880
25 May 2023	Contingent consideration reserve	12(a)(i)	(10,000,000)	(2,100,000)
23 June 2023	Contingent consideration reserve	3(a)(i)	-	119,705
30 June 2023	Blue Ocean Options - Lapsed	25(b)	(1,200,000)	(72,000)
30 June 2023	Share based payments - employee scheme		-	485,835
30 June 2023	Performance rights forfeited	25(a)	(9,775,000)	(1,147,040)
30 June 2023	Performance rights exercised	25(a)	(3,800,000)	(1,195,100)
30 June 2023	Closing balance		110,429,000	9,189,227

(b) 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		15,000,000	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		89,677,333	10,006,184

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

(c) Options / Performance Rights

There are 110,429,000 (2022: 89,677,333) options and performance rights on issue at 30 June 2023.

Note 20: 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 2023, all entities meet the base level requirements and Trustees Australia meets its additional financial requirements.

ii. Fortlake interest free loan

On establishment of Fortlake Asset Management Pty Ltd (refer Note 12), 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 was 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 was no fixed repayment date for the loan, however Fortlake could only pay dividends after repayment of the loan in full. On 25 May 2023, the loan was repaid in full on the sale of the Group's 25% interest in Fortlake (refer Note 12a(i)).

iii. There are no other commitments and contingencies reported at 30 June 2023.

Note 21: 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
Craig Swanger	Executive Director
Jon Lechte	CEO
Matthew Loughnan	CCO (resigned 28 February 2023)

(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 2023.

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:

	2023	2022
	\$	\$
Short-term	711,718	765,114
Post employment	47,342	47,676
Other long-term	2,061	932
Termination payments	170,063	-
Share-based payments	(229,580)	671,751
	701,604	1,485,473

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 22: 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	2023	2022
				Percentage Owned	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 23: 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 21.19% (2022: 26.55%) 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, \$206,334 (2022: \$198,000) was paid by the Group to CJN Advisory and at 30 June 2023 the Group had no (2022: \$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 (2022: \$60,000) was paid by the Group to Revolver Capital and at 30 June 2023 the Group had \$5,500 (2022: \$5,500) outstanding with Revolver Capital.

The following transactions occurred with directors:

- Fiona Dunn received a director's fee of \$60,000 (2022: \$50,000) and superannuation of \$6,300 (2022: \$5,000) during the reporting period. At 30 June 2023 the Group had no (2022: \$nil) outstanding amounts with Fiona.
- On 4 November 2022, IAM issued a 12% unsecured note and each noteholder was also issued 4 options for every \$1 invested. As a result the IAM note issued in 2020 was repaid. Options issued as part of the IAM 2020 note are still held and current. Below is a list of directors who participated in both issues and their relevant interests at 30 June 2023.

	Options issued 4 November 2022		Options issued 4 November 2020	
	Notes (\$)	Options (No.)	Notes (\$)	Options (No.)
Brook Adcock	-	-		1,450,000
John Nantes (indirect holdings)	50,000	200,000		100,000

Interest on the IAM notes of \$19,187 (2022: \$17,116) has been expensed in finance costs.

The following transactions occurred with KMP:

On 4 November 2022, IAM issued a 12% unsecured note and each noteholder was also issued 4 options for every \$1 invested. As a result the IAM note issued in 2020 was repaid. Options issued as part of the IAM 2020 note are still held and current. Below is a list of KMP who participated in both issues and their relevant interests at 31 December 2022.

	Options issued 4 November 2022		Options issued 4 November 2020	
	Notes (\$)	Options (No.)	Notes (\$)	Options (No.)
Jon Lechte	500,000	2,000,000	-	1,000,000
Matthew Loughnan	75,000	300,000	-	100,000

Interest on the notes of \$46,077 (2022: \$22,258) has been expensed in finance costs.

