Objective

APPENDIX 4E

PRELIMINARY FINAL REPORT

OBJECTIVE CORPORATION LIMITED

ABN: 16 050 539 350

For the year ended 30 June 2024
(Previous corresponding period being the year ended 30 June 2023)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	2024 $'000	2023 $'000	$'000 Change	% Change
Revenue from ordinary activities	117,500	110,364	7,136	+ 6 %
Profit from ordinary activities after income tax attributable to shareholders	31,330	21,087	10,243	+ 49 %
Net profit for the year attributable to shareholders	31,330	21,087	10,243	+ 49 %

DIVIDENDS

	Amount per security	Franked amount per security
2024		
Final franked dividend	8.0 cents	8.0 cents
Final unfranked dividend	9.0 cents	Nil
2023		
Final unfranked dividend	13.5 cents	Nil

Record date for determining entitlement to the final franked dividend and final unfranked dividend is 5 September 2024.

The final franked dividend and final unfranked dividend will be paid on 16 September 2024 and 17 September 2024 respectively.

Objective Corporation's Dividend Reinvestment Plan ('DRP') is currently suspended. There is no conduit foreign income attributed to the dividends.

EARNINGS PER SHARE

	2024	2023
Earnings per share (EPS)	32.9 cents	22.2 cents

NET TANGIBLE ASSETS PER SHARE

	2024	2023
Net tangible assets per share (NTA)	40.9 cents	31.6 cents

REVIEW OF OPERATIONS

Results summary for full year ended	30 June 2024	30 June 2023	Change
	AU $'000	AU $'000	(%)
Revenue	117,500	110,364	+ 6 %
Adjusted EBITDA [1]	44,326	26,678	+ 66 %
Net profit after tax	31,330	21,087	+ 49 %
Annualised Recurring Revenue (ARR) [2]	104,514	94,156	+ 11 %
R&D investment [3]	28,241	27,208	+ 4 %
Cash at balance date	95,979	72,519	+ 32 %
Earnings per share	32.9 cps	22.2 cps	+ 43 %
Dividends	17.0 cps	13.5 cps	+ 26 %

[1] Adjusted earnings before interest, tax, depreciation and amortisation expenses and excluding share based payment expenses for the year of $2,005,000 (2023: $600,000) and is a non-IFRS financial measure.

[2] Annualised Recurring Revenue is a non-IFRS financial measure.

[3] FY2024: Includes $14,084,000 in capitalised development costs.

FINANCIAL HIGHLIGHTS

Group revenue for Financial Year 2024 (FY2024) grew by 6% to $117.5 million (FY2023: $110.4 million), Adjusted EBITDA increased by 66% to $44.3 million (FY2023: $26.7 million) and Net Profit After Tax (NPAT) increased by 49% to $31.3 million (FY2023: $21.1 million).

During FY2024, 100% of our software revenue was contracted under a subscription model and recurring revenue represented 81% of total revenue from customers. In FY2024, Perpetual Right To Use (PRTU) licences sales were $zero (FY2023: $2.0 million) and all customers are contracting via subscription models regardless of the customer's choice of cloud or on-premise deployment for their chosen solution.

The Annualised Recurring Revenue (ARR) balance at 30 June 2024 increased by 11% to $104.5 million ($94.2 million at 30 June 2023). Content Solutions ARR increased by 10% to $76.1 million (FY2023: $69.0 million); Regulatory Solutions ARR increased by 11% to $14.4 million (FY2023: $13.0 million); Planning and Building ARR increased by 15% to $14.0 million (FY2023: $12.2 million).

During FY2024 we invested $28.2 million in Research and Development (R&D) (FY2023: $27.4 million), representing 30% of software revenue. $14.1 million of this R&D investment was capitalised in FY2024 (FY2023 and prior: no R&D expenditure was capitalised).

Group operating cash flow in FY2024 was $55.8 million (FY2023: $23.4 million) and the total cash balance at 30 June 2024 was $96.0 million, an increase of 32% over the balance at 30 June 2023, after total capital returns to shareholders of $15.3 million in FY2024 (Dividends of $12.8 million and share buybacks of $2.5 million). The Group has no external borrowings.

The statement of financial position of the Group provides significant capacity to further pursue investment opportunities that enhance returns for stakeholders.

BUSINESS LINE SUMMARY

Results summary	30 June 2024	30 June 2023	Change
	AU $'000	AU $'000	%
Content Solutions			
Sales revenue	80,283	76,144	+ 5 %
ARR	76,118	69,007	+ 10 %
Planning and Building			
Sales revenue	12,303	11,696	+ 5 %
ARR	13,959	12,183	+ 15 %
Regulatory Solutions			
Sales revenue	22,218	21,079	+ 5 %
ARR	14,437	12,966	+ 11 %

COMMENTARY ON OPERATIONS BY BUSINESS LINE

CONTENT SOLUTIONS

In FY2024, revenue in our Content Solutions business increased by 5% to $80.3 million (FY2023: $76.1 million). Closing ARR at 30 June 2024 increased by 10% to $76.1 million over the balance at 30 June 2023 ($69.0 million).

Highlights from FY2024 include:

- In FY2024, total revenue growth in the business line was moderated by the strategic decisions to discontinue the historic PRTU licensing model and to redirect professional services capacity towards developing tools and processes that would facilitate the rapid migration of customers from on-premise solutions to Objective Nexus and support the roll out of Objective 3Sixty.
- We rebranded Content Solutions products to simplify the market positioning of the portfolio as an integrated Information Governance platform that is positioned to meet customers' current requirements and evolve with their future information governance strategy, including transitioning to the cloud. Beyond branding, we deepened integration between the products within the platform, leveraging established API infrastructure. This in turn accelerated development of low code / no code integration automation across Objective products and customers' technology portfolio. Developing this framework in the Content Solutions portfolio has created an integration playbook which has been rolled out across other LOBs.
- Adoption of Objective Nexus gathered momentum, with the customer base extending to 14, more than doubling the number of customers during FY2024. The Objective Nexus customer base now covers local, state and central governments, as well as regulated industries. This broad range of customers further establishes a strong base of referenceability for future opportunities. Conceptually evolved from Objective ECM, Objective Nexus is our next generation SaaS based platform providing records compliance, enterprise scale information management and process automation. Objective Nexus offers a cloud-first approach that facilitates a transition for existing customers and expands our addressable market for new customer opportunities.

CONTENT SOLUTIONS (CONTINUED)

- In FY2024, Objective 3Sixty further evolved, becoming a cutting-edge unstructured Data Fabric platform; significant milestones included integrating artificial intelligence (AI) capabilities, enhancing performance, and expanding use cases. Our unique AI-powered solution enables organisations to unlock insights from vast amounts of data without compromising on data confidentiality or relocation requirements. With automated features like redaction, Personally Identifiable Information (PII) detection, content enrichment, and data classification, 3Sixty automates or vastly accelerates information management tasks and provides a single control pane for disparate data sources.
- Objective Connect added new customers in addition to cross-sell success with Objective RegWorks and Objective Build customers. Investment in R&D delivered user interface enhancements, particularly focused on supporting wider groups of users external to the customer organisation and developing functionality specific to organisations operating in high security environments including defence industries, expanding the addressable market for Objective Connect. Established as the leading secure external file sharing platform for the public sector, there is significant ongoing opportunity for Objective Connect. Customer success teams are focused on identifying additional use cases within existing customers together with introducing Objective Connect to customers of other Objective products.
- Objective Keystone was further entrenched as an industry standard to produce investor targeted disclosure documents by adding eight new customers across the financial services sector, primarily superannuation funds. 17 of the 25 largest Australian Superannuation funds are now customers. Objective Keystone's reach is extended by our network of sales partners. During FY2024 the separation of Keystone and Keyplan was completed, and all local government customers were migrated to Keyplan. This migration was supported by the release of additional functionality aligned to the UK Levelling-Up and Regeneration Act, including spatial based consultation, submissions management and AI decision support capabilities. During FY2024, we welcomed four new local government customers and invested further in our UK go-to-market team to support the expected levels of future demand.

PLANNING AND BUILDING

In FY2024, revenue in our Planning & Building business increased by 5% to $12.3 million (FY2023: $11.7 million). Closing ARR at 30 June 2024 increased by 15% to $14.0 million over the balance at 30 June 2023 ($12.2 million).

Highlights from FY2024 included:

- Revenue and ARR growth in the Planning & Building LOB was tempered by a drop in development consent numbers in New Zealand, reflecting an overall lower level of building activity during FY2024.
- More than 40,000 new applications were recorded in Objective Build during FY2024, demonstrating the critical link our solution plays between local authorities and private sector organisations within the planning ecosystem, and the resilience of this platform at scale. We secured significant customer wins and upgrades across New Zealand including BCAL (New Zealand's first private Building Consent Authority), New Plymouth District Council, and Clutha District Council. 11 Building Consent Authorities upgraded to Objective Build in FY2024, with a further 10 in a transitional phase.

PLANNING AND BUILDING (CONTINUED)

- R&D investment for Objective Build, focused on supporting the requirements of larger metropolitan councils in New Zealand. We released 25 enhancements to the Objective Build Applicant module, enhancing the experience for all users and released the new Inspections application. This move extended functionality to consumer-grade personal mobile devices that can leverage modern camera technology and reduce device costs for customers, as well as providing a more scalable and secure infrastructure for our customers.
- Objective Trapeze expanded its customer footprint amongst local councils in Australia, further extending market leadership in the segment. We now have 280 councils across Australia and New Zealand using Objective Trapeze to review and determine building consents, with more than 6 million development application documents assessed annually through our software. During FY2024, we extended the functionality to manage more of the consent process, including parking standards compliance and richer document annotation capabilities. We also developed and released pilot products in the UK, aligned to the Department of Levelling Up's priorities funded under government schemes to accelerate the delivery of new housing and drive economic growth.

REGULATORY SOLUTIONS

In FY2024, revenue in our Regulatory Solutions business increased by 5% to $22.2 million (FY2023: $21.1 million). Closing ARR at 30 June 2024 increased by 11% to $14.4 million over the balance at 30 June 2023 ($13.0 million).

Highlights from FY2024 included:

- Technical investment in Objective RegWorks increased the scalability of the platform allowing us to target enterprise-scale sales opportunities in FY2024. These enhancements offer a greater return on sales capacity investment but have predominately been weighted towards a Q4 decision-making point in the financial year, which moderated the recognised revenue growth in FY2024 but delivered a strong ARR growth result positioning us well for FY2025.
- A milestone achievement in FY2024 was Objective RegWorks being selected as the SaaS solution of choice to futureproof gambling regulation across Great Britain through digitisation. The deal, signed with an initial six-year term, has a total contract value of A$3.4 million and demonstrates the strong opportunity for Objective's regulatory solutions outside Australia and New Zealand. We continued to invest in UK market growth throughout the year, and in 2HY2024 published of the UK Government Regulatory Technology Report in partnership with the UK Institute of Regulation.
- Objective RegWorks was selected by new customers across a diverse range of regulatory functions, highlighting the flexibility and configurability of the platform to new use cases. During FY2024 new customer wins outside of the UK, included the NSW Natural Resources Access Regulator; Physiotherapy Board of New Zealand, and the Victorian Social Services Regulator.
- Investment in the Objective RegWorks platform delivered innovations that support the adoption for expanded use cases. We enhanced the user experience (UX) and improved accessibility, to ensure our platform remains intuitive and inclusive for all users. We made significant configurability improvements, enabling more efficient deployments of Objective RegWorks and streamlined "in-life" management of the solution. The new Reporting Centre has been well-received by customers, providing them with unparalleled visibility into their regulatory actions to support data-driven decision-making. Building on this momentum, we invested in native artificial intelligence (AI) capabilities including sentiment analysis using Objective tools, to further enhance the operational efficiency of our customers.

REGULATORY SOLUTIONS (CONTINUED)

- Leveraging our deep industry expertise, we adopted a new delivery model in FY2024, improving time to value for customers and reducing life-time cost of ownership. Development and rollout of this new delivery model, named the Accelerator solution, required allocating services capacity to develop tools that standardise Objective RegWorks product configurations for specific end markets. The result is out-of-the-box best-practice models for rapid deployment and adoption by customers.

RECONCILIATION BETWEEN IFRS AND NON-IFRS FINANCIAL INFORMATION

	30 June 2024	30 June 2023
	$'000	$'000
Net profit after tax	31,330	21,087
- Depreciation and amortisation expenses	5,978	4,937
- Net interest (income) / expense	(2,039)	(950)
- Foreign exchange losses	7	113
- Income tax expense	7,045	891
- Share based payment expenses	2,005	600
Adjusted EBITDA	44,326	26,678

AUDIT

The financial statements and notes thereto have been audited and the auditor's report is attached.

The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the attached financial statements and notes thereto.

2024 FINANCIAL REPORT

OBJECTIVE CORPORATION LIMITED

ABN: 16 050 539 350

DIRECTORS' REPORT

The Directors of Objective Corporation Limited ('the Company') present the Annual Report of the Company and its controlled entities (collectively 'the Group') for the year ended 30 June 2024.

DIRECTORS

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

MR TONY WALLS

Chairman and Chief Executive Officer

Tony founded the business in 1987 and has extensive experience in the IT industry. Tony has a B.Math (Computing Science), a Grad.Dip in Applied Finance (SIA) and is a Fellow of the Australian Institute of Company Directors.

