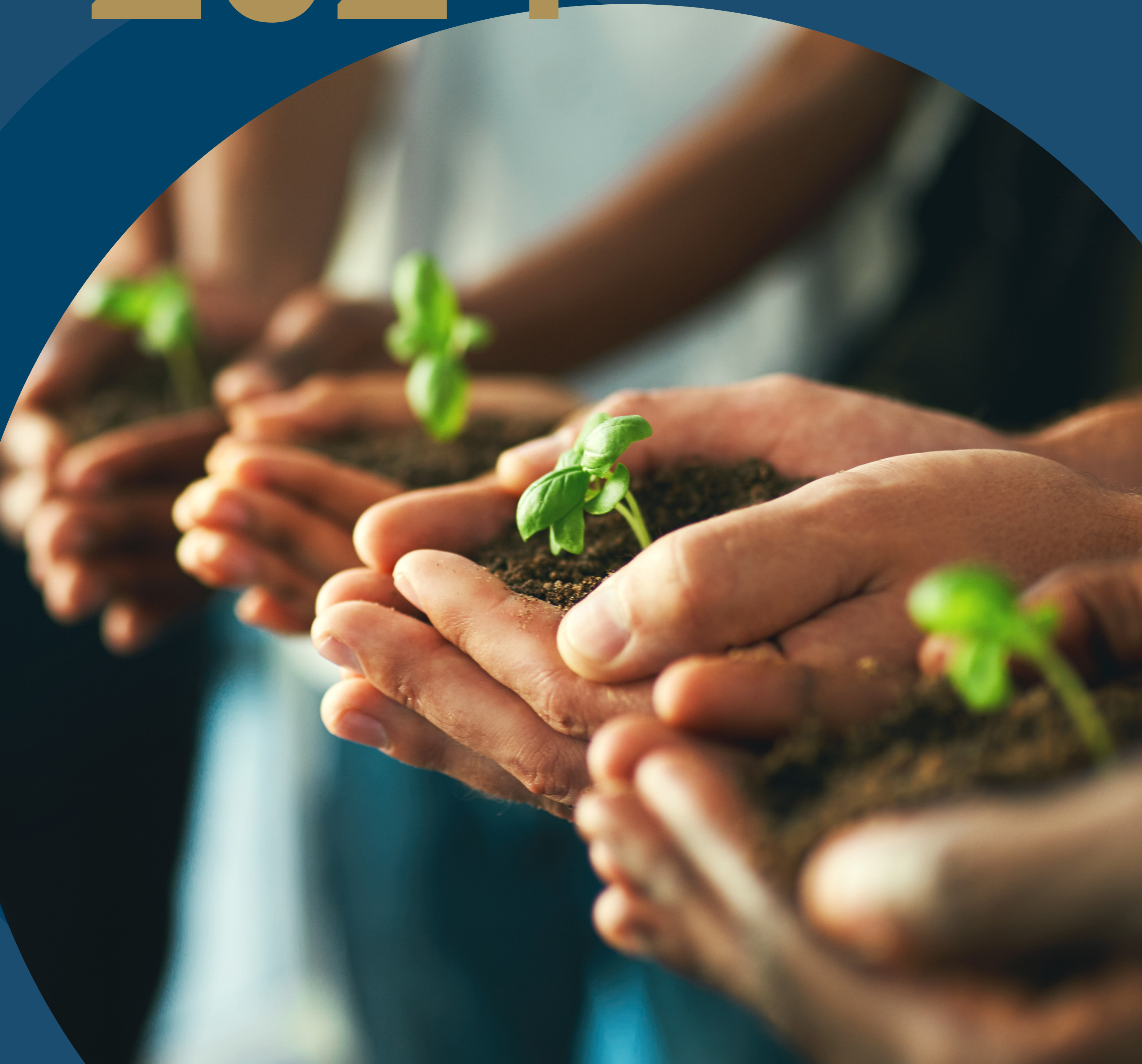
incentiapay

Annual Report

For the Year ended 30 June 2024

2024



ASX-listed IncentiaPay is the owner of Australia and New Zealand's Entertainment Membership App and corporate Frequent Values product. Entertainment builds communities where everyone wins, through experiences, savings, philanthropy and the building of businesses. Helping others is at the heart of what we do.

Entertainment is an iconic brand with a 30-year history providing one of the largest portfolios of lifestyle offers and content in the market.

There are over 60 Entertainment employees working across Australia and New Zealand, with headquarters in Gold Coast.

Members

A choice of Memberships provide access to thousands of 2-for-1 and up to 50% off offers from over 6,300 business partners in dining, travel, activities, and retail across over 11,000 partner locations in Australia and New Zealand. Our offers are available across 20 major cities, regional areas, and country towns. Entertainment is about discovering new experiences and creating memories with family and friends all while helping a good cause.

Merchant partners

Entertainment drives new business and revenue growth through word of mouth and exclusive marketing programs for contemporary and casual dining Merchants, retail outlets, and travel and leisure partners.

Seamless Rewards

A unique B2B2C Card Linked Offers (CLO) platform enabling CLO-ready content services to CLO based loyalty programs. Entertainment technology provides seamless integration for the cash back programs across merchants offers, card issuers, and payment networks.

Fundraising groups

An Entertainment Membership allows savvy consumers to do more of what they value and love every day, while at the same time saving money and helping a good cause. With up to 20 per cent of Membership sales going directly to fundraisers, Entertainment has helped almost 9,000 charities, large and small, local primary and high schools, sports clubs and community groups reach their fundraising goals this financial year.

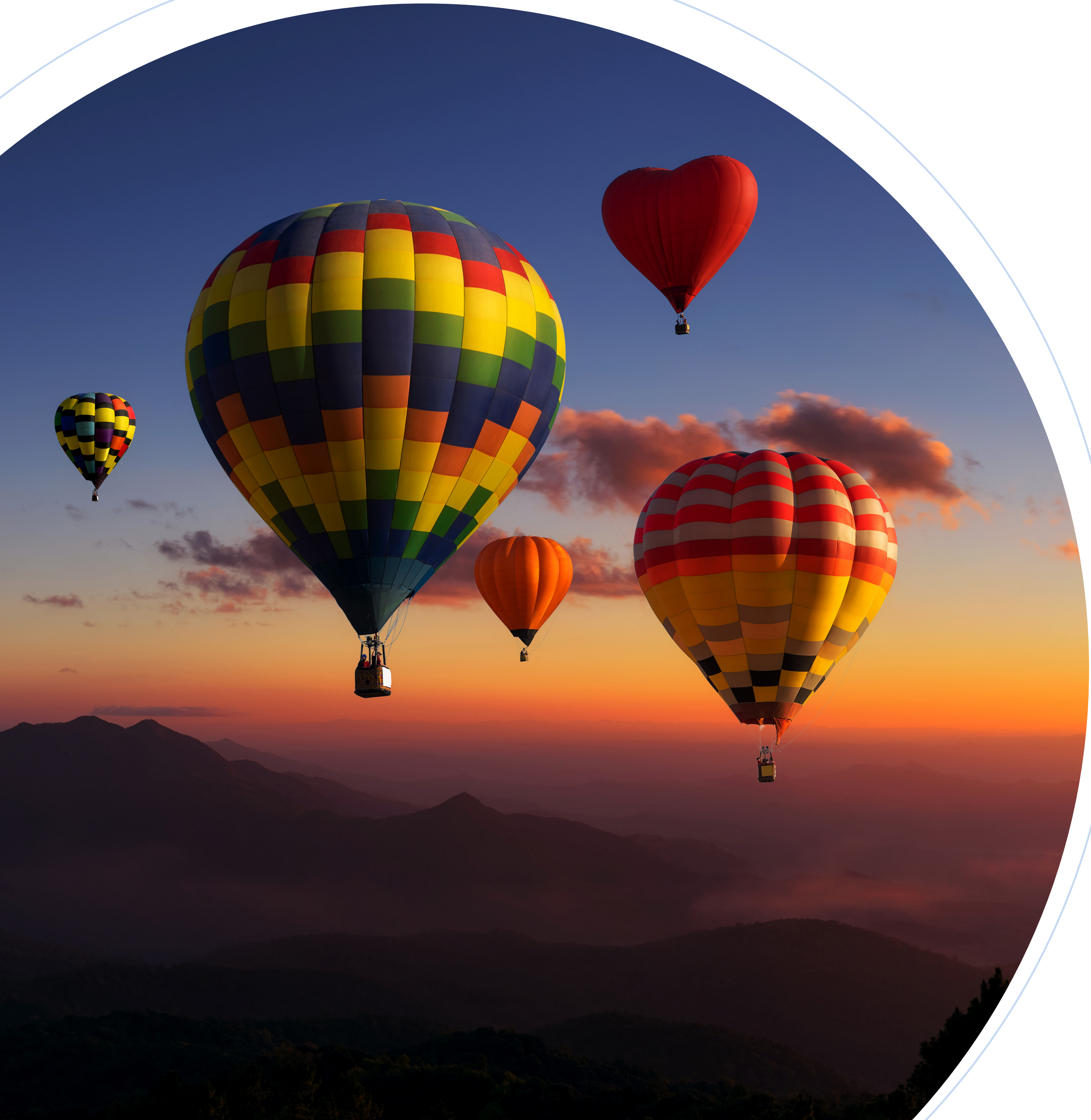
Enterprise clients

Entertainment's bespoke dining and leisure benefits product provides organisations and major brands with trusted and well-known loyalty programs, featuring always-on special offers across dining, takeaway, travel, and wellbeing to help retain existing customers, reduce lapsed customers, and acquire new ones. Over 20 corporate clients including household names such as Zurich and Budget Direct provide this offering to their clients.

incentiapay

Contents

Chairman's Introduction



Chairman's Introduction

Dear Shareholders,

On behalf of the Board of Directors of IncentiaPay, I am pleased to present the 2024 Annual Report.

In this financial year IncentiaPay has undertaken an important transformation. The focus has been on re-invigorating the core business pillars that have made Entertainment the market leader in the loyalty and rewards space over the past 30 years. It has been a great honour to Chair the business as Entertainment celebrates its 30th Birthday.

IncentiaPay is focusing on instilling 'quality' across the entire business, primarily focused on the following five (5) pillars.