Loans from related parties:

- Commencing in September 2022, the Group entered into a borrowing agreement with Third Return Investments Pty Ltd, an entity associated with Jon Lechte (CEO), who provided a loan facility for an amount of not more than \$1,000,000 at any time. The interest rate was 6%, repayment was to be made by 1 September 2023 or with 2 business days' notice to the lender, and the facility was to be used to settle securities or bonds purchased by the Group. The facility was utilised this financial year between September and November and was repaid on 10 November 2022. Interest paid on the loan was \$13,063.
- 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.
- A loan facility of \$500,000 was provided on 10 September 2022 by Adcock Private Equity Limited ATF Adcock Private Equity Trust, an entity associated with Director Brook Adcock. The facility was provided for the purpose of meeting any liabilities that fall due and general corporate purposes until such time as the Group could raise capital. The interest rate was 6% and repayment was to be made by 1 September 2023 or with 2 business days' notice to the lender. The facility was not utilised during the period. There was no comparable loan in the comparative period.

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 was 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 was no fixed repayment date for the loan, however Fortlake could only pay dividends after repayment of the loan in full. On 25 May 2023, the loan was repaid in full on the sale of the Group's 25% interest in Fortlake (refer Note 12a(i)).

Note 24: 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 4(a).

Note 25: Share-based Payments

(a) 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	Exercise price	Balance at 1 July 2022	Granted during the year	Vested and issued during the year	Forfeited during the year	Balance at 30 June 2023	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	\$0.45	-	4,415,000	-	-	(4,415,000)	-	-
9/9/2020	9/9/2025	\$0.45	-	1,640,000	-	-	-	1,640,000	-
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	-	-	500,000	-	(500,000)	-	-	-
1/11/2021	1/7/2023	-	-	500,000	-	-	-	500,000	-
1/11/2021	1/7/2024	-	-	500,000	-	-	-	500,000	-
1/11/2021	1/7/2025	\$0.45	-	1,000,000	-	-	-	1,000,000	-
1/11/2021	1/7/2026	\$0.75	-	1,500,000	-	-	-	1,500,000	-
1/11/2021	1/10/2023	\$0.75	-	8,830,000	-	-	-	8,830,000	-
5/11/2021	1/4/2025	\$0.35	-	3,300,000	-	(3,300,000)	-	-	-
30/5/2022	30/5/2027*	-	-	350,000	-	-	-	350,000	-
30/5/2022	30/5/2027	\$0.45	-	400,000	-	-	-	400,000	-
30/5/2022	30/5/2027	\$0.45	-	400,000	-	-	-	400,000	-
22/6/2022	22/4/2027	\$0.45	-	1,820,000	-	-	-	1,820,000	-
22/6/2022	22/4/2027	\$0.75	-	1,370,000	-	-	-	1,370,000	-
Options									
24/12/2020	24/12/2023	-	\$0.50	84,000	-	-	-	84,000	84,000
				52,844,000	-	(3,800,000)	(9,775,000)	39,269,000	84,000

* Performance rights vested at 30 June 2023, not yet issued.

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

(b) 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 2022	Granted during the year	Exercised during the year	Forfeited during the year	Balance at 30 June 2023	Vested and exercisable at end of the period
28/9/2018	30/9/2022	Options		\$0.40	133,333	-	-	- (133,333)	-	-
1/7/2020	30/6/2023	Options		\$0.20	1,200,000	-	-	(1,200,000)	-	-
16/8/2021	16/8/2024	Options		\$0.405	1,500,000	-	-	-	1,500,000	1,500,000
4/11/2022	4/11/2025	Options (i)		\$0.25	-	5,660,000	-	-	5,660,000	5,660,000
					2,833,333	5,660,000	-	(133,333)	7,160,000	7,160,000

(i) Options granted to suppliers - 4 November 2022

Jamplat Pty Ltd was issued options as part consideration for placement fees in respect of the Notes issued on 4 November 2022. The options were issued for no consideration and vested immediately. The fair value of the rights 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	5,660,000
Fair value at grant date (per right)	\$0.068
Grant date	4 November 2022
Exercise price	\$0.25
Expiry date	4 November 2025
Share price at grant date	\$0.15
Expected price volatility of the Company's shares	32%
Expected dividend yield	nil
Risk-free interest rate	3.42%

During the year \$384,880 (2022: \$nil) has been expensed as transaction costs in equity.