MR NICK KINGSBURY

Independent Non-Executive Director

Nick was appointed as a Non-Executive Director in July 2008 and is the Chair of the Audit Committee. Nick is an experienced international software entrepreneur, strategist and venture capitalist. Nick founded, led and then sold a leading UK Business Process Management company. Nick then spent 7 years with the international venture capital company 3i, where he headed up the software sector. From October 2011 to June 2015 he chaired a UK AIM listed cyber security company Accumuli, plc, which was successfully sold to NCC Group. As well as his role with Objective, he is a Partner with the venture capital firm Amadeus Capital Partners and sits on the boards of several early-stage technology businesses.

MR DARC RASMUSSEN

Independent Non-Executive Director

Darc was appointed as a Non-Executive Director in August 2018. Darc is a seasoned enterprise software professional with over 25 years' experience successfully building and growing Software as a Service (SaaS) and Cloud based businesses across global markets. Darc spent time working and living in Europe, the USA and Asia/Pacific growing public and private companies including Infor, SAP, IntraPower (Trusted Cloud) and Integrated Research. Darc led the SAP (NYSE:SAP) global CRM Line of Business, building it from start-up to total annual revenues of US$1.5 billion in 2007, establishing SAP as the global leader in the CRM market. He was CEO at Integrated Research (ASX:IRI) and led the company through a whole of business transformation strategy that delivered 70%+ growth in Revenue and Profits along with a tripling of the company's market capitalisation. During Darc's tenure IR was named a Gartner "Cool Vendor" and became the global leader in the Unified Communications Performance Management market. Darc was appointed as non-executive director of Gentrack Group Limited (NZX/ASX : GTK) on 12th December 2019 and joined the board of Urbanise.Com Ltd (ASX:UBN) on 18th April 2023.

MR STEPHEN BOOL

Non-Executive Director

Stephen joined the Board in January 2022, after 17 years with Objective Corporation Limited in senior leadership positions, most recently as Chief Operating Officer for over 5 years. In that time, Stephen made important contributions across the entire organisation, helping shape the culture and operating structures that support our current business success. Prior to joining Objective, Stephen had served in senior leadership roles at US multinational Software and Consulting Services companies including PeopleSoft (Oracle), and SPL WorldGroup (Oracle) during a career that spans over 30 years in the industry. Stephen holds a Bachelor Degree in Computer Science and Master Degree in Business Administration.

MR GARY FISHER

Non-Executive Director – resigned 21 August 2023

Gary was appointed a Director of Objective Corporation Limited in March 1991. In October 2007 Gary became a Non-Executive Director. Gary has an extensive background in Finance, IT Management and global product software sales. Gary has a B.Economics and further tertiary education in Law and Business Administration.

DIRECTORS' REPORT (CONTINUED)

COMPANY SECRETARY

MR BEN TREGONING

Company Secretary

Ben was appointed Company Secretary in July 2016. Ben has over 15 years' experience in financial roles within Financial Services and corporate finance businesses both in Australia and the UK. He is responsible for company secretarial and corporate governance support at Objective. Ben has a B.Commerce and a M.Commerce.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the supply of information technology software and services. There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

An ordinary final unfranked dividend of $12,852,000 was paid on 14 September 2023.

Since the end of the financial year, the directors have recommended the payment of a final fully franked dividend of 8 cents per ordinary share on 16 September 2024 and a final unfranked dividend of 9 cents per ordinary share on 17 September 2024. The aggregate amount of the dividends expected to be paid is $16,175,755. There is no conduit foreign income attributed to this final dividend declared.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

A review of the Group operations and the results for the year ended 30 June 2024 is set out on the inside front cover to page 8 of the annual report and forms part of the Directors' Report. This includes the summary of consolidated results as well as an overview of the Group's financial performance.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SHARE CAPITAL

As at 30 June 2024 the Company had 95,090,246 (2023: 95,116,253) fully paid ordinary shares on issue.

SHARE OPTIONS AND RIGHTS

Unissued shares under options and rights

As at the date of this report unissued ordinary shares in the Company under share based payment arrangements are:

Options on Issue	Number	Expiry Date
Employee options exercisable at $1.17	125,000	24/02/2025
Employee options exercisable at $2.75	206,250	01/01/2029
Employee options exercisable at $7.50	270,000	01/07/2030
Employee options exercisable at $14.85	100,000	30/04/2027
Employee options exercisable at $10.35	965,000	01/01/2028
Employee options exercisable at $10.35	187,500	01/01/2028
Employee options exercisable at $14.85	550,000	01/01/2028
Employee options exercisable at $12.00	40,000	01/01/2028
Employee options exercisable at $12.00	100,000	01/01/2028
Total options on issue	2,543,750	
Weighted average exercise price	$10.22	

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS AND RIGHTS (CONTINUED)

Rights on issue	Number	Expiry Date
Rights exercisable at $nil	37,500	22/12/2026
Rights exercisable at $nil	4,000	21/03/2027
Rights exercisable at $nil	5,000	28/02/2027
Rights exercisable at $nil	7,500	28/11/2027
Rights exercisable at $nil	17,100	01/01/2028
Total rights on issue	71,100	
Weighted average exercise price	$nil	

Details of the options and rights on issue under each share based payment arrangement are contained in Notes 20 and 27 to the financial statements.

Shares issued on exercise of options and rights

Movements in equity incentives and shares issued on exercise of equity incentives during and since the end of the year:

Instrument	Number of instruments granted	Number of instruments exercised	Number of ordinary shares issued on exercise	Amount paid for shares	Amount unpaid on shares
Share options	1,842,500	237,500	237,500	$1,294,375	-
Rights	23,100	16,000	16,000[1]	-	-

[1] Includes 8,500 ordinary shares purchased on the ASX market.

Refer Note 27 for further details.

During the year, the Group issued 192,250 ordinary shares of the Company as a result of the exercise of 176,250 options and 16,000 rights at various prices under the share based payment arrangements. Since the end of the financial year, the Group issued 61,250 ordinary shares of the Company as a result of the exercise of 61,250 options at various prices under the share based payment arrangements and funded via interest free limited recourse loans provided by the issuing entity to employees under the current Employee Incentive Plan. For accounting purposes, these share loans are treated as part of options to purchase shares, until the loans are repaid or extinguished at which point the shares are recognised.

LIKELY DEVELOPMENTS

The Company delivered strong profitability in FY2024. We continued to invest in our product portfolio and our workforce, as well as developing new markets for our products and pursuing non-organic growth opportunities.

The Directors have identified opportunities to continue to grow the business in FY2025 and the Company will be pursuing these whilst maintaining a focus on increasing profitability. Through product innovation and the development of outstanding software, we have expanded our addressable market in the regions in which we are well established, and our globally competitive products provide an opportunity for us to expand our presence beyond our current geographic footprint. The Company also retains significant financial capacity to pursue investment opportunities outside of the current product portfolio and customer reach. Refer to the Review of Operations section for further details.

DIRECTORS' REPORT (CONTINUED)

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The Board places a high priority on environmental issues and is satisfied that systems are in place for the management of the Company's compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories of Australia. The Company is not aware of any pending prosecutions relating to environmental issues, nor is the company aware of any environmental issues, which would materially affect the business as a whole.

EVENTS AFTER BALANCE SHEET DATE

For dividends resolved to be paid after 30 June 2024, refer Note 21.

Other than the above, the Directors have not become aware of any matter or circumstance not otherwise dealt with in the report or in the financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company has paid an insurance premium for a Directors' and Officers' insurance policy. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors or Company Secretary as a result of the work performed in their capacity as officers of entities in the Group to the extent permitted by law. The Directors have not disclosed the amount of the premium as such disclosure is prohibited under the terms of the contract. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred.

CORPORATE GOVERNANCE STATEMENT

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations. The Company's Corporate Governance Statement and policies will be approved at the same time as the Annual Report and will be found on its website: http://www.objective.com/about/investors.

DIRECTORS' INTEREST

Directors' beneficial interest in shares, options and rights at the date of this report were:

Director	Number of ordinary shares	Number of options	Number of Rights
Tony Walls	62,000,000	-	-
Nick Kingsbury	100,000	-	-
Darc Rasmussen	230,214	-	-
Stephen Bool	127,500	-	7,500
Total directors' interest	62,457,714	-	7,500

DIRECTORS' REPORT (CONTINUED)

MEETINGS OF DIRECTORS

The number of Directors' and Audit Committee meetings held during the financial year and the number of meetings attended by each of the Directors are as follows:

	Directors' Meeting		Audit Committee Meetings	
Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Tony Walls	11	11	2	2
Nick Kingsbury	11	11	2	2
Darc Rasmussen	11	11	2	2
Stephen Bool	11	11	n/a	n/a
Gary Fisher [1]	2	2	n/a	n/a

[1] Mr Gary Fisher resigned on 21st August 2023.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the financial year is included on page 61.

AUDITOR'S NON-AUDIT SERVICES

The Company has not engaged the Group auditor, Pitcher Partners, to provide non-audit services during the financial year.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 applies and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless specifically stated to be otherwise.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITED REMUNERATION REPORT

This remuneration report details the key management personnel ("KMP") remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001 (Cth)* and its Regulations.

The table below lists the Executives of the Group for the year ended 30 June 2024 and whose remuneration details are outlined in this Remuneration Report.

Directors	
Tony Walls	Chairman and Chief Executive Officer
Nick Kingsbury	Independent Non-Executive Director
Darc Rasmussen	Independent Non-Executive Director
Stephen Bool	Non-Executive Director

Executive key management personnel	
Ben Tregoning	VP Corporate Services and Chief Financial Officer (CFO)

DIRECTORS' REPORT (CONTINUED)

AUDITED REMUNERATION REPORT (CONTINUED)

Overview of remuneration approach and framework

The Board from time to time reviews the remuneration packages of all Directors and Executive Officers with due regard to performance and other relevant factors. The remuneration policy generally is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive to attract, retain and motivate employees of the highest calibre.

Executive Directors and Executives (Executive KMP)

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility. All Executive KMP remuneration is comprised of the following:

- Fixed remuneration made up of contractual base salary, leave entitlements and legislated superannuation guarantee
- Variable remuneration in the form of short-term cash incentive and a long-term incentive through the issue of share options and/or rights at the Board's discretion.

The variable component, such as bonuses, are structured to reward outstanding performance against agreed Key Performance Indicators ("KPIs") including financial and non-financial metrics aligned with the Group's business strategy. Ultimately, bonuses and discretionary payments to Executive KMP are at the discretion of the Board.

Remuneration and other terms of employment of the Executive KMP are formalised in employment agreements and contain the following key terms:

	Chief Executive Officer	Chief Financial Officer
Annual Salary	Total fixed remuneration of $300,000 inclusive of superannuation	Total fixed renumeration of $380,695 inclusive of superannuation
Performance Bonus	No STI potential	Total potential STI of up to 40% of Annual Salary, based on performance measured against a range of performance indicators
Long-term Incentive	No LTI potential	Long-term incentives include long service leave and share-based payments.
Notice Period	Six months	One month

There are no retirement and termination benefits for Executive Directors or Executives apart from those that accrue from the relevant laws such as unpaid annual leave, superannuation, long service leave and notice of termination. The Group may consider payments on termination even though legally not required, to protect its rights if it is commercially beneficial to its interests.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors. The Board decides the total amount paid to each non-executive Director as remuneration for their services as a Director. Non-Executive Directors receive an annual fee, paid monthly. The fees are not linked to performance of the Company. However, to align Non-Executive Directors' interest with shareholder interests, the Non-Executive Directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan.

Voting and comments made at the company's 29th November 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 90.9% of the votes received supported the adoption of the remuneration report for the year ended 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices. The Group did not engage a remuneration consultant to provide recommendations in respect of the remuneration of KMP.

DIRECTORS' REPORT (CONTINUED)

AUDITED REMUNERATION REPORT (CONTINUED)

Group performance

Information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year are set out in the table below.

Measure	2024	2023	2022	2021	2020
Revenue ($'000)	117,500	110,364	106,505	95,056	70,040
Net profit after tax ($'000)	31,330	21,087	19,563	16,086	11,025
Basic earnings per share	32.9	22.2 cps	20.7 cps	17.2 cps	11.8 cps
Dividends	17.0 cps	13.5 cps	11.0 cps	9.0 cps	7.0 cps
Share price at 30 June ($)	12.03	13.77	13.73	17.47	7.38
Share buy-backs ($'000)	2,848	1,239	-	-	502

Remuneration received by KMP is set out in the tables below.

	Short-term			Long-term	Share based payments (SBP)	Post employ-ment	Total	% perform-ance related	Value of SBP as % of remune-ration
	Salary and fees	Bonus	Other	Leave entitle-ments	Options and rights	Super-annuation			
2024	$	$	$	$	$	$	$	%	%
N Kingsbury	69,146	-	-	-	-	-	69,146	-	-
T Walls	189,135	-	-	4,222	-	22,135	215,492	-	-
D Rasmussen	54,167	-	-	-	-	-	54,167	-	-
S Bool	63,636	-	-	-	33,450	7,000	104,086	-	32.1 %
B Tregoning	335,803	68,837 [2]	1,200	3,794	369,096	27,399	806,129	8.5%	45.8 %

	Short-term			Long-term	Share based payments (SBP)	Post employ-ment	Total	% perfor-mance related	Value of SBP as % of remune-ration
	Salary and fees	Bonus	Other	Leave entitle-ments	Options and rights	Super-annuation			
2023	$	$	$	$	$	$	$	%	%
N Kingsbury	64,419	-	-	-	-	-	64,419	-	-
T Walls	274,708	-	-	8,030	-	25,292	308,030	-	-
G Fisher [1]	-	-	-	-	-	-	-	-	-
D Rasmussen	45,662	-	-	-	676	4,794	51,132	-	1.3 %
S Bool	63,636	-	-	-	19,428	6,682	89,746	-	21.6 %
B Tregoning	342,208	60,624	1,497	13,324	118,440	25,292	561,385	10.8%	21.1 %

[1] Mr Gary Fisher resigned on 21st August 2023.