1. Re-invigorating the valuable Fundraising Distribution Channel in three (3) carefully selected pilot cities, through building a relationship management team and providing quality support, assets, launch and media events to maximise the potential for success.
2. Meet and exceed the expectations of our Members through instilling a culture of genuine customer obsession, quality customer service and a much improved (and improving) App user experience.
3. Improving quality in terms of Merchant Offers through improved communication with our merchant partners, stronger merchant agreements, more refined branding, a targeted merchant acquisition plan, and integration of 700+ additional fine dining offers.
4. Grow all areas of Enterprise revenue including Frequent Values, Paid Advertising, CLO and Gift Cards.
5. And most importantly, return to the habit of a winning culture across the entire business.

With the Entertainment product in its 30th year, we're thrilled to be working to support the causes of literally thousands of fundraising organisations in Australia and New Zealand. The demand for fundraising dollars is at the highest level since the business started in 1994, and in that time, we've reached a milestone of raising over $110 million for local community causes. This is an amazing achievement and is a core value of our business now and onwards into the future.

At the same time, we have seen the return of healthy growth with our Enterprise products, mostly supported by the Frequent Values Program, a white-labelled app-based solution in the B2B2C space. Loyalty marketing continues to play a critical role in many enterprise marketing strategies, and we are well-placed to service this need.

Still to reveal its potential, our B2B2C platform called Seamless Rewards provides Card Linked Offers (CLO) and represents the future in rewards for many current and potential IncentiaPay clients. Seamless Rewards allows for instant rewards and real time offers to be provided to consumers through 'cash back' linked to their credit card. We are excited by the potential of this opportunity, especially with our supplier arrangement with one of the world's largest card networks. This partnership has the potential for global expansion and enables us to reach the largest audiences in the Australian market.

Broadly, our strategy is to deliver win-win partnerships, support our valued fundraisers and merchants, provide quality experiences and value and grow our business, as follows:

- Continue to build our audience asset through increasing member numbers linked to our Entertainment and Frequent Values Programs
- Strengthen our network asset including our invaluable fundraiser distribution channel, merchant partnerships and corporate client networks
- Grow transaction linked revenues, including through building a strong offer base for one of the world's largest card network platforms and through travel, leisure and online retail offers to our audience base.

During the year, we continued cost reduction programs that delivered annualised cost savings of approximately $1.15 million driven by a reduced property footprint, a restructured board and a reduction in IT expenses. This cost reduction, combined with maintaining revenue (albeit with a small decline) resulted in our underlying EBITDA improving by $1.71 million to ($4.45 million) in FY24 from ($6.16 million) in FY23 (and ($9.57 million) in FY22). Our journey towards EBITDA profitability continues to gain momentum as we focus the business on revenue growth. Importantly, the business also achieved an important milestone of growing our core business revenues (i.e. total revenues excluding Gift Card revenues) by 3.2% compared to the prior year.

We continue to be strongly supported by our major lender, Suzerain Investment Holdings Limited and its associates. In December 2023, IncentiaPay negotiated a deferment of principal and interest payments on its $22.50 million convertible loan facility to 31 December 2025. Further, we signed a new $5 million unsecured loan facility with Suzerain in June 2024 to fund the working capital needs of the Company.

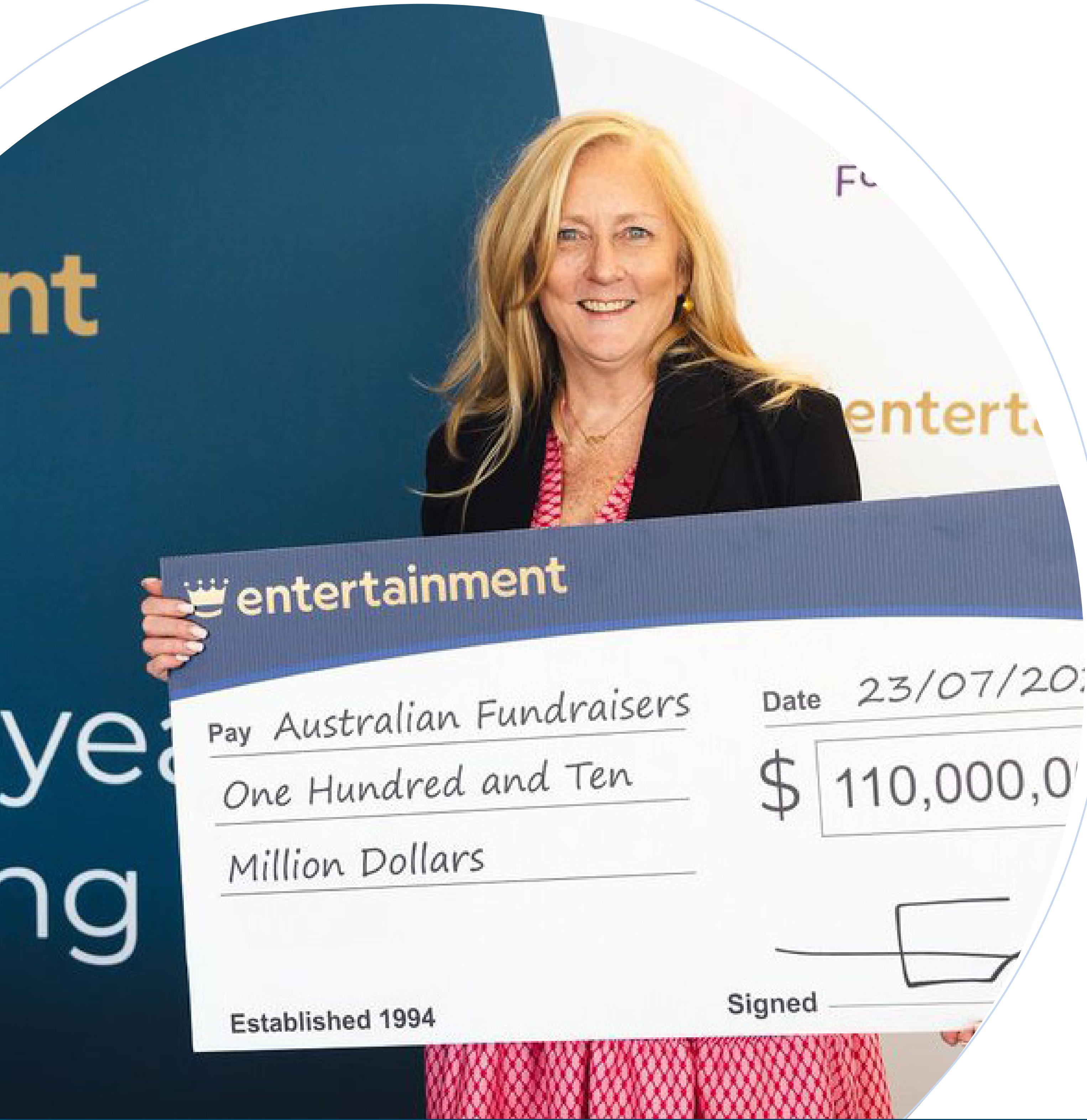
With the appointment in October 2023 of Dean Vocisano as Chief Revenue Officer and Heidi Halson as CEO in May 2024, the leadership team undertook a major pivot to refocus the organisation towards revenue and growth. We also welcomed Ani Chakraborty to the Board in a new position as a non-executive Director.

On behalf of the Board, I would like to acknowledge our executive leadership team and all employees, members and partners for their support and hard work through the past year. I would also like to thank our shareholders and debt providers for their continued support.

Finally, I would like to thank my colleagues on the Board for their contributions and guidance.

Dean Palmer
Chairman

CEO's Review


entertainment
Pay Australian Fundraisers
Date 23/07/20
One Hundred and Ten
Million Dollars
$ 110,000,0
Signed
Established 1994

CEO's Review

Dear Shareholders,

As one of the founders of the Entertainment business in 1994, I am delighted to once again be a part of IncentiaPay and its much-loved brands.

Having led this business from 1994 until 2020, my return at the start of CY24 is largely due to a personal passion to bring back a little of its magic, position the business for success, and be a part of its evolution as it grows into the future. I have a deep understanding of the Company's key drivers and experience in consistently growing revenue, year on year. I am genuinely excited about the growth opportunities, and I am confident that our strategy will set us up for success, starting with a very necessary quality and revenue pivot.

As mentioned by our Chairman, Dean Palmer, our mission is to deliver a quality and revenue pivot to return to a position of breakeven and profitability. We will achieve this by actioning these five initiatives:

1. Re-invigorate the valuable Entertainment Fundraising distribution channel to reach a socially active, dining oriented consumer.
2. Surprise and delight our Members, across all products, with a focus on genuine customer obsession, creating a win-win for all involved.
3. Provide high-value and exclusive Merchant offers, across all products, to inspire high retention and new growth.
4. Grow B2B2C clients within the Enterprise business across Frequent Values, Paid Advertising, CLO and Gift Cards.
5. And most importantly, return to a culture across the entire business of high performance and surpassing targets.

Operational Review

Senior Leadership Changes

Step one in the quality and revenue pivot, was to reorganize the Executive Team to create a revenue focus throughout the organisation, from the top down. In October 2023, Dean Vocisano was appointed as Chief Revenue Officer. In April 2024, Dean took on the additional responsibility of leading the marketing team, bringing sales and marketing together, creating a natural synergy. At that time, Jake Falkinder's CMO role was absorbed, reducing the Executive team by one, to a team of five. We very much appreciate and value Jake's contributions over his two years with IncentiaPay and know he will be a success as his career advances.

In May, I returned to the business and stepped into Ani Chakraborty's shoes as CEO, with Ani remaining on the Board and assuming the role of non-Executive Director, providing consistency, stability and expertise.

Technology Roadmap Progress

IncentiaPay continues to invest in quality improvement across our technology stack to benefit all parties through seamless integration and efficiencies. The next priority is the retirement of legacy systems and the exploration of revenue opportunities by integrating payments in various channels of the business.

In particular, developing the capability for consumers to make further donations to their preferred Fundraiser upon purchase, or when redeeming, would make us even more important to our membership community and more valuable to our fundraising partners.