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

	Note	2023 \$	2022 \$
Employee share scheme - share-based payment expenses	4(b)(ii)	485,835	2,336,968
Other options granted - transaction costs (equity)		-	172,500
Other options granted - transaction costs (borrowings)		384,880	-

(iii) Other share-based payments

40,000,000 options at an exercise price of \$0.25 were attached to the issued note (refer Note 16(ii)), raising \$10m of debt capital at a rate of 12%. It should be noted that if these options are exercised, the Group will raise an additional \$10m in new capital.

Note 26: Earnings Per Share

	2023	2022
Earnings per share	cents	cents
Basic loss per share	(2.2)	(4.3)
Diluted loss per share	(2.2)	(4.3)
Reconciliation of earnings to profit or loss		
Loss attributed to shareholders	(6,260,108)	(11,593,001)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	278,709,040	269,791,745
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	278,709,040	269,791,745

All options on issue are considered to be dilutive potential ordinary securities, however they are presently anti-dilutive at 30 June 2023 as the Group is in losses.

Note 27: 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:

		2023	2022
Financial assets	Note	\$	\$
Financial assets at amortised cost:			
Cash and cash equivalents	6	9,279,270	2,849,309
Trade and other receivables ⁽¹⁾	7	2,123,516	998,176
Bonds and deposits	8,14	392,170	401,828
Loans to jointly controlled associates	14	-	916,666
Financial assets at fair value through profit or loss			
Corporate bonds	8	982	79,547
Total financial assets		11,795,938	5,245,526
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	15	4,636,629	1,594,109
Lease liabilities	10	1,259,006	895,886
Borrowings	16	6,900,303	3,907,333
Total financial liabilities		12,795,938	6,397,328

⁽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:

2023	USD	GBP	EUR	NZD
Cash and cash equivalents (AUD equivalent)	1,297,942	23,407	774	7,970
Trade and other receivables (AUD equivalent)	2,052	-	-	-
Financial assets through profit and loss (AUD equivalent)	-	-	-	-
Trade and other payables (AUD equivalent)	(187,950)	-	-	-
Short-term exposure	1,112,044	23,407	774	7,970

2022				
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

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% (2022: 10%) with all other variables held constant.

	2023		2022	
	+10%	-10%	+10%	-10%
Impact on after-tax profit	\$	\$	\$	\$
USD	(111,204)	111,204	3,125	(3,125)
GBP	(2,341)	2,341	(2,550)	2,550
EUR	(77)	77	(1,440)	1,440
NZD	(797)	797	-	-
Total	(113,622)	113,622	(865)	865

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	2023	2022
Unlisted bond securities	982	79,547
Total assets at fair value through profit or loss	982	79,547

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% (2022: 5%) with all other variables held constant.

	2023 +/-5% \$	2022 +/-5% \$
Impact on after-tax profit	49	3,977
Impact on equity	49	3,977

ii. Interest rate risk

The Group's main interest rate risk arises from holding cash and cash equivalents and borrowings with variable rates. During 2023 and 2022, 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:

	2023		2022	
	Effective interest rate	Balance	Effective interest rate	Balance
	%	\$	%	\$
Cash and cash equivalents	1.2%	9,279,270	0%	2,849,309
Bonds and deposits (bank guarantees)	3.9%	392,169	0%	401,828
Net exposure to interest rate risk		9,671,439		3,251,137
Other payables	0%	12,923	0%	(19,522)
Net exposure to interest rate risk		12,923		(19,522)

Sensitivity

At 30 June 2023, 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 \$96,804 lower/higher (2022: change of 100 basis points: \$27,596 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:

	2023	2022
	\$	\$
Cash at bank	9,279,270	2,849,309
Trade and other receivables	2,123,516	998,176
Bonds and deposits	392,169	401,828
Financial assets at fair value through profit or loss — corporate bonds	982	79,547
Loans to jointly controlled associates	-	916,666
Total	11,795,937	5,245,526

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 2023 (30 June 2022: \$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 2023 (2022: \$nil).

	2023	2022
Trade and other receivables	\$	\$
Neither past due nor impaired	2,021,052	947,749
Past due but not impaired	102,464	50,427
	2,123,516	998,176
Loans held at amortised cost		
Neither past due nor impaired	-	916,666

Bonds and deposits

The Group held term deposits of \$364,869 at 30 June 2023 (2022: \$401,828). 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 2023 is the carrying amount of these investments of \$982 (2022: \$79,547) as set out in the table above.