[2] Granted by the Board on 25th March 2024 and represents 45% bonus as a percentage of maximum achievable.

The bonuses in the above tables are short-term incentives fully vested to the Executive for that year. The cash bonuses are determined by the Board based on overall company performance and achievement of financial and operational targets within individual areas of control.

DIRECTORS' REPORT (CONTINUED)

AUDITED REMUNERATION REPORT (CONTINUED)

The fair value of options and rights have been determined using Black-Scholes and Monte-Carlo Simulation option pricing models, taking into account the exercise price, the term of the option, the vesting criteria, the impact of dilution, the non-tradeable nature of the option, the price at grant date of the underlying share and the expected price volatility of that share, the expected dividend yield and the risk free interest rate for the term of the option and rights. The value of the option or right at grant date is then amortised over the relevant vesting period. The value included in remuneration of key management personnel above relates to the amortised value of options and rights granted and vested.

Details of options over ordinary shares granted, vested and lapsed for Directors or other KMP during the year ended 30 June 2024 are set out below:

Directors and KMP	Number of options at 30 June 2023	Number granted	Number exercised	Number of options at 30 June 2024	Number available for exercise at 30 June 2024	Amount paid per share	Amount unpaid on share
B Tregoning	66,250	550,000	(38,750) [1]	577,500	-	$5.77	-
Weighted average exercise price	$4.36	$14.85	$2.75	$14.27	n/a	n/a	n/a
Fair value per option	n/a	$1.56	$0.68	n/a	n/a	n/a	n/a

[1] These options are exercisable in four equal tranches with an exercise price of $14.85 per share and contain graded exercise restriction periods up to 15th December 2027.

Details of movement in share rights for Directors or other KMP during the year ended 30 June 2024 are set out below

Directors and KMP	Number of rights at 30 June 2023	Number granted	Number exercised	Number of rights at 30 June 2024	Grant date	Fair value per right - granted	Fair value per right - exercised
S Bool	10,000	-	(2,500)	7,500	28/11/2022	n/a	$13.38
B Tregoning	-	6,000	(6,000)	-	06/10/2023	$10.76	$10.76
Exercise price	n/a	$nil	$nil	n/a	n/a	n/a	n/a

Shareholdings of Key Management Personnel

KMP	Number of shares at 30 June 2023	Share options exercised	Rights exercised	Shares sold	Number of shares at 30 June 2024
T Walls	62,000,000	-	-	-	62,000,000
N Kingsbury	100,000	-	-	-	100,000
D Rasmussen	230,214	-	-	-	230,214
S Bool	125,000	-	2,500	-	127,500
B Tregoning	162,509	38,750	6,000	(6,000)	201,259

Signed in accordance with a resolution of the Board of Directors.

Tony Walls
Director

Date: 21 August 2024

OBJECTIVE CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED

	Notes	2024	2023
		$'000	$'000
Revenue	3 & 5	117,500	110,364
Cost of sales		(7,597)	(7,195)
Gross profit		109,903	103,169
Other losses	6	(7)	(113)
Interest expense and other finance costs	6	(657)	(495)
Distribution expenses		(42,019)	(42,419)
Research and development expenses		(17,046)	(27,208)
Administration and other operating expenses	6	(11,799)	(10,956)
Profit before income tax	3 & 6	38,375	21,978
Income tax expense	8	(7,045)	(891)
Profit for the year attributable to shareholders of Objective Corporation Limited		31,330	21,087

		Cents	Cents
Basic earnings per share	4	32.9	22.2
Diluted earnings per share	4	32.4	21.9

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

OBJECTIVE CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED

	Notes	2024	2023
		$'000	$'000
Profit for the year		31,330	21,087
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	22	90	875
Other comprehensive income for the year, net of tax		90	875
Total comprehensive income for the year		31,420	21,962
Total comprehensive income for the year attributable to shareholders of Objective Corporation Limited		31,420	21,962

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

OBJECTIVE CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

CONSOLIDATED

	Notes	2024	2023
		$'000	$'000
Current assets			
Cash and cash equivalents	9	95,979	72,519
Trade and other receivables	11	4,523	20,647
Contract assets	12	2,782	3,252
Current tax assets		-	967
Other assets	13	2,627	2,311
Total current assets		105,911	99,696
Non-current assets			
Trade and other receivables	11	8	20
Property, plant and equipment	14	2,510	2,953
Right-of-use assets	15	11,056	13,643
Deferred tax assets	8	-	2,419
Intangible assets	16	53,407	41,115
Other assets	13	6	6
Total non-current assets		66,987	60,156
Total assets		172,898	159,852
Current liabilities			
Trade and other payables	17	9,965	11,455
Contract liabilities	12	48,502	51,969
Lease liabilities	18	2,759	2,532
Current tax liabilities		661	-
Provisions	19	6,163	5,847
Other liabilities	23	94	207
Total current liabilities		68,144	72,010
Non-current liabilities			
Lease liabilities	18	10,689	13,385
Deferred tax liabilities	8	738	-
Provisions	19	1,026	908
Total non-current liabilities		12,453	14,293
Total liabilities		80,597	86,303
Net assets		92,301	73,549
Equity			
Share capital	20	12,385	11,722
Reserves	22	(10,681)	(10,292)
Retained earnings		90,597	72,119
Total equity		92,301	73,549

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

OBJECTIVE CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED

	Notes	Share capital	Reserves	Retained earnings	Total
		$'000	$'000	$'000	$'000
As at 30 June 2022		11,310	(10,807)	61,454	61,957
Profit for the year		-	-	21,087	21,087
Exchange differences on translation of foreign operations	22	-	875	-	875
Total comprehensive income for the period		-	875	21,087	21,962
Transactions with owners in their capacity as owners:					
Share-based payments	22	-	600	-	600
Share options exercised	20	691	-	-	691
Dividends provided for or paid	10(b) & 21	-	-	(10,422)	(10,422)
Buy-back of ordinary shares	22	-	(1,239)	-	(1,239)
Treasury shares acquired and issued	20 & 22	(279)	279	-	-
Total transactions with owners in their capacity as owners		412	(360)	(10,422)	(10,370)
As at 30 June 2023		11,722	(10,292)	72,119	73,549
Profit for the year		-	-	31,330	31,330
Exchange differences on translation of foreign operations	22	-	90	-	90
Total comprehensive income for the period		-	90	31,330	31,420
Transactions with owners in their capacity as owners:					
Share-based payments	22	-	2,005	-	2,005
Share options exercised	20	663	-	-	663
Dividends provided for or paid	10(b) & 21	-	-	(12,852)	(12,852)
Buy-back of ordinary shares	22	-	(2,484)	-	(2,484)
Treasury shares acquired and issued	20 & 22	-	-	-	-
Total transactions with owners in their capacity as owners		663	(479)	(12,852)	(12,668)
As at 30 June 2024		12,385	(10,681)	90,597	92,301

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

OBJECTIVE CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED

	Notes	2024	2023
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		137,625	118,265
Payments to suppliers and employees		(81,157)	(91,877)
Payment for NZCC settlement		-	(1,440)
Interest received		2,222	1,283
Interest paid		(647)	(484)
Income taxes paid, net		(2,259)	(2,320)
Net cash inflow from operating activities	10(a)	55,784	23,427
Cash flows from investing activities			
Repayment of loans by employees		12	13
Payment for acquisition of subsidiaries, net of cash acquired [1]		(93)	(198)
Payments for intangibles	16	(14,088)	-
Payments for property, plant and equipment		(1,006)	(572)
Net cash outflow from investing activities		(15,175)	(757)
Cash flows from financing activities			
Dividends paid	10(b)	(12,791)	(10,389)
Repayment of lease liabilities	10(b)	(2,543)	(3,162)
Payment for buy-back of shares		(2,484)	(1,239)
Treasury shares acquired and issued		(98)	-
Proceeds from issue of shares		761	690
Net cash outflow from financing activities		(17,155)	(14,100)
Net increase in cash and cash equivalents		23,454	8,570
Cash and cash equivalents at the beginning of the financial year		72,519	63,794
Effects of exchange rate changes on cash and cash equivalents		6	155
Cash and cash equivalents at end of the financial year	9	95,979	72,519

[1] Represents part of the third instalment payment of $93,000 (NZD100,100) made in settlement of the deferred consideration payable in relation to the acquisition of Master Business Systems Limited, which was acquired in a prior year.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1 REPORTING ENTITY

Objective Corporation Limited ("the company") is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of its registered office is Level 30, 177 Pacific Highway, North Sydney NSW 2060, Australia.

This financial report includes the consolidated financial statements of Objective Corporation Limited and its controlled entities ("the Group"). Information about subsidiaries at 30 June 2024 is set out under Note 24.

The Group is a 'for profit' entity and the principal activities for the Group's various business areas are described in more detail in Note 3 Segment Information.

Basis of preparation

This financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001 (Cth);*
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC);
- has been prepared on a historical cost basis except for certain items measured at fair value;
- has been prepared on a going concern basis;
- is presented in Australian dollars (AUD), which is the group's functional and presentation currency; and
- is presented with values rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

Where necessary, comparative information has been restated to conform to the current year's disclosures.

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policies applied by the Group in the preparation of the consolidated financial statements are incorporated into the individual notes, and supplemented by the disclosures hereunder.

The accounting policies applied are consistent with those of the previous financial year except for the adoption of new accounting standards, interpretations, or amendments, as listed below.

New or revised accounting standards

The following amendments to standards became effective and applicable to the Group from 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards: Disclosure of Accounting Policies and Definition of Accounting Estimates* - The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates. The Group has reviewed and made appropriate changes to its accounting policy disclosures in these consolidated financial statements, guided by materiality requirements.

- AASB 2021-5 *Amendments to Australian Accounting Standards: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*; The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New standards and interpretations and amendments to existing standards and interpretations issued by the IASB, but not yet endorsed by the AASB, and which are effective for financial years beginning after January 1, 2024, have not been applied in preparing these consolidated financial statements and have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

Basis of consolidation

The consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the Group, being Objective Corporation Limited and its controlled entities. In these consolidated financial statements:

- results of each controlled entity are included from the date Objective Corporation Limited obtains control and until such time as it ceases to control an entity; and
- all inter-entity balances and transactions are eliminated.

Control is achieved when Objective Corporation Limited is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

Assets and liabilities in foreign subsidiaries, whose functional currency differ from the presentation currency, are converted to AUD using the exchange rate in effect at the reporting date. Income and expenses from foreign companies are converted to AUD using the monthly average rate of exchange. All translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Foreign currency transactions and balances

Transactions in foreign currency are converted at the exchange rate applicable on the transaction date. Monetary items in a foreign currency are converted to AUD using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the consolidated statement of profit or loss as they occur during the accounting period.

Significant judgments and key sources of estimation uncertainty

Significant judgments and key assumptions that management has made in applying the Group's material accounting policies and that have a significant effect on the amounts recognised in the consolidated financial statements are detailed in the notes below:

Note	Judgement / Estimation
3, 5	Revenue from contracts with customers
11	Expected credit loss allowance
16	Capitalised development costs
14, 15, 16	Useful life for depreciable assets
15, 18	Lease terms and incremental borrowing rates
19, 27	Employee benefits assumptions and share based remuneration
8	Income taxes
16	Impairment assessment

The estimates and assumptions are based on the information available at the date of issuance of the consolidated financial statement, historical experience and other factors, including expectations of future evets which are believed to be reasonable at that time. The actual results might differ from the estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3 SEGMENT INFORMATION

Operating and reportable segments

The Group applies a 'management approach' to identify its segments, based on the information provided to the Group's chief operating decision-makers (CODM). Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the CODM to assess the performance of the segment and make decisions regarding the allocation of resources. Within the Group, the function of the CODM is exercised by the CEO.

The CODM assesses the financial performance of the Group on an integrated basis only, and accordingly the Group is managed on the basis of a single segment.

Revenue by product group

The revenue analysis presented to the CODM on a monthly basis is categorised by product group as below:

	2024	2023
	$'000	$'000
Revenue by product group:		
Content Solutions	80,283	76,144
Regulatory Solutions	22,218	21,079
Planning and Building	12,303	11,696
Total revenue from contracts with customers	114,804	108,919
Segment profit before tax	38,375	21,978

Product groups	Description
Content Solutions	Includes revenue from Objective Nexus which allow customers to manage information and process governance across the enterprise through either on-premise or cloud infrastructure. Also includes the revenue from the sale of Objective Connect products which enable customers to collaborate with external organisations with the security, information governance and auditability demanded by government and Objective Redact products which allow users to irreversibly remove sensitive information from any electronic document. It also Includes results from the sale of Objective Keystone products that improve efficiency and deliver governance in the process of authoring, reviewing, engaging with and publishing documents.
Regulatory Solutions	Includes revenue from Objective RegWorks and Objective Reach products that are focused on the delivery of government regulation technology solutions, helping governments and regulators to productively carry out the essential work of delivering safety, regulation, compliance and enforcement outcomes that make our communities safer places to live.
Planning and Building	Includes revenue from the sale of Objective Trapeze products which digitally transform development application plan reviews and assessments; and Objective Build, a leading end to end building consenting solution.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3 SEGMENT INFORMATION (CONTINUED)

Revenue by geographic location

A large amount of revenue is generated by customers that are global, from transactions that cross multiple countries and where the source of revenue can be unrelated to the location of the users accessing the software.