Entertainment Fundraising

In March 2024, we established the need to provide proof of concept for the Entertainment Fundraising Distribution Channel. Based on that, we selected three markets in which to pilot the concept, with a Head of Fundraising, Fiona McQueen appointed, as well as an account management team on the ground in the three pilot cities of Adelaide, Perth and Brisbane/Gold Coast. We also brought our offshore Fundraising support, based in India, to a small team managed from Perth, giving the 'long tail' fundraisers more localised and immediate support.

The next step was to complete a full audit of the merchant content, the Member's App experience and refocusing both on quality, followed by a complete brand refresh to 'bring back the value'. The Marketing team was also restructured, reduced in size, and their focus has been shifted from direct-to-consumer, to that of a support resource for the Fundraising community. Marketing support for our Fundraisers has been vastly improved with print collateral, digital assets, refer-a-friend capabilities in the App, and launch events hosted in the pilot cities. The current PR campaign has reached a potential eyeballs of over 18 million and continues to grow in momentum.

Enterprise - Frequent Values

The Frequent Values B2B2C product continues to grow in popularity while banks, insurance companies, unions and other organisations look to create a branded loyalty program to reduce churn and create engagement with their customers or employees.

Frequent Values delivers a national set of dining, travel and leisure offers delivered to end users on bespoke client apps. With over 2,500 Merchant offers being served through various client apps, Frequent Values reaches over 200,000 consumers. The future vision is to improve our capability to provide email services, in-app communication, card-linking and onboarding lifecycle services to these Enterprise clients, all of which have potential to increase revenue.

Enterprise - Seamless Rewards

During FY24 we took away many learnings and grew the capabilities of our B2B2C Seamless Rewards Card Linked Offers. Our primary partner in this project is the largest credit card issuer in Australia. We bring exclusive merchant cash back offers and see great potential as this scales up, reaching the largest consumer bases, not just in Australia, but also accessing overseas inbound travelers in the millions.

There is great demand in this market for seamless transactions by linking cash back offers to the consumers' credit card. Being involved in these transactions adds incremental revenue and valuable learnings of how incorporating payment capabilities in other areas of the business modernises and future-proofs our business, and provides us with more valuable consumer spend and behavior data than ever before.

Delivery on Cost Savings

During the year, we continued to take a frugal/start up mindset, 'doing more with less' and continuing the previous year's trend to reduce costs to deliver an annualised cost saving of ~$1.15 million. Revenue was slightly below year on year, but the underlying EBITDA improved by $1.71 million.

Financial Performance

FY24 revenues totaled $16.62 million, down a minimal 3.67% on the previous corresponding period. This was due to a decrease in Entertainment Membership subscription sales and the corresponding gift card revenue, both of which were impacted by inflationary pressures being faced by consumers in FY24.

However, the reduction in the above were offset by an impressive increase in the enterprise sales and seamless rewards fees. The Company grew it's membership base in enterprise clients by noteworthy 82% during the year with full benefit of the members increase to be reflected in FY2025. Similarly, The Company witnessed significant revenue under the seamless rewards segment which was launched in October 2022.

Cash Position

As at 30 June 2024, cash reserves totalled $1.97 million. In addition, the Company had an undrawn remaining loan facility available of $5.14 million.

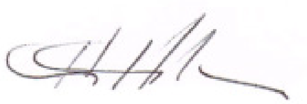
Outlook

IncentiaPay enters FY25 with an optimised cost base, a more refined product set, a revenue and quality focus, a well-defined strategic plan, and a very capable Executive team. Each Executive brings expertise, like the points of a star, and collaborates well in the middle with a common vision. IncentiaPay also has cornerstone Enterprise clients with multi-year agreements bringing a level of assured revenue in future years.

Our focus during FY25 will be to bring the magic back, bring the quality back, bring the value back, bring the energy back, while leaning into the 30-year legacy of our brands. We, in effect, are a 30-year-old start-up, acting with quality focus, innovation and speed to market as priorities.

In closing, I'd like to thank our loyal member base, our passionate and eager fundraising organisations, our premium and exclusive merchant partners, and our Enterprise clients for their continued support. I'd also like to thank you, our shareholders, for your faith in the legacy of these brands and the upward potential of this Company.

Finally, a big thank you and well-deserved recognition to our internal customers, the team at IncentiaPay. It has been amazing to see a team bring so much energy and enthusiasm every day, and their commitment to delivering the quality and revenue pivot that will set IncentiaPay apart from others in a very busy market, ultimately bringing results for all involved.



Heidi Halson
CEO

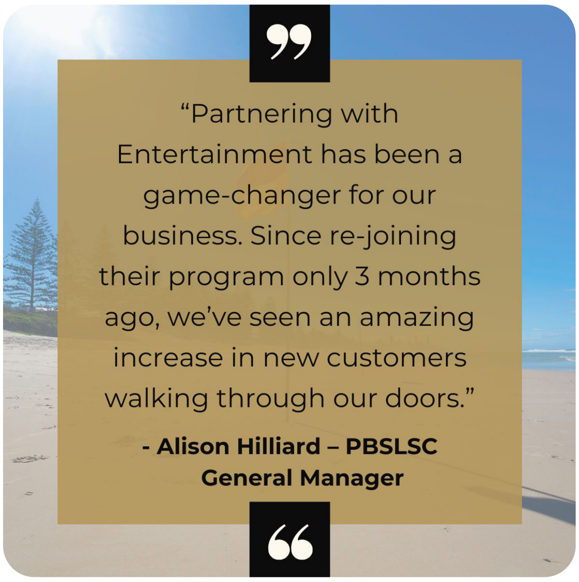
Celebrating Entertainment's 30th Birthday

One of the most important elements in the quality and revenue pivot in recent months has been the need re-energize the brand, lean into our 30-year history, and reach out with nostalgia to our very passionate and important Fundraising distribution channel that has always been a cornerstone of the business.

Leveraging our 30th birthday in business in this market, it was important to refresh the brand itself, and our messaging, reminding everyone about the quality we stand for.

We also a achieved very exciting milestone, having raised over $110 million through community fundraising organisations since 1994. With the support of the very motivated Fundraising community, we have held five launch events, well attended by the Fundraising community and media alike. The resulting PR alone has delivered a media reach of over 18 million potential eyeballs and is still climbing, as the Fundraisers launch their campaigns and grow momentum.

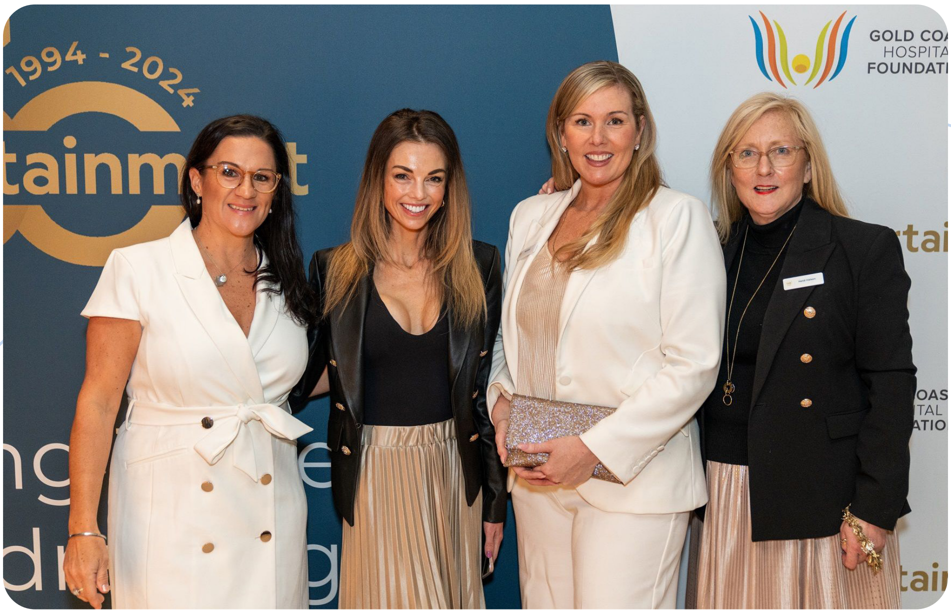
We're beginning to see the fruits from our quality focus on the Merchant Offers bringing on board over 600 new dining options in the Fine Dining category and receiving many positive comments from the hospitality industry such as:

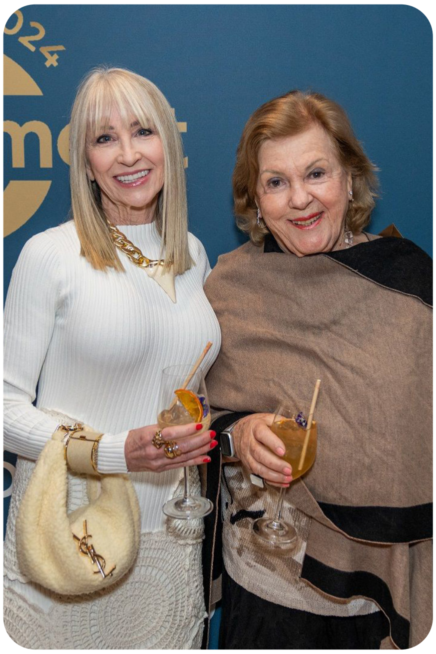


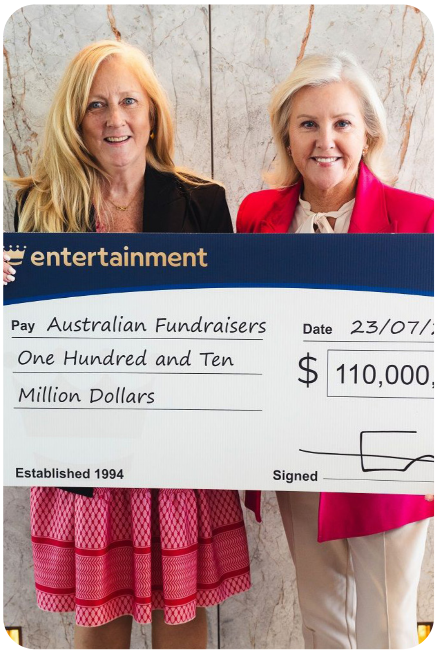
We are focused on bringing back the high-quality and often exclusive offers from leading restaurants and other businesses that you don’t find anywhere else.