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:

		2023	2022
Cash	Rating agency	\$	\$
AA-	S&P	9,023,379	2,839,087
Baa1	Moody's	255,891	10,222
Total		9,279,270	2,849,309
Corporate Bonds			
BBB+	Moody's	982	79,547
Total		982	79,547

(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
2023	\$	\$	\$	\$	\$
Trade and other payables	4,636,630	3,106,392	1,530,238	-	4,636,630
Lease liabilities	1,259,006	50,015	457,984	751,007	1,259,006
Borrowings	6,900,303	11,659	-	6,888,644	6,900,303
Total	12,795,939	3,168,066	1,988,222	7,639,651	12,795,939
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

Note 28: 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:

		Level 1	Level 2	Level 3	Total
30 June 2023	Note	\$	\$	\$	\$
Financial assets					
Unlisted - corporate bonds		-	982	-	982
Total financial assets	8	-	982	-	982

		Level 1	Level 2	Level 3	Total
30 June 2022	Note	\$	\$	\$	\$
Financial assets					
Unlisted — corporate bonds		—	79,547	—	79,547
Total financial assets	8		79,547	—	79,547

The fair value of unlisted corporate bonds is based on independent valuations. 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	
		2023	2022	2023	2022
Financial assets	Footnote	\$	\$	\$	\$
Financial assets at amortised cost:					
• Cash and cash equivalents	(i)	9,279,270	2,849,309	9,279,270	2,849,309
• Trade and other receivables	(i)	2,123,516	998,176	2,123,516	998,176
• Bonds and deposits	(ii)	392,169	401,828	392,169	401,828
• Loans to jointly controlled associates	(ii)	-	916,666	-	916,666
Financial assets at fair value through profit or loss:					
• Corporate bonds		982	79,547	982	79,547
Total financial assets		11,795,937	5,245,526	11,795,937	5,245,526
Financial liabilities					
Financial liabilities at amortised cost:					
• Trade and other payables	(i)	4,636,629	1,594,109	4,636,629	1,594,109
• Lease liabilities	(ii)	1,259,006	895,886	1,259,006	895,886
• Borrowings	(ii)	6,900,303	3,907,333	6,900,303	3,907,333
Total financial liabilities		12,795,938	6,397,328	12,795,938	6,397,328

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

- 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.
- Fair values are determined using amortised cost.

Note 29: Auditor's Remuneration

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

	2023 \$	2022 \$
BDO Audit Pty Ltd		
• Auditing or reviewing the financial statements	139,185	151,535
	139,185	151,535
BDO (QLD) Pty Ltd		
• Taxation services	24,809	34,137
	24,809	34,137
Ernst & Young		
• Auditing financial statements	-	22,800
• Consulting services	32,521	136,731
	32,521	159,531
Total	196,515	345,203

Note 30: Events After the Reporting Period

In the opinion of the directors there are no material matters that have arisen since 30 June 2023 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 2023

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 2023 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.

A handwritten signature in dark ink, appearing to be 'John Nantes', is located below the declaration text. The signature is fluid and stylized, with a large loop at the beginning.

John Nantes
Executive Chairman
31 August 2023

Independent Auditor's Report to the Members



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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 2023, 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 2023 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.