CONSOLIDATED

	2024	2023
	$'000	$'000
Revenue by location:		
Australia	90,667	80,721
United Kingdom	12,106	11,055
New Zealand	13,225	16,810
Rest of the world	1,502	1,778
Total revenue	117,500	110,364

There were no customers contributing more than 10% of total revenue during the current and comparative period.

The CODM continues to consider the financial position of the business from a geographical perspective and as such the assets and liabilities of the Group are presented by geographical region for both the year ended 30 June 2024 and the comparative period.

Reportable segment assets and liabilities by geographic location

30 June 2024	Asia Pacific	Europe	Total
	$'000	$'000	$'000
Reportable segment assets	142,302	30,596	172,898
Reportable segment liabilities	69,505	11,092	80,597

30 June 2023	Asia Pacific	Europe	Total
	$'000	$'000	$'000
Reportable segment assets	127,983	31,869	159,852
Reportable segment liabilities	78,529	7,774	86,303

Reconciliation of non-current assets

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, deferred taxes and other receivables..

	2024	2023
	$'000	$'000
Non-current assets by location of assets		
Australia	39,516	32,679
United Kingdom	9,004	7,846
New Zealand	11,753	12,831
Rest of the world	6,714	6,800
Total non-current assets	66,987	60,156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 4 EARNINGS PER SHARE

	2024	2023
Net profit for the year attributable to the shareholders of Objective Corporation Limited ($'000)	31,330	21,087
Weighted average number of ordinary shares used in basic earnings per share	95,184,283	94,996,551
Effect of potentially dilutive shares	1,437,898	1,138,750
Weighted average number of ordinary shares used in diluted earnings per share	96,622,181	96,135,301
Basic earnings per share	32.9 cents	22.2 cents
Diluted earnings per share	32.4 cents	21.9 cents

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

CONSOLIDATED

	2024	2023
	$'000	$'000
Revenue from contracts with customers	114,804	108,919
Other revenue:		
Interest income	2,696	1,445
Total revenue	117,500	110,364

Disaggregation of revenue from contracts with customers

The Group's revenue disaggregated by pattern of revenue recognition is as follows.

CONSOLIDATED

	2024	2023
	$'000	$'000
Timing of revenue recognition:		
- products and services transferred at a point in time	64	2,033
- products and services transferred over time	114,740	106,886
Total revenue from contracts with customers	114,804	108,919

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Recognition and measurement – Revenue from contracts with customers
Revenue from contracts with customers is recognised upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Group designs, develops and delivers specialised software solutions to assist predominantly public sector bodies to operate with increased effectiveness, transparency and efficiency through uptake of the Company's content, collaboration and process management solutions.

From these activities, the Group generates the following streams of revenue:

- Software licence or subscription revenue
- Implementation and consulting revenue
- Other ancillary fees such as hosting and support service fees

Each of the above services delivered to customers are considered separate performance obligations, even though for practical expedience they may be governed by a single legal contract with the customer.

In recognising revenue, an assessment is performed as to whether control of the goods transfer to a customer over time or at a point in time.

Revenue recognition for each of the above revenue streams are as follows:

Revenue stream	Performance obligation	Timing of recognition
Software license revenue	Access to software	Software license revenue offered on a subscription basis is recognised based on an equal daily rate over the term of the contract as the customer simultaneously receives and consumes the benefit of accessing the software. Subscription customers are typically invoiced annually in advance and prior to revenue recognition, which results in contract liabilities. The consideration is payable when invoiced.
	Right-to-use	Revenue from distinct on premise licenses is recognised upfront at the point in time when the software is delivered to the customer. Perpetual licenses are initially sold with one year of ongoing software support which is recognised as revenue over time and the option to renew thereafter.
Implementation and consulting revenue	As defined in the contract	Professional service revenue billed on a time and materials basis is recognised over time as services are delivered. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is calculated based on time and materials.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Revenue stream	Performance obligation	Timing of recognition
Implementation and consulting revenue		For fixed-price contracts, revenue is recognised based on the extent of progress towards completion of the performance obligation, on a project by project basis. The method used to measure progress depends on the nature of the services. Revenue is recognised on the basis of time and materials incurred to date relative to the total budgeted inputs. The output method on the basis of milestones is used when the contractual terms align the Company's performance with measurements of value to the customer. Revenue is recognised for services performed to date based on contracted rates and/or milestones that correspond to the amount the Company is entitled to invoice. If contracts include the installation of software license, revenue for the software licence is recognised at a point in time when the software is delivered, the legal title has passed, and the customer has taken delivery of the software license.
Other ancillary fees	Provision of hosting services, cloud services, support and maintenance services.	Over time, depending on circumstances.

Significant accounting estimates and judgements – revenue from contracts with customers

Performance obligations

The Group's contracts with customers may include multiple performance obligations. For contracts with multiple components to be delivered, such as, software installation, software licence and upgrade support services, management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified as distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Transaction price

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the Group's performance may result in additional revenues based on the achievement of agreed key performance indicators. Such amounts are only included based on the expected value method and only to the extent that it is highly probable that significant reversals in the cumulative amount of revenue recognised will not occur in subsequent periods. The expected value method for estimating variable consideration is generally used where the Group has a large number of contracts with similar characteristics.

The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct product or service. Stand-alone selling prices are determined based on prices charged to customers for individual products and services taking into consideration the size and length of contracts and the Group's overall go to market strategy.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Significant accounting estimates and judgements – revenue from contracts with customers

Contract modifications

The Group's contracts may occasionally be amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

a. prospectively as an additional separate contract;

b. prospectively as a termination of the existing contract and creation of a new contract;

c. as part of the original contract using a cumulative catch up; or

d. as a combination of (b) and (c).

For contracts for which the Group has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b). (d) may arise when a contract has a part termination and a modification of the remaining performance obligations.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price. Importantly any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur.

NOTE 6 PROFIT AND LOSS ITEMS

CONSOLIDATED

	2024	2023
Expenses:	**$'000**	**$'000**
Depreciation expenses – property, plant and equipment	(1,446)	(1,877)
Depreciation expenses – right-of-use assets	(2,662)	(2,540)
Amortisation expenses and impairment – intangible assets	(1,870)	(520)
Expected credit loss allowance– trade and other receivables and contract assets	(391)	-
Interest expense – lease liabilities	(642)	(467)
Other finance costs	(15)	(28)
Other short term lease expenses	(43)	(33)
Employee benefits expense	(62,222)	(60,715)
Superannuation expense	(4,976)	(4,523)
Share based payments expense	(2,005)	(600)
Net foreign exchange losses	(7)	(113)

Recognition and measurement

Revenues and expenses are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of purchase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 7 AUDITOR'S REMUNERATION

CONSOLIDATED

	2024	2023
	$	$
Pitcher Partners		
Audit and review of financial statements	151,000	110,548
Total remuneration of Pitcher Partners	151,000	110,548
Non-Pitcher Partners		
Audit and review of financial statements	27,399	26,517
Tax compliance services	3,318	3,243
Total remuneration of non-Pitcher Partners	30,717	29,760

Audit fee is included in Administration and Other Operating Expenses on the face of the consolidated statement of profit or loss. Pitcher Partners is the Group auditor of the Company.

NOTE 8 INCOME TAXES

(a) Components of income tax expense

CONSOLIDATED

	2024	2023
	$'000	**$'000**
Current tax expense on profits for the year	4,052	2,231
Deferred tax expense / (credit) related to movements in deferred tax balances	3,173	(100)
Income tax over provided in prior years	(180)	(1,240)
Income tax expense	7,045	891

(b) Reconciliation of income tax expense to prima facie tax payable

CONSOLIDATED

	2024	2023
	$'000	$'000
Profit before income tax expense	38,375	21,978
Prima facie income tax expense calculated at the tax rate of 30%	11,513	6,593
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation expenses - intangibles	127	135
Share based payment expenses	602	180
Other non-allowable deductions	62	91
Subtotal	12,304	6,999
Different tax rates of subsidiaries operating in other jurisdictions	(422)	(252)
Adjustments for current tax of prior periods	(180)	(1,240)
Research and development tax credit	(3,614)	(3,421)
Tax effect of cash contributions to employee share trust	(717)	(1,126)
Recoupment in the current year of previously unrecognised tax losses	(326)	(69)
Income tax expense	7,045	891

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8 INCOME TAXES (CONTINUED)

(c) Deferred **tax balances as disclosed in the consolidated statement of financial position**

CONSOLIDATED

	2024	2023
	$'000	$'000
Deferred tax assets arising on deductible temporary differences	2,747	2,552
Deferred tax liabilities arising on taxable temporary differences	(3,485)	(133)
Total net deferred tax (liabilities) / assets	(738)	2,419

(d) Movement in deferred tax balances

CONSOLIDATED

	Opening balance	Charged to profit or loss	Foreign currency translation	Closing balance
At 30 June 2024	$'000	$'000	$'000	$'000
Property, plant and equipment	429	(60)	4	373
Unrealised foreign exchange	1	(1)	-	-
Employee benefits provision	1,847	117	13	1,977
Rent incentive provision	146	3	1	150
Deferred expenditures for tax purposes	59	(26)	-	33
Intangibles	(133)	(3,351)	(2)	(3,486)
Accrued expenses	11	-	-	11
Other individually insignificant balances	59	145	-	203
Total net deferred tax assets / (liabilities)	2,419	(3,173)	16	(738)
At 30 June 2023				
Property, plant and equipment	92	335	2	429
Unrealised foreign exchange	33	(33)	1	1
Employee benefits provision	1,774	35	38	1,847
Rent incentive provision	252	(111)	5	146
Deferred expenditures for tax purposes	85	(28)	2	59
Intangibles	(28)	(105)	-	(133)
Accrued expenses	6	5	-	11
Other individually insignificant balances	56	2	1	59
Total net deferred tax assets	2,270	100	49	2,419

NOTE 8 INCOME TAXES (CONTINUED)

(e) Tax losses

CONSOLIDATED

	2024	2023
	$'000	$'000
Unused tax losses for which no deferred tax asset has been recognised	3,213	4,635
Potential tax benefit	673	971

Recognition and measurement

Income tax expense or credit is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current tax payable is recognised as a liability (or asset) to the extent that it is unpaid (or refundable) and expected to be settled (or refunded) within twelve months of the year-end date.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the consolidated statement of profit or loss.

Deferred tax is determined using the balance sheet liability method for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred taxes are not recognised for the initial recognition of goodwill; the initial recognition of assets or liabilities, outside of a business combination, that affect neither accounting nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used.

Deferred tax assets and liabilities are offset in the consolidated financial statements when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Tax consolidation

Objective Corporation Limited (the parent entity) and its wholly owned Australian resident subsidiaries formed a tax-consolidated group pursuant to Australian taxation law with effect from 1 July 2002 and are therefore taxed as a single entity from that date. Objective Corporation Limited is the head entity in the tax-consolidated group.

Tax expense/credit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'standalone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the tax-consolidated group are recognised by the head entity in the tax consolidated group.

NOTE 8 INCOME TAXES (CONTINUED)

Uncertain tax positions

The Company's income tax assets and liabilities are based on interpretations of income tax legislation across various jurisdictions, primarily in Australia, New Zealand, United Kingdom and United States. The Company's effective tax rate can change from year to year based on the mix of income among jurisdictions, changes in tax laws in these jurisdictions, and changes in the estimated value of deferred tax assets and liabilities.

The Company's income tax expense reflects an estimate of the taxes it expects to pay for the current year, as well as a provision for changes arising in the values of deferred tax assets and liabilities during the year. The tax value of these assets and liabilities is impacted by factors such as accounting estimates inherent in these balances, management's expectations about future operating results, and differing interpretations of tax regulations by the taxable entity and the responsible tax authorities.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of deferred taxable income. Where the final tax outcome of these matters is different from the estimated amounts, such differences will impact the current and, where recognised, deferred tax provisions in the period in which such determination is made.

The Group exercises judgement in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery. Factors considered include the ability to offset tax losses within the groups of entities in different tax jurisdictions, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

NOTE 9 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of the following:

CONSOLIDATED

	2024	2023
	$'000	$'000
Cash at bank and on hand	95,979	72,519
Total cash and cash equivalents[1]	95,979	72,519

[1] The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include $1,488,000 (2023: $1,488,000) in highly liquid investments which are restricted for use and held as security for rental guarantee.

Cash and cash equivalents comprise cash, bank balances and term deposits and readily convertible to a known amount of cash throughout their term and subject to an insignificant risk of change in value assessed against the amount at inception.