We are committed to regaining the trust of consumers by bringing back the 100% customer satisfaction guarantee giving consumers leisure and travel options they can trust.

Most importantly we are re-energising the very passionate and important Fundraising distribution channel that has always been a cornerstone of the business. Our goal is to raise over $2 million for the community before this year is over whilst bringing the business back to a commercial operation.


1994 - 2024

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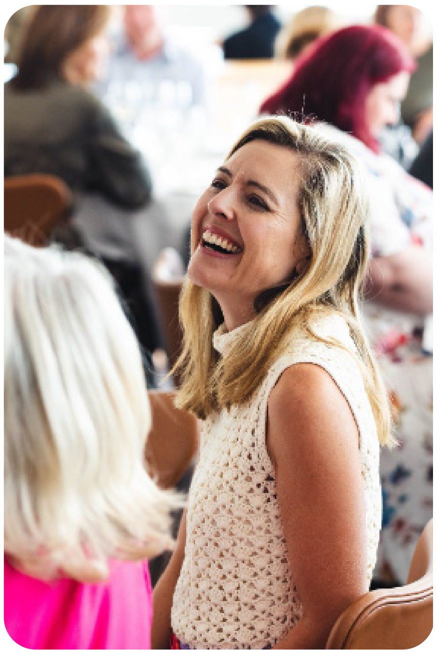



McGrath Foundation
entertainment
McGrath Foundation

Financial Review

Financial Review

Gross revenue for FY24 was $16.62 million, underlying EBITDA for FY24 was a loss of $4.45 million, negative operating cash flow was $5.42 million, Net loss after tax (NLAT) from ordinary activities was $7.64 million. Australian revenue accounted for $15.47 million, or 93.1 per cent (FY23: $16.01 million, 92.8 per cent), while New Zealand revenue accounted for $1.14 million, or 6.9 per cent (FY23: $1.24 million, 7.2 per cent).

Gross Revenue

Overall gross revenue for FY24 was $16.62 million compared to $17.25 million in FY23. This included, $5.67 million, or 34.2 per cent from Membership sales (FY23: $6.19 million), $2.17 million, or 13.1 per cent from Enterprise client sales (FY23: $1.95 million), $7.18 million, or 43.3 per cent from gift card sales (FY23: $8.05 million), and $0.88 million, or 5.2 per cent from fee income and paid advertising (FY23: $0.89 million). The Company witnessed a significant increase in the Card Linked Offers (CLO) platform transactions with revenues of $0.50 million (FY23: $0.03 million) for the transaction fees and another $0.15 million for the Merchant management fees (FY23: $0.02 million).

Although Business to Consumer (B2C) revenue declined by 8.4%, Enterprise revenue (B2B) witnessed an increase of 11.6% in revenues driven by an impressive 82% increase in the memberships base by the end of the year. Enterprise revenues would see the full impact of the increase in its membership base in FY2025. Following a successful launch in October 2022, card linked offers (CLO) business success fee increased by 1,657% and merchant management services fees increased by 487%. Paid advertising revenue growth was flat.

Gift card sales decreased 10.8% per cent.

Earnings Before Interest Tax Depreciation and Amortisation

Earnings before interest tax depreciation and amortisation (EBITDA) in FY 2024 was a loss of $4.45 million compared to loss in FY 2023 of $6.16 million. The decrease in loss was due to a reduction in expenses under key heads like marketing, website & communications, and office rental.

EBITDA is a non-IFRS financial measure and does not have a standardised meaning prescribed by IFRS. However, the Company believes that in combination with IFRS measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business.

The following table reconciles statutory loss to EBITDA.

Reconciliation of net loss after tax to EBITDA	FY2024 $	FY2023 $	Change $	Change %
Net loss after tax	**(7,640,572)**	**(20,389,298)**	**12,748,726**	**62.5**
Adjustments:				
Depreciation and amortisation expense	155,655	538,698	383,043	
Finance costs	2,913,101	2,211,176	(701,925)	
Share based payment/ (write back)	146,035	(84,071)	(230,106)	
Impairments	-	11,605,164	11,605,164	
Interest received	(27,619)	(43,020)	(15,401)	
EBITDA	**(4,453,400)**	**(6,161,351)**	**1,707,949**	**27.7**

Net loss after tax and impairments

Reported net loss after tax (NLAT) from ordinary activities in FY24 was $7.64 million compared to a net loss after tax from ordinary activities in FY23 of $20.36 million. The net loss last year was materially impacted by a once-off impairment charge of $11.6 million.

Debt management

During FY24, IncentiaPay signed an unsecured loan facility of $5 million with Suzerain to meet its working capital requirements. Key features of the loan facility are:

1. Loan Amount: $5 million
2. Interest Rate: 13.0% per annum
3. Loan principal repayment date: 31 December 2025
4. Interest repayment date: Interest to accrue and to be repaid on 31 December 2025
5. No interest will be charged on interest accrued
6. Line Fees: 1% annually on the Outstanding Principal, payable in arrears on the last day of June and December of each year of the term.

Additionally, IncentiaPay was able to negotiate and secure the following favorable amendments to its following debt facilities during FY24.

A. $22.50 million loan facility with New Gold Coast Holdings (NGCH):

1. Deferment of principal repayment date from 31 December 2024 to 31 December 2025,
2. Deferment of interest payment date from 31 December 2024 to 31 December 2025,
3. No interest will be charged on the interest accrued,
4. Deferred interest will not be eligible for conversion to equity.

B. $0.50 million loan facility with Suzerain:

1. Deferment of loan repayment date to 31 December 2025.
2. Interest will accrue with full amount to be payable by 31 December 2025.
3. No interest will be charged on the interest accrued with effect from 1 July 2023.

Dividends

No dividend has been declared in relation to the FY24 results. The Board of Directors of IncentiaPay do not expect to declare any dividends in FY25.

The Leadership Team

Board of Directors

Meet IncentiaPay's Board of Directors – A group of knowledgeable business executives with a track record of growing and building businesses.

Dean Palmer
Chairman

Dean Palmer is a business professional with over 25 years' experience in finance, business building and funds management.

Dean is the Managing Director of Skybound Capital's operations in Australia. Dean is also the founder and CEO of Skybound Fidelis Investment Limited, a specialist finance, commercial credit and property funds management company which holds an Australian Financial Services Licence. Dean has held numerous senior executive positions both in Australia and the UK.

Dean has a Bachelor of Commerce, Bachelor of Laws and is a member of Chartered Accountants Australia.

Ani Chakraborty
Non-Executive Director

Ani Chakraborty is an engineer and management graduate and brings more than 22 years of strategy and transformational experience in several different sectors such as digital operations, infrastructure, utilities and resources.

He has served as an Investment Director at Hastings Funds Management and has a management consulting background, primarily with McKinsey & Company.

Ani joined the Board as the Managing Director from 1 Jun 2023 and as a Non-Executive Director from 14th July 2024. Ani is CEO of Bestech Australia, a specialist manufacturer of sensor and technical equipment and a Non-Executive Director of LARES, private operator of Land and Chattel Mortgage Registry of the Philippines.

Charles Romito
Non-Executive Director

Charles Romito is an experienced management consultant and investment professional. He was previously in the London office of the global strategy consultancy McKinsey & Company and a co-founder of their Innovation & Growth Strategy practice. Charles is currently a Partner with Corpus Transformation Services in Sydney.

As a PE professional, Charles has held senior roles including the COO and General Operating Partner in a Venture and Growth Equity fund. He has 21+ year track record and has held Board positions in 5 countries.

Charles is also an accomplished management-academic with expertise in Business-Model Innovation, Growth Strategy and Business Transformation; he has published and presented at international conferences; and designed, developed and delivered Masters' level degree programs and Executive Education.

The Executive Team

IncentiaPay has an outstanding leadership team with a deep history in business and management, technology and marketing.

Heidi Halson
Chief Executive Officer

A graduate of Washington State University, Heidi Halson was involved with the establishment of Entertainment Publications in Australia back in 1994. Since establishing the business 30 years ago and running it till 2018, she has witnessed firsthand the evolution of the hospitality industry in Australia and New Zealand and is a key facilitator in evolving the Entertainment Book from its historical format, into a Digital Entertainment Membership as an App, released in 2014.

Heidi brings her 40 years of leadership in the hospitality industry, strategic planning, and marketing directorship.

Kunal Kapoor
CFO and Company Secretary

Kunal Kapoor brings in more than 22 years of Industry experience in Corporate Finance and Financial Control having worked across Australia, Asia, and Middle East in different industries like IT, Hospitality and Real Estate.

His role as CFO and Company Secretary is key to driving revenue and optimal cost control, along with finding opportunities for M&A and capital raising for the business.

Kunal is a member of CPA (Australia) and CFA Institute.

Dean Vocisano
Chief Revenue Officer

Dean brings over 20 years experience in Sales and Marketing; specialising in emerging markets and helping scale international business's across the APAC region. With an entrepreneurial mindset he has a passion for start-ups, emerging technologies and people. Dean has a strong background in navigating businesses through print to digital transformations, ensuring profitability and long term sustainability.

With Dean's history, and the synergies in his career and Entertainments journey, he is in a strong position to drive the right revenue outcomes.

Ryan Rodrigues
Chief Technology and Operations Officer

Ryan Rodrigues has more than 25 years of experience across general management and executive leadership roles, within technology, government, FMCG, retail, automotive, oil & gas, utilities and outsourcing.

His role as CTO/COO is key to driving technology, product, customer experience and operations transformation with a clear focus on revenue and value growth through data-driven technology uplift.

Ryan has a Master of Business Administration (MBA) focused in Technology and Operations Management from Auckland University of Technology.

Louise Lee
Chief People Officer

Louise Lee has over 18 years of experience in strategic and operational human resource management across sport, education, travel and manufacturing.

Her role as Chief People Officer is key to leading the Company through transformational change, to optimise the organisation and ensure a people-centred approach. Louise has a focus on driving strong leadership, engagement, values alignment and inclusion.

Louise has a Bachelor of Business (Human Resource Management) from Swinburne University and a Postgraduate Diploma in Management (PDM) from Melbourne Business School.