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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.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Revenue Recognition</p> <p>As disclosed on the Statement of Profit or Loss and Other Comprehensive Income, the Group recorded \$13.9m in Revenue and operational income as at 30 June 2023.</p> <p>Revenue recognition is considered a key audit matter due to the materiality of the balance and significant increase of the transactions that took place.</p>	<p>Our procedures in relation to revenue recognition included but were not limited to:</p> <ul style="list-style-type: none"> • Performed substantive testing over all material revenue sources by selecting a sample of revenue transactions during the year; • Tested a sample of transactions around the period-end in order to gain assurance over the cut-off of revenue; and • Reviewed revenue recognition policies and disclosures in the financial statements for all material revenue sources to ensure they are accounted for and disclosed in accordance with AASB 15 <i>Revenue from Contracts with Customers</i>.
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Disposal of Fortlake Asset Management Pty Ltd</p> <p>As disclosed in note 12 to the financial statements, the Group exited its 25% interest in Fortlake Asset Management (Fortlake) for \$3,541,666.</p> <p>The accounting treatment of disposal of Fortlake Asset Management Pty Ltd is considered an audit focus area due to the materiality of the balance, and complexity of the transaction that took place.</p>	<p>Our procedures in relation to disposal of Fortlake Asset Management Pty Ltd included but were not limited to:</p> <ul style="list-style-type: none"> • Reviewed management's accounting treatment over the disposal of Fortlake Asset Management Pty Ltd to ensure that the transaction was recorded correctly at the disposal date; • Reviewed management's assessment over the accounting to make sure the difference between proceeds from disposing Fortlake and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss; • Reviewed the related disclosures in the financial statements to ensure that these were consistent with the accounting standards.



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 2023, 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 26 to 34 of the directors' report for the year ended 30 June 2023.



In our opinion, the Remuneration Report of Income Asset Management Group Limited, for the year ended 30 June 2023, 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

A handwritten signature in black ink, appearing to read 'Tim Aman'.

Tim Aman
Director

Sydney, 31 August 2023

ASX Additional Information

Listed Equity Securities

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Shareholders on 24 August 2023:

Twenty Largest Shareholders

		Fully Paid Shares	
		Shares Held	% of Issued
1	ADCOCK PRIVATE EQUITY PTY LTD	57,519,334	20.54%
2	UBS NOMINEES PTY LTD	29,254,976	10.45%
3	HSBC CUSTODY NOMINEES	24,796,940	8.86%
4	JONATHAN LECHTE	8,030,000	2.87%
5	DE NANTES INVESTMENT CO PTY	7,749,496	2.77%
6	STUART ANDREW PTY LTD	7,500,000	2.68%
7	CITICORP NOMINEES PTY LIMITED	7,442,942	2.66%
8	THIRD RETURN SUPER PTY LTD	7,246,727	2.59%
9	MS EVELYN ANDERSON	4,921,559	1.76%
10	JABANE PTY LTD	4,613,050	1.65%
11	ONMELL PTY LTD	4,386,073	1.57%
12	KYLE LAMBERT	4,015,000	1.43%
13	MATTHEW LOUGHNAN	4,015,000	1.43%
14	JAMES SHILLINGTON	4,015,000	1.43%
15	COSTINE PTY LTD	3,498,553	1.25%
16	MR RODNEY BRUCE EBSWORTH	3,261,235	1.17%
17	JAMPLAT PTY LTD	3,100,000	1.11%
18	AUSTIN HIRD PTY LTD	3,027,180	1.08%
19	MR GREGORY PAUL YEATMAN	3,000,000	1.07%
20	JOHN NANTES	2,900,000	1.04%
Total of top twenty shareholdings		194,293,065	69.41%
Total shares on issue		280,020,821	100.00%

Distribution of Shareholdings

Size of Holding	Number of Shareholders	Total Units	%
1 – 1,000	77	24,960	0.01%
1,001 – 5,000	199	464,838	0.17%
5,001 – 10,000	109	865,030	0.31%
10,001 – 100,000	218	8,814,500	3.15%
100,001 - 999,999,999	152	269,851,493	96.36%
	755	280,020,821	100.00%

Listed Options (ASX: IAMO) - \$0.50 Exp 4 March 2024

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Listed Option holders on 24 August 2023:

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	SIR RONALD ALFRED BRIERLEY	400,000	4.40%
7	MRS CATHERINE ANNE MARSON & MR JOSEPH MARSON	250,000	2.75%
8	MR NIGEL ANTHONY DAVID THOMAS	210,000	2.31%
9	PW AND VJ COOPER PTY LIMITED	200,000	2.20%
10	LOLLYWATCH PTY LTD	200,000	2.20%
11	NOTRE ARGENT PTY LTD	200,000	2.20%
12	MUTUAL TRUST PTY LTD	200,000	2.20%
13	WAYNE JENVEY & KIRSTIE SHELTON	200,000	2.20%
14	MR MATTHEW GRAHAME 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	MR GREGORY DYER & MRS DEBORAH DYER	130,000	1.43%
18	MR MARK LOOSEMORE & MRS JESSICA LOOSEMORE	120,000	1.32%
19	MR HUGH ANTHONY LEMPRIERE	110,000	1.21%
20	MR BRETT JAMES RUDD	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	-	-	-
1,001 - 5,000	42	84,000	0.92%
5,001 - 10,000	-	-	-
10,001 - 100,000	21	1,680,000	18.49%
100,001 - 999,999,999	19	7,320,000	80.58%
	82	9,084,000	100.00%