NOTE 10 CASH FLOW INFORMATION

(a) Reconciliation of profit for the year to net cash inflow from operating activities

CONSOLIDATED

	2024	2023
	$'000	$'000
Profit for the year	31,330	21,087
Adjustments:		
Depreciation and amortisation expenses	3,316	2,397
Depreciation of right-of-use assets	2,662	2,540
Non-cash employee benefits expense – share based payments	2,005	600
Other insignificant non-cash adjustments	(7)	4
Credit loss allowance – trade and other receivables and contract assets	391	-
Change in operating assets and liabilities:		
(Decrease) / increase in trade and other receivables	15,732	(2,657)
Increase in other operating assets	(316)	(304)
(Decrease) / increase in contract assets	470	(280)
Decrease in trade and other payables	(1,551)	(713)
(Decrease) / increase in contract liabilities	(3,467)	3,279
(Increase) / decrease in current tax balances	1,628	(1,280)
(Increase) / decrease in deferred tax balances	3,157	(149)
Increase / (decrease) in provisions	434	(1,108)
Increase in other operating liabilities	-	11
Net cash inflow from operating activities	55, 784	23,427

(b) Reconciliation of movements in liabilities to cash flows arising from financing activities

CONSOLIDATED

	Dividends payable [1]	Lease liabilities	Total
	$'000	$'000	$'000
Opening balance at 1 July 2023	160	15,917	16,077
Cash flows from financing activities	(12,791)	(2,543)	(15,334)
Dividends declared (Note 21)	12,852	-	12,852
Additions arising from new leases, net of interest	-	87	87
Foreign exchange movement	-	(13)	(13)
Total liabilities from financial activities	221	13,448	13,669
Opening balance at 1 July 2022	127	9,217	9,344
Cash flows from financing activities	(10,389)	(3,162)	(13,551)
Dividends declared (Note 21)	10,422	-	10,422
Additions arising from new leases, net of interest	-	9,680	9,680
Foreign exchange movement	-	182	182
Total liabilities from financial activities	160	15,917	16,077

[1] Dividends payables are included as part of the Trade and other payables balance on the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 11 TRADE AND OTHER RECEIVABLES

CONSOLIDATED

	2024		2023	
	Current	Non-current	Current	Non-current
	$'000	$'000	$'000	$'000
Trade receivables	3,160	-	19,564	-
Other receivables	1,550	-	1,124	-
Sub-total	4,710	-	20,688	
Expected credit loss allowance (a)	(187)	-	(41)	-
	4,523	-	20,647	-
Loans to employees	-	8	-	20
Total trade and other receivables	4,523	8	20,647	20

(a) Movement in expected credit loss allowance is as follows:

CONSOLIDATED

	Trade receivables	Contract assets	Total
30 June 2024	$'000	$'000	$'000
Balance at beginning of the year	41	-	41
Net remeasurement of expected credit loss allowance	146	245	391
Foreign currency translation	-	-	-
Total expected credit loss allowance at year end	187	245	432
30 June 2023			
Balance at beginning of the year	40	-	40
Net remeasurement of expected credit loss allowance	-	-	-
Foreign currency translation	1	-	1
Total expected credit loss allowance at year end	**41**	-	**41**

Recognition and measurement

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any expected credit loss allowance.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Expected credit losses are measured by grouping trade receivables and contract assets based on shared credit risk characteristics and the days past due.

A provision matrix is then determined based on the Company's historical collection and loss experience and incorporates forward-looking factors, where appropriate.

Classification as trade and other receivables

Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

The ageing of the Group's trade and other receivables at reporting date together with impairment and other accounting policies for trade and other receivables are outlined in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 12 CONTRACT ASSETS AND CONTRACT LIABILITIES

CONSOLIDATED

	2024	2023
Current	$'000	$'000
Contract assets at gross	3,027	3,252
Expected credit loss allowance (Note 11(a))	(245)	-
Contract assets at net	2,782	3,252
Contract liabilities	48,502	51,969

Changes in contract balances during the current year are:

	Contract assets	Contract liabilities
	$'000	$'000
Balance at the beginning of the year	3,252	(51,969)
Transfer from contract assets to trade receivables	(3,007)	-
Revenue recognised for work performed but not yet billed	2,863	-
Transfer from contract liabilities to contract assets[1]	-	2,934
Revenue recognised during the year that was included in contract liabilities at the beginning of the year	-	51,969
Increase due to cash received, excluding amount recognised during the year	-	(51,626)
Foreign currency translation	(81)	190
Balance at the end of the year at gross	3,027	(48,502)

Changes in contract balances during the prior year are:

	Contract assets	Contract liabilities
Balance at the beginning of the year	2,972	(48,690)
Transfer from contract assets to trade receivables	(2,972)	-
Revenue recognised for work performed but not yet billed	3,242	-
Transfer from contract assets to contract liabilities[1]	-	2,364
Revenue recognised during the year that was included in contract liabilities at the beginning of the year	-	48,690
Increase due to cash received, excluding amount recognised during the year	-	(55,164)
Foreign currency translation	10	831
Balance at the end of the year at gross	3,252	(51,969)

[1] In fixed-price contracts, the customer pays the fixed amount based on an agreed payment schedule. If the services rendered by the Group exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised.

Recognition and measurement

Contract assets relate to unbilled receivable balances which have not yet been invoiced and arises when the revenue has been recognised as a result of the fulfillment of a contractual obligation and before the customer has made a payment or before the conditions for invoicing and thus for recognising a receivable are present. These are generally related to consultancy or services projects.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 12 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Recognition and measurement (continued)

Contract liabilities consist of billings or payments received in advance of revenue recognition from subscription services, including non-cancellable and non-refundable committed funds and deposits. Customers are typically invoiced for these agreements in regular instalments and revenue is recognised on a straight-line basis over the contractual subscription period or as the performance obligations under contracts with customers are satisfied. Contract liability does not represent the total contract value of annual or multi-year non-cancellable subscription agreements.

Unsatisfied performance obligations

The Group applies the practical expedient in the revenue standard and does not disclose information about the remaining performance obligation on contracts that have an original expected duration of one year or less or where the Group has the right to consideration from a customer in an amount that corresponds directly to the value transferred to customer, typically involving time and material based contracts.

The aggregate amount of contract liabilities of the performance obligations that are unsatisfied at 30 June 2024 was $48,502,000 (2023: $51,969,000) and is expected to be recognised as revenue within the next twelve months.

NOTE 13 OTHER ASSETS

CONSOLIDATED

	2024	2023
	$'000	$'000
Current assets		
Prepayments	2,599	2,259
Rental deposits	28	52
Total other assets	2,627	2,311
Non-current assets		
Other assets	6	6
Total other assets	2,633	2,317

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED

	Plant and equipment	Leasehold improvements	Motor vehicles	Total
30 June 2024	$'000	$'000	$'000	$'000
Gross carrying amount – cost	8,836	6,553	72	15,461
Accumulated depreciation	(6,830)	(6,053)	(68)	(12,951)
Total property, plant and equipment, net	2,006	500	4	2,510
Represented by:				
Net carrying amount at 1 July 2023	2,080	855	18	2,953
Additions	850	156	-	1,006
Depreciation expenses	(922)	(510)	(14)	(1,446)
Exchange differences	(2)	(1)	-	(3)
Net carrying amount at 30 June 2024	2,006	500	4	2,510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CONSOLIDATED

	Plant and equipment	Leasehold improvements	Motor vehicles	Total
30 June 2023	$'000	$'000	$'000	$'000
Gross carrying amount – cost	8,050	6,410	73	14,533
Accumulated depreciation	(5,970)	(5,555)	(55)	(11,580)
Total property, plant and equipment, net	2,080	855	18	2,953
Represented by:				
Net carrying amount at 1 July 2022	2,499	1,727	32	4,258
Additions	541	-	-	541
Depreciation expenses	(981)	(882)	(14)	(1,877)
Exchange differences	21	10	-	31
Net carrying amount at 30 June 2023	2,080	855	18	2,953
Estimated useful life	2-10 years	2-7 years or shorter of lease term	5-8 years	

Recognition and measurement

Property, plant and equipment are recorded at cost less accumulated depreciation and any impairment losses. All repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Significant accounting estimates and judgements - depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Estimates of remaining useful lives, residual values and depreciation methods require significant management judgement, are reviewed annually, and where changes are made, their effects are accounted for on a prospective basis.

NOTE 15 RIGHT-OF-USE ASSETS

Movements in the net carrying amount of right-of-use assets during the year are presented below:

CONSOLIDATED

	2024	2023
Buildings	$'000	$'000
Gross carrying amount – cost	24,500	24,452
Accumulated amortisation	(13,444)	(10,809)
Total right-of-use assets, net	11,056	13,643

NOTE 15 RIGHT-OF-USE ASSETS (CONTINUED)

Movements in the net carrying amount of right-of-use assets during the year are presented below:

CONSOLIDATED

	2024	2023
Buildings	$'000	$'000
Movement in balance:		
Net carrying amount at 1 July	13,643	6,712
Additions – new leases [1]	87	9,328
Depreciation of right-of-use assets	(2,662)	(2,540)
Foreign exchange differences	(12)	143
Net carrying amount at 30 June	11,056	13,643

[1] 2023: Lease incentives received are deducted from this initial value in the measurement of the right-of-use asset.

The Group leases office premises in the ordinary course of its business. The Group's office premise leases comprise office building leases in ten cities and three countries in which the Group operates. The non-cancellable period of the leases ranges from 5 to 10 years with variable options to extend the lease terms. The lease payments are adjusted every year, based on contractual fixed percentage increases and in one instance additionally increased by the prevailing consumer price index ("CPI") at the lease review date.

Recognition and measurement

At the lease commencement date, the Group recognises a right-of-use asset equal to the measurement of the lease liability less any lease incentives received, and a lease liability measured at the present value of future lease payments. As the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate to measure the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically assessed for impairment losses, and adjusted for certain remeasurements of the lease liability resulting from lease modifications.

Where the lease is subject to periodic adjustments based on consumer price indexes, the Group remeasures the lease liability with an unchanged discount rate and recognises the adjustment against the right-of-use asset. The adjustment is recognised when the change in payments is in effect.

The Group has elected to exempt leases that have a shorter duration than one year and leases where the value of the underlying asset is considered insignificant. Costs in leasing contracts for offices that relate to the provision of services such as outgoings, maintenance and utilities are identified and treated separately as non-lease components. These costs are expensed as incurred.

Significant accounting estimates and judgements – incremental borrowing rates and lease terms

The incremental borrowing rate is determined for each lease using interest rates acquired from external financing sources and adjusted by management, as appropriate, to provide a borrowing rate that is representative of a collateralised amortising loan.

At year end, there are four leases with options to renew for a further term ranging from 5 to 7 years. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend or an option to terminate if it is reasonably certain to exercise an extension option or to not exercise a termination option. Management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, economic reasons, significance of leasehold improvements, termination and relocation costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 16 INTANGIBLE ASSETS

	Capitalised development costs	Other intangibles	Goodwill	Total
30 June 2024	$'000	$'000	$'000	$'000
Gross carrying amount – cost	14,084	5,027	39,170	58,281
Accumulated amortisation	(1,400)	(3,474)	-	(4,874)
Total intangible assets, net	12,684	1,553	39,170	53,407
Represented by:				
Net carrying amount at 1 July 2023	-	2,026	39,089	41,115
Internally generated development costs	11,014	-	-	11,014
Work in progress	3,070	-	-	3,070
Additions	-	5	-	5
Amortisation expenses and impairment	(1,400)	(470)	-	(1,870)
Foreign exchange differences	-	(8)	81	73
Net carrying amount at 30 June 2024	12,684	1,553	39,170	53,407
30 June 2023				
Gross carrying amount – cost	-	5,035	39,089	44,124
Accumulated amortisation	-	(3,009)	-	(3,009)
Total intangible assets, net	-	2,026	39,089	41,115
Represented by:				
Net carrying amount at 1 July 2022	-	2,549	38,177	40,726
Internally generated development costs	-	-	-	-
Additions	-	-	-	-
Amortisation expenses and impairment	-	(520)	-	(520)
Foreign exchange differences	-	(3)	912	909
Net carrying amount at 30 June 2023	-	2,026	39,089	41,115
Expected useful life	3-5 years	1-10 years	Indefinite	

NOTE 16 INTANGIBLE ASSETS (CONTINUED)

Recognition and measurement (Continued)

During the current reporting period, the Group conducted a review of its application of AASB 138 *Intangible Assets* ("the Standard") and determined that certain development costs now meet the criteria for capitalisation as outlined in the Standard. This does not represent a change in the Company's accounting policy but rather is the result of operational measures being put in place to reliably identify and measure specific development costs that meet the criteria for capitalisation under AASB 138 from 1 July 2023. As a result, the Company has capitalised qualifying development costs in accordance with AASB 138 in the current year of $14,084,000, before amortisation costs.

Research costs are expensed in the period in which they are incurred. Capitalised development costs represent the up-front costs of developing new products or enhancing existing products to meet customer needs.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

The costs remain in work-in-progress during the development phase and are transferred to capitalised development costs when products are considered ready for their intended use. A portion of software development within the Group occurs contemporaneously with the research phase and ongoing operating and maintenance activities in supporting core customer systems. Where the expenditure related to the development activity cannot be reliably measured, the Group expends the amounts in the period they are incurred.

Research and development expenses incurred relate to works provided by third parties and internal salaries and on-costs of employees. Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, and the costs can be measured reliably. The key judgements relate to:

- determining the portion of the internal salary and on-costs that are directly attributable to development of the Group's product suite and software; and
- identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives. Useful lives are reassessed each period.

Assessments of useful lives and estimates of remaining useful lives require significant management judgement. 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 items no longer in use will be written off or written down.

Critical accounting estimates and judgements – asset impairment

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts:

- at least annually for goodwill and intangible assets with indefinite lives; and
- where there is an indication that the assets may be impaired (which is assessed at least each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable).