Business Risks

IncentiaPay faces a number of business risks that may impact the Company's ability to achieve its strategic objectives and create shareholder value.

The Board considers the following to be the key risks currently facing the business.

Business Risks

Risk	Nature of Risk
Funding	IncentiaPay has negative operating cash flows in past few years and there is no certainty that the Company will remain sufficiently funded.
	IncentiaPay continually manages its cash position on daily basis and has $5.0 million funding available as at 30 June 2024 out of $5.0 million approved unsecured loan facility from Suzerain.
Macro-economic uncertainty due to inflation	The increased inflation in the recent past has an adverse impact on the discretionary spending power of the people. As IncentiaPay's business content is primarily focused around discretionary spend, it may impact B2C revenues of the Company.
	The Board and Management have implemented a revenue pivot strategy to increase the B2C revenues via better engagement with the fund raiser channel which can promote Entertainment memberships to their members while highlighting the costs savings possible through Entertainment membership.
Success of Investment	Management have invested in the Seamless Rewards platform. IncentiaPay's success in part is predicated on our ability to generate new customers and cash inflows from the above platform.
	Management and the Board reviews the results of all of our investments regularly which forms the basis of future investment decisions.
Personnel	IncentiaPay's success depends, in part, upon the continued performance, efforts, abilities and expertise of its key management personnel, as well as other management and technical personnel. The loss of the services of these personnel without replacement could have an adverse impact on the successful operation, management, and marketing of IncentiaPay's product/service offerings and platforms.
	The Board reviews the incentive structures of key personnel and senior management to ensure their remuneration is in line with the market, with a proportion deferred as a long-term/retention incentive. Management regularly undertakes succession planning analysis of key lead roles with the view to understand suitable internal talent and their readiness to assume these roles.

Risk	Nature of Risk
Technology	IncentiaPay's ability to consistently deliver high-quality services to its customers is increasingly dependent on maintaining modern, reliable, and secure technology. Any disruptions, whether from unexpected outages, upgrades that fail to meet current digital standards, or potential security breaches, could result in significant reputational and financial risks.
	To mitigate these risks and ensure its technology remains at the forefront of the digital landscape, IncentiaPay has strategically insourced the management of its core technology platforms. This approach provides the Company with greater control over its technology development roadmap, enhances its ability to proactively manage potential outages, and strengthens its capacity to address evolving security threats effectively.
Regulatory	IncentiaPay is subject to substantial regulatory and legal oversight. The agencies with regulatory oversight of IncentiaPay and its subsidiaries include, among others, the ASX and ASIC. Failure to comply with legal and regulatory requirements may have a material adverse effect on IncentiaPay and its reputation among customers and regulators, and in the market.
	IncentiaPay has compliance frameworks, policies, and procedures in place to manage the risk of non-compliance and is prepared to play an active role in consulting with regulators on changes that could impact the business.
Reputation	Reputation risk may arise through the actions of IncentiaPay or its employees and adversely affect perceptions of IncentiaPay held by the public, customers, shareholders, or regulators. These issues include appropriately dealing with product outages or issues, potential conflicts of interests, legal and regulatory requirements, ethical issues, privacy laws, information security policies and sales and trading practices. Damage to IncentiaPay's reputation may have an adverse impact on IncentiaPay's financial performance, capacity to source funding, cost of sourcing funding, and liquidity.
	IncentiaPay actively manages the above risks by regularly monitoring its market reputation amongst customers and shareholders, as well as keeping an open dialogue with regulators and financiers.

Risk	Nature of Risk
Competition	New competitors are emerging in the loyalty and incentives markets, within which IncentiaPay operates. The loyalty space is particularly competitive, with many well-funded international competitors and platform managers. An inability to adapt to technological advancement, including further digitisation and flexibility of products, could negatively impact the ability to attract customers and have a material adverse effect on the business of IncentiaPay.
	To mitigate this, IncentiaPay's focus is squarely on its strengths: quality, technology and content. The ongoing investment in these areas provides IncentiaPay with differentiation in this noisy space.
Third Party Failure	IncentiaPay is reliant on several third-party contractors. These third parties provide essential services, on an outsourced basis, including software and/or product development activities. Accordingly, IncentiaPay is reliant on contractors properly performing their contractual obligations, and performance failures may have an adverse effect on IncentiaPay. IncentiaPay is also an extensive user of third party provided IT hardware and software platforms, systems, and infrastructure. IncentiaPay is reliant on these suppliers properly performing their contractual obligations, and performance failures or unreasonable price increases may have a material adverse impact on the Company. A failure by any of these suppliers to provide those services or a failure of their systems may adversely affect IncentiaPay's ability to provide services to its customers.
	To minimise these risks, IncentiaPay actively engages with its key third party providers on a regular basis and remains abreast of potential risks within these providers through regular interaction at the senior management level.
Intellectual Property Risk	Whilst every effort has been made to secure the technology supporting IncentiaPay's various platforms, IncentiaPay does not intend to apply to register patents for all the intellectual property associated with the Entertainment and Frequent Values platforms. Other parties may claim infringement of patents, or alternatively other parties may develop and patent other very similar, potentially substitutable products, processes, or technologies.
	IncentiaPay sees the unique value of its intellectual property, in the content of its Entertainment and Frequent Values platforms, as a mitigant to this risk.

Director's Report

Director's Report

Directors present their report on the consolidated entity IncentiaPay Ltd and its controlled entities (IncentiaPay) for the financial year ended 30 June 2024. The information in the Operating and Financial Review forms part of this Directors' report and should be read in conjunction with this section of the Annual Report.

General Information

Directors

The following persons were Directors of IncentiaPay Ltd during or since the end of the financial year up to the date of this report:

- Dean Palmer (appointed 19 August 2019 and re-elected 30 November 2022)
- Charles Romito (appointed 28 June 2019 and re-elected 20 January 2022 & 30 November 2023)
- Ani Chakraborty (appointed 31 May 2023)

Particulars of each Director's experience and qualifications are presented later in this report.

Principal Activities

During the year the principal continuing activities of the group consisted of:

a. providing members with special offers, discounts, promotions, and booking facilities through a paid membership subscription.

b. selling gift cards to members.

c. placing advertisements and distributing offers and promotions on behalf of businesses.

d. developing and managing programs of special offers, discounts, promotions, and booking facilities for corporate customers.

e. generating transaction-linked revenue through cardholder transactions with participating merchants.

Significant changes in the state of affairs

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

Review of operations and results

The Operational and Financial Review is contained on pages 7 to 15 of this report.

Dividends paid or declared

No dividends were paid or declared for payment during the financial year. Investors should note that the Board of Directors of IncentiaPay Ltd do not expect to declare dividends from the Company during the next financial year.

Indemnifying directors and officers

The Company has entered into a Deed of Access and Indemnity in favor of each Director and Officer of the Company. The indemnity operates so that officers are indemnified on a full indemnity basis and to the full extent permitted by law against liabilities and losses incurred as an officer of the Company.

During or since the end of the financial year, the Company has paid premiums to insure the Directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors or officers of the Company, other than conduct involving a willful breach of duty in relation to the Company.

The insurance is in accordance with section 199B of the Corporations Act 2001 (Cth). In accordance with the terms of the policy, the policy prohibits disclosure of its terms, including the amount of the premium.

Proceedings on behalf of Company

No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or 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 any part of those proceedings.

Non-audit services

The Board of Directors, pursuant to advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

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

The following fees were paid or payable to William Buck for non-audit services provided during the year ended 30 June 2024:

Taxation Services	$9,255
Total	**$9,255**

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 44 of the Annual Report.

Matters arising after the end of financial year

The Group has successfully re-negotiated the repayment of the Skybound Fidelis loan until 31 December 2025.

Environmental regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Options/ Performance Rights

There were performance rights granted to non-executive director Ani Chakraborty and other senior employees as part of compensation during the year ended 30 June 2024. However, there were no ordinary shares of the Group issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report. Ani Chakraborty held 4,250,000 performance rights at 30 June 2024. Further details are available in Note 13 to the financial statements.

Loan funded share plan

During the year ended 30 June 2024, shareholders approved loan funded share plan for non-executive director Charles Romito. The relating 12,651,000 loan funded shares are still held in the escrow account as per the escrow deed signed between the Company and Charles Romito. Further details are available in Note 13 to the financial statements.

INFORMATION RELATING TO DIRECTORS AND COMPANY SECRETARY

Dean Palmer - Chairman

Board Appointment	15 August 2019 and re-elected 30 November 2022. Appointed as Chairman 31 May 2023.
Interest in shares and options	Dean Palmer has the following indirect interest in ordinary shares: • 861,845,725 ordinary shares are held by Suzerain Investments holdings Ltd • 59,524,369 ordinary shares are held by Australian Fintech Plus Pty Ltd. Dean Palmer is a Director & CEO of a related entity of Suzerain, and Dean Palmer's family trust is a unit holder in Australian Fintech Plus Pty Ltd ACN 619 156 099 as trustee of the Australian Fintech Trust.
Special responsibilities	Chairman of the Risk and Audit Committee Member of the Nominations and Renumeration Committee
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Bachelor of Laws (LLB) Bachelor of Commerce Member of Chartered Accountants Australia & New Zealand
Experience	Chartered accountant with more than 25 years of experience. Founder and CEO of Skybound Fidelis Investment Limited - a specialist finance, commercial credit, and property fund manager. Has held numerous senior executive roles both in Australia and the UK and is currently Managing Director of Skybound Capital in Australia.

Charles Romito - Non-Executive Director

Board Appointment	28 June 2019 Re-elected 20 January 2022 and 30 November 2023
Interest in shares and options	12,651,000 loan funded shares
Special responsibilities	Chairman of the Nominations and Renumeration Committee Member of the Audit and Risk Committee
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Doctor of Philosophy (Ph.D) MSci, Physics

Experience	Charles Romito is an experienced management consultant and investment professional. He was previously in the London office of the global strategy consultancy McKinsey & Company and a co-founder of their Innovation & Growth Strategy practice. Charles is currently a Partner with Corpus Transformation Services in Sydney. As a PE professional, Charles has held senior roles including the COO and General Operating Partner in a Venture and Growth Equity fund. He has 21+ year track record and has held Board positions in 5 countries. Charles is also an accomplished management-academic with expertise in Business-Model Innovation, Growth Strategy and Business Transformation; he has published and presented at international conferences; and designed, developed and delivered Masters' level degree programmes and Executive Education.