Listed Options (ASX: IAMOB) - \$0.25 Exp 31 December

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Listed Option holders on 24 August 2023:

Twenty Largest Listed Options Holders

		Listed options	
		Options Held	% of Issued
1	JAMPLAT PTY LTD	12,000,000	26.28%
2	TIMSTER PTY LIMITED	4,000,000	8.76%
3	R & R LANGLEY SUPER PTY LTD	3,480,000	7.62%
4	THIRD RETURN SUPER PTY LTD	2,000,000	4.38%
5	GEOFF NEATE & JENNIFER NEATE	2,000,000	4.38%
6	MR GARY NARVO	2,000,000	4.38%
7	SIM CHAN DEVELOPMENTS PTY LTD	2,000,000	4.38%
8	MR RONALD ALFRED BRIERLEY	1,600,000	3.50%
9	KALONDA PTY LTD	1,400,000	3.07%
10	ONMELL PTY LTD	1,400,000	3.07%
11	GAILFORCE MARKETING & PR PTY LIMITED	1,000,000	2.19%
12	TERAGOAL PTY LTD	1,000,000	2.19%
13	DOM HOLDINGS PTY LTD	800,000	1.75%
14	RUSTICA PTY LTD	600,000	1.31%
15	MLB KABO PTY LTD	500,000	1.10%
16	MRS CATHERINE ANNE MARSON & MR JOSEPH MARSON	500,000	1.10%
17	MR NIGEL ANTHONY DAVID THOMAS	420,000	0.92%
18	LYNNECO PROPERTIES PTY LTD	400,000	0.88%
19	PW AND VJ COOPER PTY LIMITED	400,000	0.88%
20	NOTRE ARGENT PTY LTD	400,000	0.88%
Total of Top Twenty Option Holders		37,900,000	83.02%
Total Options on Issue		45,660,000	100.00%

Distribution of Listed Option Holdings

Size of Holding	Number of Option Holders	Total Units	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	2	160,000	0.35%
100,001 - 999,999,999	51	45,500,000	99.65%
	53	45,660,000	100.00%

Escrowed securities

At 24 August 2023, 25,805,000 quoted securities issued upon the vesting of performance rights were subject to escrow for a period of one year after the holder ceases employment with the Group.

Marketable parcels

At 24 August 2023, using the last traded share price of \$0.13 per share, there were 249 holdings totalling 372,681 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 securities held by substantial security holders, as disclosed to the Company, are as follows:

	Shares Held	Voting Power Advised
Brook Adcock and associated entities	59,348,475	21.19%
Regal Funds Management Pty Ltd	32,008,292	11.43%
Jon Lechte and associated entities	15,616,615	5.58%

Unquoted Securities

Performance rights over unissued shares

At the date of this report, there are 54,185,000 performance rights over unissued shares in the Company held by 18 rights holders. All holders hold more than 100,000 rights. No holders hold more than 20% of the performance rights on issue

Options over unissued shares

At the date of this report, there are 1,500,000 options over unissued shares in the Company held by Blue Ocean Equities Pty Ltd.

Quoted Securities

Listed options over unissued shares

At the date of this report, there are 54,744,000 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

Company Secretary

Vanessa Chidrawi
Company Secretary

Corporate Office

Level 11, 4 Martin Place
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Email shareholders@incomeam.com
Web incomeam.com

Registered Office

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Web incomeam.com

Share Register

Boardroom Limited

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Email enquiries@boardroomlimited.com.au
Web boardroomlimited.com.au

Auditor

BDO Audit Pty Ltd

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Stock Exchange

IAM is listed on the ASX with ticker code IAM

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