NOTE 16 INTANGIBLE ASSETS (CONTINUED)

Critical accounting estimates and judgements – asset impairment (Continued)

These tests for impairment are performed by assessing the recoverable amount of each individual asset or, if this is not possible, then the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash inflows. The recoverable amount is the higher of an asset or a CGU's fair value less costs of disposal and value in use. The value in use calculations are based on discounted cash flows expected to arise from the asset. Management judgment is required in these valuations to forecast future cash flows and a suitable discount rate to calculate the present value of these future cash flows.

The carrying value of goodwill is allocated to the Group's cash generating units ("CGU") identified as follows:

	2024	2023
	$'000	$'000
Objective Keystone	6,144	5,965
Objective Planning and Building [1]	9,817	9,885
Objective Regulatory Solutions	16,720	16,720
Objective Content Solutions (2023: Objective 3Sixty)	6,489	6,519
Total goodwill	39,170	39,089

[1] CGU in New Zealand.

Transfer / Amalgamation of CGUs

Simflofy Inc was acquired by the Group in March 2022. Since the time of the acquisition, the Company has utilised the acquired software to accelerate the development of Objective 3Sixty. This technology is now deeply embedded within the Content Solutions product portfolio and go to market plans, as a component of the Information Governance Platform. Assessing the value of the goodwill at the 3Sixty CGU level does not fully reflect the valuation derived by the Company- this assessment is only able to be done at the Content Solutions CGU level as Objective 3Sixty cannot generate cash flows that are largely independent of Information Governance Platform. On this basis, the Group on 1 July 2023 reassessed its CGUs. This assessment has resulted in changes to the CGU construct, including:

a. the disbandment of the Objective 3Sixty CGU

b. amalgamation of the Content & Processes CGU and the Objective 3Sixty CGU to form the new Content Solutions CGU

The recoverable amount of Objective Keystone is determined based on value-in-use calculation. The calculation uses cash flow projections based on a five-year financial budget approved by management, extrapolated with an estimated general long-term compound annual growth of 10% (2023: 9.0%). The discount rate used of 15.5% (2023: 15.5%) is pre-tax and reflects specific risks related to the relevant operation. A terminal value based on the EBITDA exit multiple of 10x was used in the calculation in both 2024 and 2023.

The recoverable amounts of Objective Planning and Building CGUs in New Zealand are determined based on value in-use calculation. The calculation uses cash flow projections based on a five-year financial budget approved by management, extrapolated with an estimated general long-term compound annual growth of 11% (2023: 9%). The discount rate used of approximately 15.5% (2023: 9.0%) is pre-tax and reflects specific risks related to the relevant operation. A terminal value based on the EBITDA exit multiple of 10x was used in the calculation in both 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 16 INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of Objective Regulatory Solutions CGUs is determined based on value in-use calculation. The calculation uses cash flow projections based on a five-year financial budget approved by management, extrapolated with an estimated general long-term compound annual growth of not more than 10.0% (2023: 10.0%). The discount rate used of approximately 15.5% (2023: 15.5%) is pre-tax and reflects specific risks related to the relevant operation. A terminal value based on the EBITDA exit multiple of 10x was used in the calculation in both 2024 and 2023.

The recoverable amounts of Objective Content Solutions is determined based on value in-use calculation. The calculation uses cash flow projections based on a five-year financial budget approved by management, extrapolated with an estimated general long-term compound annual growth of 9%. The discount rate used of approximately 15.5% is pre-tax and reflects specific risks related to the relevant operation. A terminal value based on the EBITDA exit multiple of 10x was used in the calculation in 2024. As mentioned above, the "Content Solutions CGU" was established in the current year as a result of the previous CGU "Objective 3Sixty" being amalgamated. The comparative estimates for Objective 3Sixty include the long-term compound annual growth rate, discount rate, terminal value (EBITDA exit multiple) being 24%, 15.5%, and 10x respectively.

The current financial forecasts used in the calculation is determined by management based on past performance and its expectations for market development and includes a number of initiatives designed to drive incremental sales and increased margins as well as reduce the costs of doing business. Management have assessed that the CGUs are sensitive to reasonably possible changes in the cash flow forecasts covering a period of five year and believe that any reasonably foreseeable changes in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

NOTE 17 TRADE AND OTHER PAYABLES

CONSOLIDATED

	2024	2023
	$'000	**$'000**
Trade payables and accruals	7,092	7,199
Goods and services tax payable, net	2,652	4,096
Dividends payable	221	160
Total trade and other payables	9,965	11,455

NOTE 18 LEASE LIABILITIES

CONSOLIDATED

	2024	2023
	$'000	**$'000**
Current lease liabilities	2,759	2,532
Non-current lease liabilities	10,689	13,385
Total lease liabilities	13,448	15,917

The Group's average incremental borrowing rate used is 4.89% (2023: 4.89%).

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or consolidated statement of profit or loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18 LEASE LIABILITIES (CONTINUED)

The lease liabilities are secured by the related underlying assets. Future minimum lese payments at 30 June 2024 and 30 June 2023 are:

CONSOLIDATED

	Minimum lease payments	Finance charges	Total
30 June 2024	$'000	$'000	$'000
Within 1 year	3,296	(542)	2,754
1-2 years	3,303	(423)	2,880
2-3 years	2,861	(306)	2,555
3-4 years	2,246	(205)	2,041
4-5 years	1,364	(129)	1,235
After 5 years	2,056	(73)	1,983
Net carrying amount at 30 June 2024	15,126	(1,678)	13,448
30 June 2023			
Within 1 year	3,163	(639)	2,524
1-2 years	3,275	(539)	2,736
2-3 years	3,282	(422)	2,860
3-4 years	2,844	(305)	2,539
4-5 years	2,247	(205)	2,042
After 5 years	3,418	(202)	3,216
Net carrying amount at 30 June 2023	18,229	(2,312)	15,917

NOTE 19 PROVISIONS

CONSOLIDATED

	2024	2023
	$'000	$'000
Current		
Employee benefits	6,163	5,847
Total current provisions	6,163	5,847
Non-current		
Employee benefits	606	497
Other provisions -	420	411
Total non-current provisions	1,026	908
Total provisions	7,189	6,755

Recognition and measurement

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made as to the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

NOTE 19 PROVISIONS (CONTINUED)

Recognition and measurement (continued)

A provision is made for benefits accruing to employees in respect of annual leave and long service leave. Liabilities expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Significant accounting estimates and judgements – employee benefits assumptions

In estimating the value of employee benefits, consideration is given to expected future salary and wage levels (including on-cost rates), experience of employee departures and periods of service. The assumptions are reviewed periodically and given the nature of the estimate, reasonably possible changes in assumptions are not considered likely to have a material impact.

Where a provision is measured using the cash flows estimated to settle the obligation, the cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Discount rates are reviewed periodically and given the nature of the estimate, reasonably possible changes are not considered likely to have a material impact.

NOTE 20 ISSUED CAPITAL

CONSOLIDATED

	2024		2023	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Share capital				
95,090,246 fully paid ordinary shares (2023: 95,116,253)				
Movement:				
Opening balance	95,116,253	11,722	94,856,118	11,310
Issue of shares [1]	-	-	150,000	413
Share options exercised by employees [2]	183,750	663	230,000	278
Buy-back of shares [3]	(209,757)	-	(99,865)	-
Shares issued to OCL Trust [4]	-	-	(20,000)	(279)
Closing balance	95,090,246	12,385	95,116,253	11,722

[1] Represents issue of ordinary shares as a result of options exercised under the Group's Employee Incentive Plan and in cash.

[2] Represents proceeds from share issues associated with limited recourse loans issued under the Objective Employee Incentive Plan and the Objective Employee Equity Plan (Refer Note 27)

[3] The payment for share buy-backs are recognised in a share buy-back reserve within equity.

[4] Represents ordinary shares held by the Objective Corporation Limited Employee Share Trust as at 30 June 2022 that were subsequently allocated to participants under the Objective Employee Equity Plan during the year ended 30 June 2023.

Share capital

Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other creditors and are fully entitled to any proceeds on liquidation. The ordinary shares have no par value and the Company does not have a limited amount of authorised capital. Capital raising costs are deducted from contributed equity.

NOTE 20 ISSUED CAPITAL (CONTINUED)

Options issued during the year under the Employee Incentive Plan

The Company issues employee share options pursuant to the Employee Incentive Plan. Under the terms and conditions of the current Employee Incentive Plan, selected employees are granted the right to acquire shares at a nominated exercise price subject to agreed service and performance criteria (i.e. vesting conditions) being satisfied. On satisfaction of the vesting conditions the shares are issued to the employee with the exercise price being financed by a limited recourse loan. No amount is paid or payable by the employee on receipt of these shares. Dividends declared and paid on the issued shares are for the benefit of the employee. The employee is not permitted to deal in the shares until the limited recourse loan has been repaid. The value of the limited recourse loans and issue price of the shares are not recorded as loans receivable or share capital of the Company until repayment or part repayment of the loans occur. The Employee Incentive Plan shares are entitled to dividends. The dividends are applied to reduce the loans and increase share capital in accordance with both the current terms of the Employee Inventive Plan and *AASB 2: Share-based Payment*.

Each option entitles the holder to the right to acquire one ordinary share at the nominated exercise price during the period commencing on the available for exercise date of the options.

The OCL Trust Employee Equity Plan

On 22 December 2021, the Group established The Objective Corporation Limited Employee Share Trust (OCL Trust) and appointed Certane CT Pty Ltd to administer the Group's employee share schemes as the Trustee of the Trust for the purposes of holding certain shares in the Company on trust for the benefit of the participants in the Objective Employee Incentive Plan and Objective Employee Equity Plan.

The OCL Trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Through contributions to the OCL Trust, the Group typically purchases shares in the Company. Shares acquired are held by the OCL Trust, are disclosed as Treasury shares and are deducted from total equity.

Refer Note 27 for further details.

NOTE 21 DIVIDENDS AND FRANKING CREDITS

(a) Dividends

Dividend type	Cents per share	Franking	Total amount $'000	Date paid / payable
2024 Final franked [1]	8.0	100%	7,612	16/09/2024
2024 Final unfranked [1]	9.0	Nil	8,564	17/09/2024
2023 Final unfranked	13.5	Nil	12,852	14/09/2023

[1] The final franked and final unfranked dividends for the year ended 30 June 2024 have not been recognised in this financial report because it was resolved to be paid after 30 June 2024.

(b) Franking credits

	2024	2023
	$'000	$'000
The balance of franking credit account at balance date adjusted for the payment of current tax liability / receipt of current tax asset	3,285	729

NOTE 22 RESERVES

CONSOLIDATED

	Treasury shares reserve		Share buy-back reserve	Share-based payments reserve	Foreign currency translation reserve	Total
At 30 June 2024	No. of shares	$'000	$'000	$'000	$'000	$'000
Opening balance	-	-	(12,051)	2,951	(1,192)	(10,292)
Share-based payment	-	-	-	2,005	-	2,005
Shares in the Company purchased by OCL Trust	-	-	-	-	-	-
Buy-back of shares	-	-	(2,484)	-	-	(2,484)
Translation of foreign operations	-	-	-	-	90	90
Closing balance	-	-	(14,535)	4,956	(1,102)	(10,681)
At 30 June 2023						
Opening balance	20,000	(279)	(10,812)	2,351	(2,067)	(10,807)
Share-based payment	-	-	-	600	-	600
Shares in the Company purchased by OCL Trust	(20,000)	279	-	-	-	279
Buy-back of shares	-	-	(1,239)	-	-	(1,239)
Translation of foreign operations	-	-	-	-	875	875
Closing balance	-	-	(12,051)	2,951	(1,192)	(10,292)

Treasury shares reserve
Treasury shares are ordinary shares in the Company held by OCL Trust in respect of equity incentive plan awards to employees.

OCL Trust is a controlled entity and holds shares in the Company. As a result, the OCL Trust's shareholding in the Company is disclosed as Treasury shares and deducted from total equity (in the Treasury Shares Reserve). When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction, if any, is transferred to/from retained earnings.

Share buy-back reserve
The share buy-back reserve represents the value of the Company's shares which were purchased and subsequently cancelled. The cancellation of the shares creates a non-distributable reserve.

Foreign currency translation reserve
Exchange differences arising on translation of the financial statements of the Group's foreign controlled entities into Australian dollars are in other comprehensive income and accumulated in a separate reserve within equity.

Share-based payments reserve
The share-based payments reserve is used to recognise the share-based payments expense resulting from the value of share options issued to key management personnel and employees under the Group's Employee Incentive Plan and Objective Employee Equity Plan. Further information about share-based payments to employees is made in Note 27.

NOTE 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Financial assets which potentially subject the Group to credit risk consist principally of cash, short-term deposits, trade debtors and contract assets. The Group's deposits and cash are placed with major financial institutions with sound credit ratings. Trade debtors and contract assets are presented net of the allowance for expected credit losses.

Credit risk with respect to trade debtors is limited due to the large number of customers comprising the Group's customer base are government organisations or their diverse dispersion across different industries and geographical areas. Accordingly, the Group has no significant concentration of credit risk. The Group manages credit risks by monitoring credit ratings and limiting the aggregate risk to any individual counterparty.

The recoverability of trade debtors and contract assets at 30 June 2024 have been assessed and an amount of $432,000 has been estimated as expected credit loss allowance in accordance with AASB 9 (Refer Note 11(a)).