Ani Chakraborty – Non-Executive Director

Board Appointment	Managing Director - 31 May 2023 till 14 July 2024 Non- executive Director – 14 July 2024
Interest in shares and options	4,250,000 performance rights. Each performance rights can be exercised into fully paid share of the Company.
Special responsibilities	Member of the Audit and Risk committee and Nominations and Renumeration Committee
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Bachelor of Technology (Electrical Engineering), MBA (Finance and Operations)
Experience	Ani Chakraborty brings more than 22 years of strategy and transformational experience in several different sectors such as digital operations, infrastructure, utilities and resources. He has served as an Investment Director at Hastings Funds Management and has a management consulting background, primarily with McKinsey & Company.

Company Secretary

Sean Coleman is a Principal at Sundaraj & Ker and acted as the Company Secretary from 1 March 2023 till 4 October 2023 and as the joint Company Secretary from 4 October 2023 till 31 December 2023.

Mr. Coleman is a corporate lawyer with over a decade of experience specialising in public and private mergers & acquisitions, cross-border transactions, capital raisings and funds management. He also advises on general security law matters including ASX Listing Rules compliance and corporate governance.

Kunal Kapoor was appointed as the joint Company Secretary from 4 October 2023 and was appointed as Company Secretary with effect from 1 January 2024.

Mr. Kapoor is a Chartered Accountant and CPA with more than 22 years of Industry experience in Corporate Finance and Financial Control having worked across Australia, Asia, and Middle East in different industries like IT, Hospitality and Real Estate.

Meetings of directors

During the financial year, the following meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year was as follows:

	Director's meetings		Audit and risk committee		Remuneration and nominations committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dean Palmer	7	7	2	2	2	2
Charles Romito	7	7	2	2	2	2
Ani Chakraborty	7	6	2	1	2	2

This Directors' report, incorporating the Operating and Financial Review and the Remuneration report is signed in accordance with a resolution of the Board of Directors.

Dean Palmer
Chairman

26 September 2024

Remuneration Report

Remuneration Report Framework

1. Key management personnel

KMP are those people who have authority and responsibility for planning, directing, and controlling the strategic activities of the Group, directly or indirectly, including any Group (the Board) or any individual acting under delegated authority.

KEY MANAGEMENT PERSONNEL FOR THE YEAR COMPRISED:

Non-Executive and Executive Directors as at June 2024

Name	Position	Dates
Dean Palmer	Non-Executive Chairman	Full Financial Year
Charles Romito	Non-Executive Chairman	Full Financial Year
Ani Chakraborty	Executive Managing Director	Full Financial Year

Key Management Personnel

Name	Position	Dates
Ani Chakraborty[1]	CEO	1 July 2023 to 30 April 2024
Heidi Halson	CEO	1 May 2024 to 30 June 2024
Kunal Kapoor	CFO and Company Secretary	4 October 2023 to 30 June 2024

[1] Ani Chakraborty assumed the responsibilities of CFO from 1 March 2023 till 3 October 2023.

2. Remuneration policy

The remuneration policy of IncentiaPay has been designed to attract the most qualified and experienced KMP and align objectives with those of the business and shareholders. All executives receive a base salary which is based upon factors such as the length of service, experience, and skills, as well as superannuation as required by law. Executives may sacrifice part of their salary to increase payments towards superannuation.

The Company also has remuneration policy in relation to Short Term Incentive (STI) and Long-Term Incentive (LTI) for the Executives and Long-Term Incentive for the Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval at the AGM. The maximum amount currently approved by shareholders is $500,000 per annum.

3. Remuneration Committee and executive compensation

The Remuneration Committee has the responsibility for providing advice in relation to the remuneration packages of senior executives, non-executive, and executive directors. The Committee is also responsible for the design and oversight of any share option schemes, performance incentive packages, superannuation entitlements, and retirement and termination entitlements.

The Remuneration Committee reviews the compensation package for senior executives on an annual basis and makes recommendations to the Board for approval. Compensation packages are reviewed and determined based on current market rates and benchmarked against comparable roles and companies of a similar size. The Committee is chaired by Dr Charles Romito.

4. Remuneration objectives and principles

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

The Company's remuneration strategy is structured to:

- ensure employee remuneration is fair and reasonable;
- attract and retain high caliber executives;
- align performance with shareholder value; and,
- be easily understood by all stakeholders.

5. Remuneration framework

The Executive Remuneration Framework is characterised by Fixed Remuneration (base salary, superannuation plus other fixed benefits) and Variable/Performance Related Remuneration (including short-term incentive (STI) and long- term incentive (LTI) linked to performance).

Fixed compensation

This component is not performance linked and generally consists of salary and superannuation entitlements. The base amount is reviewed annually by the Remuneration Committee for the Chief Executive Officer and other senior executives. Any adjustments made during the year will either be because of market rate changes for the Company to remain competitive, or to reflect any changes in the level of responsibility in the event the role has expanded.

Performance related compensation

Performance-related compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The STI is an 'At Risk' bonus provided in the form of cash and its calculation is based on the achievement of agreed KPIs and goals. A new proposed LTI is under discussion by the Remuneration Committee to align management incentives with long-term shareholder value.

Short-term incentives (STI)

The STI performance arrangements in which executives are incentivised with KPI's and targets as set out on an annual basis, are board approved and do not constitute a formal scheme. Targets and KPI's can change each year depending on business priorities and are determined to increase business performance. Final payment amounts are subject to individual, divisional and group measurement metrics, and are reviewed and approved by the Board.

Long-term incentives (LTI)

Prior years approved LTI's were linked to the achievement of operational targets, and share price performance, and were provided to certain KMP, through a Loan Funder Share Plan, as part of their remuneration package, at the discretion of the Board. With the departure of those KMPs, all the unvested options under the Loan Funded Share Plan were forfeited last year.

A LTI for the non-executive director Charles Romito was approved by the Board and Shareholders during the 2023 AGM, through a new Loan Funded Share Scheme (LFS) as part of his remuneration. Further details are available in Note 13 to the financial statements.

The Remuneration Committee and Management are currently in the process of developing a new LTI plan for the senior executives.

Non-Executive Directors' fees

There were no changes to the fixed fees of the Non-Executive Directors (including the Chairman) for the financial year.

6. Group performance and changes in shareholder wealth

The table below sets out summary information about the Company's performance and its impact on shareholder wealth for the five years to 30 June 2024:

	FY24	FY23	FY22	FY21	FY20
Revenue ($'000)	16,616	17,249	20,620	19,435	42,205
Revenue ex Gift Cards ($'000)	9,431	9,198	12,013	12,110	31,513
Profit/(loss) for the period before tax ($'000)	(7,641)	(20,389)	(15,631)	(8,588)	(20,945)
Dividends paid ($'000)	-	-	-	-	-
Share price as of 30 June	$0.003	$0.007	$0.007	$0.024	$0.026
Change in share price	($0.004)	-	($0.017)	($0.002)	($0.019)

[1] Amounts exclude discontinued operations.

7. Transactions with Directors and key management personnel

MOVEMENT IN SHARES

	Held on 01 July 2023	Other Changes (Sales)	Held on 30 June 2024
DIRECTORS/ KMP			
Dean Palmer[1]	927,570,550	(6,200,456)	921,370,094
Charles Romito	-	-	-
Ani Chakraborty	-	-	-
Heidi Halson	420,000	-	420,000
Kunal Kapoor	-	-	-

[1] The balance on 30 June 2024 is made up of 861,845,725 ordinary shares are held by Suzerain Investments holdings Ltd (Dean Palmer is a Director & CEO of a related entity of Suzerain Investments Holdings Ltd), and 59,524,369 ordinary shares held by Australia Fintech Pty Ltd as trustee for the Australia Fintech Trust (Dean Palmer is Director of Australia Fintech Pty Ltd and beneficiary of the Australia Fintech Trust).

	Held on 01 July 2022	Other Changes	Held on 30 June 2023
DIRECTORS/ KMP			
Dean Palmer[1]	861,845,725	-	861,845,725
Jeremy Thorpe and Dean Palmer[2]	65,724,825	-	65,724,825
Stephen Harrison[3]	4,754,285	-	4,754,285
Charles Romito	-	-	-
Ani Chakraborty	-	-	-
Ben Newling[4]	-	-	-

1. Ordinary shares are held by Suzerain Investments holdings Ltd. Dean Palmer is a Director & CEO of a related entity of Suzerain Investments Holdings Ltd.
2. Ordinary shares are held by Australia Fintech Pty Ltd as trustee for the Australia Fintech Trust. Jeremy Thorpe and Dean Palmer were Directors of Australia Fintech Pty Ltd and beneficiaries of the Australia Fintech Trust as on the above dates.
3. Stephen Harrison resigned as non-executive director and Chair of the Company with effect from 31 May 2023.
4. Ben Newling resigned as Chief Financial Officer of the Company with effect from 28 February 2023.

Other transactions with key management personnel

Certain key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities. Some of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. Details of transactions with related entities are detailed in the tables below:

	2024 $	2023 $
Sales of goods and services		
Membership subscriptions[1]	9,409	2,737
Enterprise sales[2]	-	61,000
Travel commission[3]	14,350	6,228
Charging of salary[4]	45,642	93,334
Purchases of goods or services		
Rent[5]	1,268	7,000
Charging of travel expense[6]	936	-
Charging of recruitment expenses[7]	30,740	-
Customer service[8]	-	17,294
Communication infrastructure[9]	-	971

1. Sale of Entertainment memberships to Leisurecom Group, a controlled entity of Suzerain.
2. Enterprise sales to Noble Oak Life Limited, an entity related to Stephen Harrison, the ex-Chairman, until he left the group on 31 May 2023.
3. Travel commission from Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
4. Recharge of salary expenses to Ecruising Travel, a controlled entity of Suzerain.
5. Gold Coast office space parking provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain.\
6. Recharge of travel expenses by Ecruising Travel, a controlled entity of Suzerain.
7. Recharge of recruitment expense by Ecruising Travel, a controlled entity of Suzerain.
8. Customer service provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
9. Communication network costs on charged from Leisurecom Group Pty Ltd for Harrington Street location.

Outstanding balances arising from sales/purchases of goods and services:

	2024 $	2023 $
Current payables		
Leisurecom Group[1]	-	6,600

1. Customer service and office space provided by a related entity of Suzerain.

Current receivables		
Leisurecom Group[2]	891	10,069

2. Membership, Commission, and Salary charging provided to a related entity of Suzerain.

Outstanding balances arising from loan agreements:

	2024 $	2023 $
Borrowings		
Interest bearing loan	766,997	699,093
Transformational capital facility	1,207,807	1,207,807
New Gold Coast Holdings facility	25,536,953	17,233,393

Significant loan and capital related transactions between the Group and related parties include the following:

NGCH, Suzerain and Skybound, are related parties to Dean Palmer (Chairman), have provided a total of $29.20 million loan facilities to the Group. During the period, the Group drew down $5.93 million of the line of credit facility (before interest charges), with $5.14 million remaining unutilised at 30 June 2024.

Interest bearing loan
Principal Balance at 30 June 2024: $500K.
Interest outstanding at 30 June 2024: $267K.
Interest charged during period: $66K.
Interest paid during period: NIL
Terms and conditions: 10% per annum charged monthly.
Repayment date: 31/12/2025
Security: Security over all the Group's present and future property.

Transformational capital facility

Principal Balance at 30 June 2024: $1,200K.
Interest outstanding at 30 June 2024: $7.8K
Interest charged during period: $150K.
Interest paid during period: $150K.
Line Fees charged during period: $24K
Line Fees paid during period: $24K
Terms and conditions: 12.5% per annum charged monthly.
Repayment date: 31/12/2025[1]
Security: Second ranking security over all the Group's present and future property.

[1]Updated repayment terms have been agreed post 30 June 2024 resulting into the deferment of repayment date to 31 December 2025.

New Gold Coast Holdings Limited Facility
Principal Balance at 30 June 2024: $22,359K.
Interest outstanding at 30 June 2024: $3,115K
Interest charged during period: $2,346K.
Interest paid during period: NIL.
Line Fees charged during period: $330K
Line Fees paid during period: $302K
Terms and conditions: 12.5% per annum charged monthly.
Repayment date: 31/12/2025
Security: First ranking security over all the Group's present and future property.

8. Details of remuneration (KMP)

Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

2024	Short-term Benefits			Post Employment Benefits	Long-term Benefits	Shared Based Payments		
	Cash Salary and Fees	Annual Leave	Other	Superannuation	Long Service Leave	Rights and Options to be equity settled	Total	% of Remuneration Linked to Performance
Directors								
Dean Palmer[1]	120,000	-	-	-	-	-	120,000	0%
Charles Romito[2]	80,000	-	9,680	7,600	-	33,593	130,873	0%
Ani Chakraborty[3]	42,400	-	9,680	-	-	-	52,080	0%
Executives								
Ani Chakraborty[4]	331,375	14,730	650	27,399	1,099	21,250	396,503	0%
Heidi Halson[5]	107,407	4,181	100	5,064	109	5,892	122,753	0%
Kunal Kapoor[6]	246,540	17,125	650	25,390	702	10,625	301,032	0%

1. Directors' fees were paid to an associated entity of Dean Palmer and a related party of IncentiaPay Ltd.
2. Directors' fees were paid to an associated entity of Charles Romito.
3. Directors' fees were paid to an associated entity of Ani Chakraborty.
4. Ani Chakraborty was employed by IncentiaPay as an employee till 14th July 2024.
5. Heidi Halson was appointed as a consultant to the Company effective 4th March 2024 till 30th April 2024 and as a CEO of the Company with effect from 1 May 2024. Of the total salary and fees paid, $61,369 was paid as a consultancy fee to an associated entity of Heidi Halson.
6. Kunak Kapoor was appointed as CFO and Company Secretary of the Company with effect from 4th October 2023.

2023	Short-term Benefits			Post Employment Benefits	Long-term Benefits	Shared Based Payments		
	Cash Salary and Fees	Annual Leave	Other	Superannuation	Long Service Leave	Rights and Options to be equity settled	Total	% of Remuneration Linked to Performance
Directors								
Dean Palmer[1]	80,262	-	-	-	-	-	80,262	0%
Stephen Harrison[7]	100,375	-	-	-	-	-	100,375	0%
Jeremy Thorpe[1]	63,875	-	-	-	-	-	63,875	0%
Charles Romito[2]	80,000	-	-	7,600	-	-	87,600	0%
Executives								
Ani Chakraborty[4]	325,000	29,400	550	25,292	509	-	380,751	0%
Ben Newling[5]	201,520	-	343	17,558	-	(167,062)[6]	52,359	0%

1. Directors' fees were paid to an associated entity of Jeremy Thorpe and Dean Palmer and a related party of IncentiaPay Ltd.
2. Directors' fees were paid to an associated entity of Charles Romito.
3. All Directors except Ani Chakraborty are Non-Executive. Directors do not receive performance related compensation and are not provided with retirement benefits, apart from statutory superannuation where applicable.

4. Ani Chakraborty is employed by IncentiaPay as a permanent full-time employee. For details relating to his notice period required to terminate his contract, and termination payments provided for under the contract, refer to section 9 of the remuneration report.
5. Ben Newling was employed by IncentiaPay as a permanent full-time employee up until the termination of his employment on 28 February 2023.
6. This amount relates to the reversal of the previously recognised share-based payment expense under the Loan Funded Share Scheme that has either expired, lapsed, or been forfeited during the current financial year, refer to section 10 of the remuneration report.
7. Stephen Harrison resigned as non-executive director and Chair of the Company with effect from 31 May 2023.

9. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Heidi Halson
Title	Chief Executive Officer
Agreement commenced	1 May 2024
Term of engagement	1 May 2024 to 30 June 2026
Details	**Termination of employment** • By either party on giving 6 months' notice; or • Immediately on payment in lieu of notice or if any of the conditions for termination for cause are met including serious misconduct, gross negligence, breach of duty, bankruptcy, charge with criminal conduct, or engaging in insider trading. Excluding payment in lieu of notice and statutory entitlements to accrued leave, the contract does not specify any termination payment. **Equity compensation** • 20,500,000 shares subject to the vesting condition of market cap of $45 million as at 30 June 2026. This is still subject to shareholders approval in 2024 AGM.

Name	Kunal Kapoor
Title	Chief Finance Office and Company Secretary (4 October 2023 till date)
Agreement commenced	4 October 2023
Term of engagement	Permanent Full Time
Details	**Termination of employment** • By either party on giving 13 weeks' notice; or • Immediately on payment in lieu of notice or if any of the conditions for summary terminations are met including serious misconduct, gross negligence, breach of contract, bankruptcy, charge with criminal conduct, or engaging in insider trading. Excluding payment in lieu of notice and statutory entitlements to accrued leave, the contract does not specify any termination payment. **Equity compensation** • 2,125,000 performance rights issued at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024. Each performance right can be exercised into fully paid ordinary share of the Company.

Name	Ani Chakraborty
Title	Chief Executive Officer (until 30 April 2024)
Agreement commenced	24 December 2021
Term of engagement	Already Resigned from the position of Chief Executive Officer
Details	**Termination of employment** • By either party on giving 6 months' notice; or • Immediately on payment in lieu of notice or if any of the conditions for summary terminations are met including serious misconduct, gross negligence, breach of contract, bankruptcy, crime, or repeated absence without explanation. Excluding payment in lieu of notice and statutory entitlements to accrued leave, the contract does not specify any termination payment. **Equity compensation** • 4,250,000 performance rights issued at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024. Each performance right can be exercised into fully paid ordinary share of the Company. • For appointment as Non Executive Director, 12,651,000 shares to vest in 3 tranches as per the following vesting dates with the vesting condition being remain engaged by the Company as a non-executive director on or after each vesting date. This is still subject to the approval of the shareholders in 2024 AGM and shares issuance plan will be documented after the approval.

Tranche	Number of Shares	Vesting Date
Tranche 1	4,217,000	1 July 2025
Tranche 2	4,217,000	1 July 2026
Tranche 3	4,217,000	1 July 2027

10. Share based compensation

The Board and Shareholders approved a Loan Funded Share Scheme (LFS) for the non-executive director Charles Romito and Performance Rights for previous CEO, Ani Chakraborty during 2023 AGM. In addition, the Board has approved issuance of Performance Rights to key senior employees. The Company had further approved the share based compensation to Heidi Halson on her appointment as CEO and Ani Chakraborty on his appointment as non-executive director as detailed In their service agreements above. Issuance of shares to Heidi Halson and Ani Chakraborty as non-executive director is still subject to shareholders' approval in 2024 AGM.

The key terms of the LFS scheme for Charles Romito are as follows:

a. Loan shares issued at $ 0.007 being 30 trading day VWAP of INP shares on ASX as on 17 November 2023.

b. Shares to vest in 3 tranches only if Charles remains engaged by the Company as a non-executive director on or after each applicable vesting date. Vesting schedule is as follows:

Tranche	Number of Shares	Vesting Date
Tranche 1	4,217,000	1 July 2024
Tranche 2	4,217,000	1 July 2025
Tranche 3	4,217,000	1 July 2026

c. The Company will provide an interest-free limited recourse loan to the non-executive director to fund the purchase of shares.

d. If there is an outstanding amount owing under the Loan, all dividends, distribution, capital return declared and paid with respect to the shares (after deduction for tax payable in relation to those distributions) shall be applied to repaying the Loan, therefore the executives shall have no right to receive those distributions

e. The non-executive director has the option to either repay the loan or return the shares at the loan repayment date, being 30 business days after the last vesting date;

f. The loan shares will rank pari passu with existing shares.

The key terms of the Performance Rights issued to Key Management Personnel are as follows:

a. 4,250,000 performance rights issued to Anil Chakraborty at NIL cost on 15 December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024.

b. 2,125,000 performance rights issued to Kunal Kapoor at NIL cost on 15 December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024.

c. Each performance right can be exercised into a fully paid ordinary share of the Company.