The below table summarises the Group's exposure to credit risk at the end of the reporting period:

CONSOLIDATED

	2024	2023
	$'000	**$'000**
Cash and cash equivalents[1]	95,979	72,519
Trade and other receivables, at gross	4,710	20,688
Contract assets, at gross	3,027	3,252
Ageing analysis of trade and other receivables is as follows:		
Fully performing debts	6,500	17,239
Past due more than 30 days	270	2,294
Past due more than 60 days	97	308
Past due more than 90 days	870	847
Total	7,737	20,688

[1] The Group held cash and cash equivalents with banks and financial institution counterparties, the majority of which are rated AA- (long term) to F1+ (short term), based on Fitch ratings. AA ratings denote expectations of very low default risk and F1 indicates the strongest capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Where the liquidity profile is particularly strong, a "+" is added to the assigned rating.

(b) Currency risk

The Group is exposed to foreign currency risk primarily as a result of operations in the Asia Pacific region, the United Kingdom, Singapore and the United States of America. The Group also has transactional currency exposures arising from sales and purchases that are denominated in currencies other than the functional currency of the operations to which they relate. The currencies giving rise to foreign currency risk are primarily denominated in Pounds Sterling ("GBP"), United Stated dollars ("USD"), New Zealand dollars ("NZD"), Singapore dollars ("SGD") and Euro (EUR).

The Group's exposure is to the movement in foreign exchange rates is partly mitigated by a natural hedge arising from operations in these countries. The Group regularly monitors its foreign currency exposure which includes considering the level of cash in foreign currency and cash flow forecasting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Currency risk

The summary quantitative data about the Group's exposure to foreign currency risk is as follows:

30 June 2024	GBP'000	NZD'000	SGD'000	USD'000	EUR'000
Cash and cash equivalents	1,358	1,900	3	409	25
Trade and other receivables	-	188	10	1	-
Trade and other payables	-	-	-	151	-
Impact on group's profit or loss after tax if exchange rate had moved by 5%, with all other variables unchanged	86	133	1	36	2

30 June 2023	GBP'000	NZD'000	SGD'000	USD'000	EUR'000
Cash and cash equivalents	202	19	3	199	19
Trade and other receivables	7	712	4	105	1
Trade and other payables	-	1	-	168	-
Impact on group's profit or loss after tax if exchange rate had moved by 5%, with all other variables unchanged	14	46	-	9	1

(c) Interest rate risk

The Group's cash and cash equivalents are subject to interest rate fluctuations. At reporting date if interest rates had been 1% higher or lower and all other variables were held constant, the Group's profit or loss after tax would increase or decrease by $672,000 (2023: $508,000).

(d) Liquidity

The tables below present the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

CONSOLIDATED

	Less than 1 year	1-5 years	5+ years	Total contractual cashflows	Carrying amount of liabilities
30 June 2024	$'000	$'000	$'000	$'000	$'000
Trade and other payables	9,965	-	-	9,965	9,965
Lease liabilities	3,296	11,212	617	15,125	13,449
Contingent consideration	94	-	-	94	94
Total non-derivatives	13,355	11,212	617	25,184	23,508
30 June 2023	$'000	$'000	$'000	$'000	$'000
Trade and other payables	11,455	-	-	11,455	11,455
Lease liabilities	3,167	11,647	3,415	18,229	15,917
Contingent consideration	92	115	-	207	207
Total non-derivatives	14,714	11,762	3,415	29,891	27,579

As the Group is in a net financial assets position, the Directors are of the opinion that the Group will be able to pay off its debts as and when they are due and payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Liquidity (continued)

Capital management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's capital and debt include ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

The total equity of the Group at 30 June 2024 was $92,301,000 (2023: $73,549,000) and total cash and cash equivalents at 30 June 2024 were $95,979,000 (2023: $72,519,000).

The Group is not subject to any externally imposed capital requirements.

NOTE 24 SUBSIDIARIES AND OTHER CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and financial results of the following subsidiaries and other controlled entities in accordance with the accounting policies of the Group.

Name of subsidiary	Country of Incorporation	Ownership	
		2024	2023
Objective RegTech Pty Limited	Australia	100%	100%
Objective Corporation Solutions NZ Limited	New Zealand	100%	100%
Objective Corporation Singapore Pte Limited	Singapore	100%	100%
Objective Corporation North America Inc	United States of America	100%	100%
Objective Corporation UK Limited	United Kingdom	100%	100%
Objective Keystone Limited [1]	United Kingdom	n/a	100%
GoCouncil Limited	New Zealand	50%	50%
The Objective Corporation Limited Employee Share Trust	Australia	n/a	n/a

[1] Objective Keystone Limited, which had been dormant since FY2022, was dissolved on 14th November 2023.

NOTE 25 PARENT ENTITY DISCLOSURES

(a) Summary statement of financial position

	2024	2023
	$'000	$'000
Current assets	54,542	56,924
Non-current assets	56,894	52,649
Total assets	111,436	109,573
Current liabilities	44,782	51,226
Non-current liabilities	6,915	8,702
Total liabilities	51,697	59,928
Share capital	12,384	11,722
Reserves	(9,574)	(9,101)
Retained earnings	56,929	47,024
Total equity	59,739	49,645

NOTE 25 PARENT ENTITY DISCLOSURES (CONTINUED)

(b) Summary statement of profit or loss and other comprehensive income

	2024	2023
	$'000	$'000
Profit for the year	22,756	31,822
Total comprehensive income for the year	22,756	31,822

NOTE 26 RELATED PARTY DISCLOSURES

The parent entity in the Group is Objective Corporation Limited. Interests in subsidiaries and equity accounted investees are set out under Note 24.

Details of transactions between the Group and other related parties are disclosed below.

(a) Key management personnel remuneration

Total remuneration paid or payable to directors and key management personnel is set out below:

CONSOLIDATED

	2024	2023
	$	**$**
Short-term employee benefits	781,924	852,754
Long-term employee benefits	8,016	21,354
Post-employment benefits	56,534	62,060
Share-based payments expense	402,546	138,544
Total remuneration paid or payable	1,249,020	1,074,712

Details of remuneration and the Objective Corporation Limited equity holdings of Directors and other key management personnel are shown in the Remuneration Report on pages 14 to 17.

(b) Other transactions with directors or other key management personnel

Other transactions entered into during the financial year with directors of Objective Corporation Limited and other key management personnel of the Group and with their closely related entities which are within normal customer or employee relationships on terms and conditions no more favourable than those available to other customers, employees or shareholders included:

- contracts of employment (refer Remuneration Report) and reimbursement of expenses;
- equity holdings and acquisition of shares in Objective Corporation Limited under the employee share plans; and
- dividends from shares in Objective Corporation Limited.

(c) Other related parties

No material amounts were receivable from, or payable to, other related parties as at 30 June 2024 (2023: nil), and no material transactions with other related parties occurred during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 27 SHARE BASED PAYMENTS

Objective Corporation Limited operates two share-based payment plans:

- Objective Employee Incentive Plan
- Objective Employee Equity Plan

Employee Incentive Plan (EIP)

The Objective Employee Incentive Plan (EIP) was approved at the 2003 Annual General Meeting of the Company. The EIP is described as follows:

Offers

Under the EIP, the Board may offer to any employee either options to acquire shares or loans to acquire shares in the Company. Tony Walls, Chief Executive Officer will not be participating in the EIP.

The options expire ten years after the date of grant and are subject to service and performance conditions; however, they are not exercisable until one year after grant and released in four equal tranches on each anniversary of grant date. If a participant under the EIP ceases to be employed by the Company, any unexercised option will be forfeited.

Price

The Board has discretion to grant options for a fee and set the exercise price and term of the options.

Quotation

Options issued under the EIP will not be quoted on the ASX. Where the Company issues options and the options are exercised, the Company will apply to have the issued shares quoted on the ASX.

Maximum number of shares or options

The Company must not issue shares or options to any employee if to do so would contravene applicable laws or result in any employee holding an interest in more than 5% of the shares in the Company.

Sales restrictions

Options issued under the EIP are not transferable. Shares acquired under the EIP are not transferable unless any loan to acquire the shares has been repaid in full.

New shares

All shares issued on the exercise of options will rank equally with all existing shares from the date of issue.

Dividends

All shares acquired pursuant to the EIP rank equal in all respects and will be entitled to any dividends declared by the Company. Any dividends paid on shares acquired under the EIP will be offset against the loan balance outstanding to acquire shares under the EIP.

Restrictions

The Board may impose vesting and performance conditions before which options cannot be exercised or the shares sold. The options issued pursuant to the EIP will usually lapse and the loans to acquire shares will usually become repayable if the holder ceases to be an employee.

Participation in future issues

Under the Employee Incentive Plan's rules, the number of shares over which an option is granted and or the exercise price of the options may be altered in the event of a reconstruction of the Company’s share capital or a bonus or rights issue of shares to shareholders. Shares acquired under the EIP will rank equal in all respects with existing shares.

Loans

The Board has discretion to provide a loan for the acquisition of shares in the Company under terms and conditions as set out in the loan agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 27 SHARE BASED PAYMENTS (CONTINUED)

Fair value of share options granted under the EIP in the year

No share options were granted under the EIP during the year ended 30 June 2024.

Movement in share options under the EIP during the year

The following reconciles the share options outstanding under the EIP at the beginning and end of the current year:

Grant date	Expiry date	Option exercise price ($)	Balance 1 July 2023	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2024
24/02/2015	24/02/2025	$1.17	125,000	-	-	-	125,000
01/01/2019	01/01/2029	$2.75	308,750	-	(62,500)	-	246,250
01/07/2020	01/07/2030	$7.50	405,000	-	(113,750)	-	291,250
04/01/2021	31/01/2025	$12.50	200,000	-	-	(200,000)	-
			1,038,750	-	(176,250)	(200,000)	662,500
Weighted average exercise price			$6.29	-	$5.82	-	$4.54
Weighted average share price at date of exercise					$10.16		
Vested and exercisable at the end of the year			620,000				620,000
Vested and unexercisable at the end of the year			418,750				42,500

Movement in share options under the EIP during the prior year

The following reconciles the share options outstanding under the EIP at the beginning and end of the prior year:

Grant date	Expiry date	Option exercise price ($)	Balance 1 July 2022	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2023
24/02/2015	24/02/2025	$1.17	125,000	-	-	-	125,000
29/07/2018	29/07/2028	$2.75	50,000	-	(50,000)	-	-
01/01/2019	01/01/2029	$2.75	613,750	-	(305,000)	-	308,750
01/07/2020	01/07/2030	$7.50	425,000	-	(20,000)	-	405,000
24/02/2015	24/02/2025	$12.50	200,000	-	-	-	200,000
			1,413,750	-	(375,000)	-	1,038,750
Weighted average exercise price			$5.42	-	$3.00	-	$6.29
Weighted average share price at date of exercise					$13.97		
Vested and exercisable at the end of the year			411,250				620,000
Vested and unexercisable at the end of the year			1,002,500				418,750

The share options outstanding under the EIP at the end of the year had a weighted average remaining contractual life of 4.4 years (2023: 4.9 years).

NOTE 27 SHARE BASED PAYMENTS (CONTINUED)

Employee Equity Plan (EEP)

The Objective Employee Equity Plan (EEP) was approved at the 2021 Annual General Meeting of the Company and is governed by the EEP Rules.

Under the EEP, the Company may grant Rights, Options and restricted shares (i.e., shares subject to disposal restrictions until service-based vesting conditions are met) (collectively, Awards). Rights and Options granted under the EEP are indeterminate rights for tax purposes as the Board has the discretion to settle Rights and Options granted under the Plan in cash.

Under the EEP, there are 71,100 Rights (granted for no consideration to Participants with vesting subject to a service-based vesting condition) that remain outstanding at balance date. Subject to vesting condition being met, the Rights become exercisable to acquire Company shares (or a cash payment of equivalent value, at the Board's discretion). As at the date of this annual report, the exercise price of Rights granted under the EEP is nil.

Awards granted during the current year under the EEP has been classified as an equity-settled share-based payment arrangement. The fair value at grant date of equity-settled share-based payment transactions is expensed over the vesting period with a corresponding increase shared based payment reserve in equity, taking into account the best available estimate of the number of shares expected to vest under the service and performance conditions.

For awards that contain graded service condition periods, the Company recognises the estimated share based payment expense on a straight line basis over a requisite service period of one to five years. The Company estimates the expected service condition fulfilment and recognises the share based payment expense only for those awards expected to meet the service condition. This estimate is reassessed by management each reporting period and may change based upon new facts and circumstances. Changes in assumptions impact the total amount of expense and are recognised over the service condition period.

Fair value of share options granted in the year

Fair value of share options granted during the year ended 30 June 2024 are provided in the table below:

Number of options granted	Grant date	Expiry date	Fair value at grant date [2, 3] ($)	Fair value at grant date ($)	Exercise price ($)	Risk free interest rate (%)	Expected volatility [3] (%)	Dividend yield (%)
965,000[1]	29/09/2023	01/01/2028	$0.73	$1.83	$10.35	3.86%	30.0%	1.16%
187,500	29/09/2023	01/01/2028	$2.08	$2.83	$10.35	3.86%	30.0%	1.16%
550,000	29/09/2023	01/01/2028	$0.73	$1.56	$14.85	3.86%	30.0%	1.16%
40,000	30/01/2024	01/01/2028	n/a	$2.08	$12.00	3.86%	30.0%	1.16%
100,000	22/02/2024	01/01/2028	n/a	$2.08	$12.00	3.86%	30.0%	1.16%

[1] These options have an exercise restriction that is dependent upon the Company share price reaching $20/share prior to 15 December 2027.

[2] As previously presented in the interim financial report.

[3] Management has revised its estimate of the expected volatility of share options granted during the year from 19.46% to 30.0%, which impacted the disclosed fair value of the options granted at grant date, as previously presented in the group's interim report for the half year ended 31 December 2023. The impact of this revision in the interim financial report for the half year ended 31 December 2023 is not material.

No new share options were granted under the EEP during the year ended 30 June 2023.

The fair values of awards are determined using Black-Scholes and Monte-Carlo Simulation option pricing models taking into consideration the terms and conditions upon which the options were granted. Assumptions for expected volatility and dividend yield were based on daily observations for historic data. Inputs for risk free rate and grant date share price was determined by the prevailing prices on the date of issue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 27 SHARE BASED PAYMENTS (CONTINUED)

Movement in share options under the EEP

The following reconciles the share options outstanding under the EEP at the beginning and end of the current year:

Grant date	Expiry date	Exercise price ($)	Balance 1 July 2023	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2024
30/04/2022	30/04/2027	$14.85	100,000	-	-	-	100,000
29/09/2023	01/01/2028	$10.35	-	965,000	-	-	965,000
29/09/2023	01/01/2028	$10.35	-	187,500	-	-	187,500
29/09/2023	01/01/2028	$14.85	-	550,000	-	-	550,000
30/01/2024	01/01/2028	$12.00	-	40,000	-	-	40,000
22/02/2024	01/01/2028	$12.00	-	100,000	-	-	100,000
			100,000	1,842,500	-	-	1,942,500

Weighted average exercise price	$14.85	$11.82	-	-	$11.97
Vested and exercisable at end of the year	-				25,000
Vested and unexercisable at end of the year	-				187,500

The following reconciles the share options outstanding under the EEP at the beginning and end of the prior year:

Grant date	Expiry date	Exercise price ($)	Balance 1 July 2022	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2023
30/04/2022	30/04/2027	$14.85	100,000	-	-	-	100,000

Weighted average exercise price	$14.85	-	-	-	$14.85
Vested and exercisable at end of the year	-				-
Vested and unexercisable at end of the year	-				-

The share options outstanding under the EEP at the end of the year had a weighted average remaining contractual life of 3.47 years (2023: 5.0 years).

Share rights granted in the year

Fair value of share rights granted under the EEP during the year ended 30 June 2024 are:

Rights on Issue	Grant date	Expiry Date	Number
Rights exercisable at $nil	24/10/2023	06/10/2028	6,000
Rights exercisable at $nil	29/09/2023	01/01/2028	17,100
Total rights on issue			23,100

Weighted average exercise price $nil

Fair value of share rights granted under the EEP during the year ended 30 June 2023 are:

Rights on Issue	Grant date	Expiry Date	Number
Rights exercisable at $nil	02/11/2022	02/11/2027	10,000
Rights exercisable at $nil	28/11/2022	30/11/2027	6,400
Total rights on issue			16,400

Weighted average exercise price $nil

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 27 SHARE BASED PAYMENTS (CONTINUED)

Movement in share rights under the EEP

The following reconciles the share rights outstanding under the EEP at the beginning and end of the current year:

Grant date	Expiry date	Exercise price ($)	Balance 1 July 2023	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2024
30/04/2022	22/12/2026	-	45,000	-	(7,500)	-	37,500
21/03/2022	21/03/2027	-	4,000	-	-	-	4,000
28/02/2022	28/02/2027	-	5,000	-	-	-	5,000
02/11/2022	02/11/2027	-	10,000	-	(2,500)	-	7,500
24/10/2023	06/10/2028	-	-	6,000	(6,000)	-	-
29/09/2023	01/01/2028	-	-	17,100	-	-	17,100
			64,000	23,100	(16,000)	-	71,100

	Balance 1 July 2023	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2024
Weighted average exercise price	$nil	$nil	$nil	$nil	$nil
Weighted average share price at date of exercise			$12.68		
Vested and exercisable at end of the year	-				-
Vested and unexercisable at end of the year	-				-

Movement in share rights under the EEP

The following reconciles the share rights outstanding under the EEP at the beginning and end of the prior year:

Grant date	Expiry date	Exercise price ($)	Balance 1 July 2022	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2023
30/04/2022	22/12/2026	-	50,000	-	(5,000)	-	45,000
21/03/2022	21/03/2027	-	4,000	-	-	-	4,000
28/02/2022	28/02/2027	-	5,000	-	-	-	5,000
02/11/2022	02/11/2027	-	-	10,000	-	-	10,000
28/11/2022	30/11/2027	-	-	6,400	(6,400)	-	-
			59,000	16,400	(11,400)	-	64,000

	Balance 1 July 2022	Granted	Exercised	Forfeited / cancelled	Balance 30 June 2023
Weighted average exercise price	$nil	$nil	$nil	$nil	$nil
Vested and exercisable at end of the year	-				-
Vested and unexercisable at end of the year	-				-

Recognition and measurement

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Group has two plans in place that provides these benefits. It is the Employee Incentive Plan and the Employee Equity Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes and Monte-Carlo Simulation option pricing models. The cost of equity-settled transactions is recognised in the consolidated statement of profit or loss, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award.

NOTE 27 SHARE BASED PAYMENTS (CONTINUED)

Recognition and measurement (continued)

At each subsequent reporting date until the end of the service condition period, the cumulative charge to the consolidated statement profit or loss is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the service condition period; and (iii) the expired portion of the service condition period.

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

NOTE 28 CONTINGENT LIABILITIES

CONSOLIDATED

	2024	2023
	$'000	$'000
Contingent liabilities, capable of estimation, arise in respect of the following categories:		
Bank guarantees	1,488	1,488
Total contingent liabilities	1,488	1,488

Bank guarantees are issued to contract counterparties in the normal course of business as security for the performance by Group entities of various contractual obligations.

Additionally, a performance guarantee has been provided by the Company to Objective Corporation UK Limited (subsidiary) with regards to the provision of software support services for customers.

NOTE 29 SUBSEQUENT EVENTS

Dividends

For dividends resolved to be paid after 30 June 2024, refer to Note 21.

There has not arisen in the interval between 30 June 2024 and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 21 August 2024.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2024

		Body corporates		Tax residency	
Entity name	Entity type	Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
Objective Corporation Limited	Body corporate	Australia	N/A	Australian [2]	N/A
Objective RegTech Pty Limited	Body corporate	Australia	100%	Australian [2]	N/A
Objective Corporation Solutions NZ Limited [1]	Body corporate	New Zealand	100%	Foreign	New Zealand
Objective Corporation Singapore Pte Limited	Body corporate	Singapore	100%	Foreign	Singapore
Objective Corporation North America Inc	Body corporate	United States of America	100%	Foreign	United States of America
Objective Corporation UK Limited	Body corporate	United Kingdom	100%	Foreign	United Kingdom
The Objective Corporation Limited Employee Share Trust	Trust	N/A	N/A	Australian	N/A
GoCouncil Limited	Body corporate	New Zealand	50%	Foreign	New Zealand

[1] Participant in the GoCouncil Limited joint venture which is consolidated in the consolidated financial statements.
[2] This entity is part of a tax consolidated group under Australian taxation law, for which Objective Corporation Limited is the head entity.

At the end of the financial year, no entity (other than identified above) within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in *the Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 and PCG 2018/9.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Partnerships and trusts

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes set out on pages 18 to 58 are in accordance with the *Corporations Act 2001 (Cth);* and

   a) Comply with Australian Accounting Standards and the *Corporations Regulations 2001*;
   b) As stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards;
   c) Give a true and fair view of the financial position of the Group as at 30 June 2024 and its performance for the year ended on that date;
   d) The consolidated entity disclosure statement set out on page 59 is true and correct; and
   e) This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

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

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

Tony Walls
Director

Date: 21 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF OBJECTIVE CORPORATION LIMITED

In relation to the independent audit for the year ended 30 June 2024 to the best of my knowledge and belief there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

b) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of Objective Corporation Limited and the entities it controlled during the year.

Nathan Balban
Partner

Pitcher Partners
Sydney

21 August 2024

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OBJECTIVE CORPORATION LIMITED
ABN 16 050 539 350

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Objective Corporation Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue from Contracts with Customers	
The Group applies AASB 15 *Revenue from Contracts with Customers* to account for the following key revenue streams: ▪ Software license revenue; ▪ Implementation and consulting revenue; and ▪ Other ancillary revenue such as hosting and support services fees. The recognition of revenue and associated contract assets and contract liabilities is a key audit matter due to the significant judgements surrounding the timing of revenue recognition. Note 5 to the financial statements sets out the Group's revenue streams and the associated accounting policies. Note 12 to the financial statements sets out the associated contract assets and contract liabilities.	We performed the following audit procedures: • Obtained an understanding of the Group's revenue recognition policies and assessed the policies applied for compliance with the relevant accounting standards. • Documented and evaluated the design and, implementation, of relevant controls over the timing of revenue recognition. • On a sample basis, selected revenue contracts and reviewed the contract to identify the key provisions and conditions that indicated that performance obligations have been satisfied for revenue recognised under AASB 15: *Revenue from Contracts with Customers.* • On a sample basis, tested revenue transactions during the reporting period and at period-end to agree the total transaction price to customer contracts, work in progress records, milestone acknowledgements and receipts from customers, where applicable. • For customer contracts tested, evaluated the judgement applied by Management in supporting the timing of revenue recognition. We also assessed the adequacy of the disclosures in Notes 5 and 12 to the financial statements.
Accounting for software development costs	
As set out in Note 16 to the financial statements, the Group capitalises costs related to the development of software products in accordance with AASB 138 *Intangible Assets.* The accounting for capitalised software development costs is a key audit matter due to: ▪ Specific judgement applied in assessing whether the capitalised costs are directly attributable to the relevant product developed and eligible for capitalisation under the criteria prescribed by Australian Accounting Standards; ▪ The assessment of the useful life of the asset and timing of amortisation; and ▪ The assessment of future economic benefits and any indicators of impairment of capitalised software development costs.	We performed the following audit procedures: ▪ Assessed the nature of the Group's products and the policy of capitalisation of software development costs for compliance with the criteria in AASB 138 *Intangible Assets.* ▪ Documented and evaluated the design and implementation of the relevant controls in place over the process for recording and identifying qualifying costs to be capitalised. ▪ Held inquiries with management and R&D team members, to understand the development activities undertaken. ▪ Tested the appropriateness and eligibility of costs capitalised with reference to internal documentation including, on a sample basis: ▪ agreeing payroll costs capitalised to supporting payroll and time records, and cost allocation calculations;

Key Audit Matter	How our audit addressed the Key Audit Matter
	▪ agreeing other capitalised costs to invoices or other supporting documentation and assessed the Group's determination that the service or goods received is directly attributable to development activities; ▪ Challenged the appropriateness of the amortisation period including the commencement date of amortisation for the capitalised software development costs and the timing of amortisation; and ▪ Evaluated the Group's indicators of impairment and the recoverability of the carrying value of the capitalised software development asset, with reference to historical and expected future cash inflows. We also assessed the adequacy of the disclosures in Note 16 to the financial statements.
Impairment of Intangible Assets	
At 30 June 2024 the consolidated statement of financial position of the Group includes goodwill and other intangible assets amounting to $53.4 million. The Group performs an annual impairment test of goodwill and other intangible assets across its Cash Generating Units (CGU's) and has determined recoverable amounts based on value-in-use calculations. The carrying value of goodwill and other intangible assets is a key audit matter because of the significant judgements applied in the value-in-use models, including estimates of cash flow forecasts, growth rates, discount rates and terminal value calculations. Note 16 to the financial statements sets out the Group's accounting policies, allocation of goodwill to CGU's and key estimates adopted in determining the recoverable amount.	We performed the following audit procedures: ▪ Assessed management's determination of CGU's and allocation of goodwill to the carrying value of CGU's based on our understanding of the nature of the Group's business. ▪ Understood and evaluated the design and implementation of relevant controls over information used as part of assessing impairment of intangible assets. ▪ Tested the mathematical accuracy of the value in use models. ▪ Compared cash flow forecasts to the Board approved budgets and assessed the historical accuracy of forecasting. ▪ In conjunction with our valuation experts, we assessed and challenged significant judgements used by management in the value-in-use models, including estimates of cash flow forecasts, growth rates, discount rates and terminal value calculations; and ▪ Performed sensitivity analysis on the growth rates and discount rates used in the value-in-use models. We also assessed the adequacy of the disclosures in Note 16 to the financial statements.

Share-based payments	
The Group applies AASB 2 *Share-Based Payments* to account for rights and options issued under the Employee Equity Plan. Share-based payments is a key audit matter as the fair value of rights and options issued is complex and subject to significant management estimates and judgement. Note 6 to the financial statements sets out the share-based payments expense recognised during the year. Note 22 to the financial statements sets out the movements in the share-based payments reserve during the year. Note 27 to the financial statements sets out the related disclosures to the Employee Equity Plan.	We performed the following audit procedures: ▪ Reviewed and agreed the key terms of equity-settled share-based payments in respect of the award of options over common shares to the underlying offer letters and Board approved documents. ▪ In conjunction with our valuation experts, assessed the fair value of options granted by checking the accuracy of the inputs and management estimates to the option pricing models adopted for that purpose. ▪ Tested the accuracy of the share-based payments expense by reference to the fair value at grant date, the vesting period, and the estimates of options expected to vest. We also assessed the adequacy of the disclosures in Note 6, 22, and 27 to the financial statements and the remuneration report respectively.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Objective Corporation Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Pitcher Partners

Nathan Balban
Partner

21 August 2024

Pitcher Partners
Sydney