During previous years, the Company had issued loan funded shares to previous CEO, Henry Jones and previous CFO, Ben Newling. With their departure from the Company in December 2021 and February 2023 respectively, the Company had cancelled the balance loan funded shares held in the Escrow account for these 2 previous employees during the FY2024.

Movement in loan funded shares

	Held on 01 July 2023	Forfeited/ Expired/ Cancelled	Issued	Held on 30 June 2024	Vested and Exercisable as of 30 June 2024
Charles Romito	-	-	12,651,000	12,651,000	-

	Held on 01 July 2022	Forfeited/ Expired/ Cancelled	Issued	Held on 30 June 2023	Vested and Exercisable as of 30 June 2023
Ben Newling[1]	11,585,043	(11,585,043)	-	-	-

[1] At 31 December 2022, 5,382,791 share options lapsed and the remaining 6,202,252 share options were forfeited upon resignation and departure from the Company at the end of February 2023.

Movements in the share based payment reserve

	Share based payments reserve					
	Ben Newling $	Charles Romito $	Ani Chakraborty $	Kunal Kapoor $	Other senior employees $	Total $
Balance as at 1 July 2022	**167,062**	**-**	**-**	**-**	**-**	**167,062**
Amortised during the period	20,850	-	-	-	-	**20,850**
Lapsed during the period	(82,911)	-	-	-	-	**(82,911)**
Forfeited during the period	(104,921)	-	-	-	-	**(104,921)**
Balance as at 30 June 2023	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 1 July 2023	-	-	-	-	-	**-**
Amortised during the period	-	33,593	21,250	10,625	74,675	**140,143**
Balance as at 30 June 2024	**-**	**33,593**	**21,250**	**10,625**	**74,675**	**140,143**

1 During the previous reporting period 5,382,791 of Ben Newling's share options lapsed and the remaining 6,202,252 share options were forfeited upon his resignation in February 2023.

	LFS Grant Date	Tranche	No. of LFS	Issued Value $	Vested and Exercisable as of 30 June 2024	Fair Value $	Vesting Condition	Vesting Date
Charles Romito	17 Nov 2023	1	4,217,000	29,519	-	17,729	Continued appointment as Non-Executive Director	1 July 2024
	17 Nov 2023	2	4,217,000	29,519	-	24,393	Continued appointment as Non-Executive Director	1 July 2025
	17 Nov 2023	3	4,217,000	29,519	-	27,053	Continued appointment as Non-Executive Director	1 July 2026
Total Shares			**12,651,000**	**88,557**	**-**	**69,175**		

For additional information see note 13 to the annual financial statements.

	Performance Rights Grant Date	Tranche	No. of Performance Rights	Issued Value $	Vested and Exercisable as of 30 June 2024	Fair Value $	Vesting Condition	Vesting Date
Ani Chakraborty	15 Dec 2023	1	4,250,000	-	-	21,250	Continued employment as on vesting date	1 July 2024
Kunal Kapoor	15 Dec 2023	1	2,125,000	-	-	10,625	Continued employment as on vesting date	1 July 2024
Other Employees	15 Dec 2023	1	13,872,500	-	-	69,363	Continued employment as on vesting date	1 July 2024
Total Shares			**20,247,500**	**-**	**-**	**101,238**		

Auditor's Independence Declaration

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of IncentiaPay Limited

As lead auditor for the audit of IncentiaPay Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director
Melbourne, 26 September 2024

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

Financial Statements

Consolidated statement of profit or loss and other comprehensive income for year ended 30 June 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $
Revenue and other income	2	16,615,832	17,248,816
Cost of sales	3	(8,519,445)	(9,352,470)
Gross profit		**8,096,387**	**7,896,346**
Impairment	3	-	(11,605,164)
Employee expenses	3	(9,812,193)	(9,026,662)
Depreciation and amortisation expense		(155,655)	(538,698)
Building occupancy expense		(34,631)	(398,850)
Finance costs	3	(2,913,101)	(2,211,176)
Legal and professional costs		(248,062)	(284,629)
Marketing expenses		(685,304)	(1,291,962)
Website and communication		(777,153)	(1,218,814)
Bad debts reversals/(expenses)	3	74,724	(45,950)
Corporate and administrative expenses		(1,185,584)	(1,663,739)
Operating loss before income tax		**(7,640,572)**	**(20,389,298)**
Tax expense		-	-
Net loss for the period		**(7,640,572)**	**(20,389,298)**
Net loss attributable to members of the parent entity		**(7,640,572)**	**(20,389,298)**
Other comprehensive income			
Items that may be reclassified to profit or loss: Gain/(loss) arising from translating foreign controlled entities	13	(2,825)	26,143
Total comprehensive loss for the period		**(7,643,397)**	**(20,363,155)**
Loss per share			
Basic loss per share (cents)	5	(0.62)	(1.66)
Diluted loss per share (cents)	5	(0.62)	(1.66)

The accompanying notes form part of these financial statements.

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES
Consolidated statement of financial position as at 30 June 2024

		Consolidated Group	
	Note	2024 $	2023 $
Current assets			
Cash and cash equivalents		1,968,186	1,825,406
Trade and other receivables	6	523,753	354,836
Contract assets	2	126,256	267,198
Inventories		72,177	71,354
Other assets	7	561,280	1,144,817
Total current assets		**3,251,652**	**3,663,611**
Non-current assets			
Plant and equipment		70,278	43,140
Intangible assets	8	855,727	973,758
Total non-current assets		**926,005**	**1,016,898**
Total assets		**4,177,657**	**4,680,509**
Current liabilities			
Trade and other payables	9	2,686,893	2,601,617
Lease liabilities		-	309,642
Borrowings	10	1,207,807	708,307
Deferred revenue	11	2,637,603	3,333,641
Provisions		402,043	516,809
Total current liabilities		**6,934,346**	**7,470,016**
Non-current liabilities			
Borrowings	10	26,303,950	18,451,051
Deferred revenue	11	166,744	488,685
Provisions		55,727	50,613
Total non-current liabilities		**26,526,421**	**18,990,349**
Total liabilities		**33,460,767**	**26,460,365**
Net deficiency of assets		**(29,283,110)**	**(21,779,856)**
Equity			
Issued capital	12	132,141,215	132,141,215
Reserves	13	483,560	346,242
Accumulated losses		(161,907,885)	(154,267,313)
Total equity		**(29,283,110)**	**(21,779,856)**

The accompanying notes form part of these financial statements

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES
Consolidated statement of changes in equity for year ended 30 June 2024

	Note	Issued capital $	Accumulated losses $	Foreign currency translation reserve $	Share based payments reserve $	Total $
Balance at 1 July 2022		**132,141,215**	**(133,963,006)**	**322,099**	**167,062**	**(1,332,630)**
Comprehensive income						
Loss for the period		-	(20,389,298)	-	-	(20,389,298)
Other comprehensive income						
Exchange differences on translation of foreign operations		-	2,000	24,143	-	26,143
Total comprehensive income for period		**-**	**(20,387,298)**	**24,143**	**-**	**(20,363,155)**
Transactions with owners, in their capacity as owners and other transfers						
Vesting charge for share based payments	13	-	82,991	-	(167,062)	(84,071)
Total transactions with owners and other transfers		**-**	**82,991**	**-**	**(167,062)**	**(84,071)**
Balance at 30 June 2023		**132,141,215**	**(154,267,313)**	**346,242**	**-**	**(21,779,856)**

	Note	Issued capital $	Accumulated losses $	Foreign currency translation reserve $	Share based payments reserve $	Total $
Balance at 1 July 2023		**132,141,215**	**(154,267,313)**	**346,242**	**-**	**(21,779,856)**
Comprehensive income						-
Loss for the period		-	(7,640,572)	-	-	(7,640,572)
Other comprehensive income						-
Exchange differences on translation of foreign operations		-	-	(2,825)	-	(2,825)
Total comprehensive income for period		**-**	**(7,640,572)**	**(2,825)**	**-**	**(7,643,397)**
Transactions with owners, in their capacity as owners and other transfers						
Vesting charge for share based payments	13	-	-	-	140,143	140,143
Total transactions with owners and other transfers		**-**	**-**	**-**	**140,143**	**140,143**
Balance at 30 June 2024		**132,141,215**	**(161,907,885)**	**343,417**	**140,143**	**(29,283,110)**

The accompanying notes form part of these financial statements

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES
Consolidated statement of cash flows for year ended 30 June 2024

	Note	Consolidated Group 2024 $	2023 $
Cashflows from operating activities			
Receipts from customers		16,507,284	19,208,967
Payments to suppliers and employees		(21,927,000)	(26,110,315)
Net cash used in operating activities	**5**	**(5,419,716)**	**(6,901,348)**
Cashflows from investing activities			
Purchase of property, plant and equipment		(13,377)	(2,906)
Interest received		27,619	43,020
Purchase of intangibles		-	(311,264)
Proceeds from term investments	7	332,209	130,503
Net cash used in investing activities		**346,451**	**(140,647)**
Cashflows from financing activities			
Proceeds from borrowings	10	5,930,000	10,500,000
Interest and other finance costs	10	(477,945)	(1,692,359)
Principal element of lease payments		(233,178)	(910,245)
Net cash from financing activities		**5,218,876**	**7,897,396**
Net increase/(decrease) in cash held		145,611	855,401
Cash and cash equivalents at beginning of financial period		1,825,406	977,727
Effects of movements in exchange rates on cash and cash equivalents held		(2,832)	(7,722)
Cash and cash equivalents at the end of the year		**1,968,186**	**1,825,406**

The accompanying notes form part of these financial statements

Note 1 | Summary of material accounting policy information

Basis of preparation

These general-purpose financial statements for the year ended 30 June 2024 have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Consequently, this financial report is compliant with IFRS. IncentiaPay Limited is a listed public Company incorporated and domiciled in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

These audited consolidated financial statements were authorised for issue on the date of signing the attached directors' declaration.

Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

On 30 June 2024 the Group had cash on hand of $1.97 million, net liabilities of $29.28 million and a net current asset deficiency of $3.68 million. During the year ended 30 June 2024, the Group incurred a net loss before tax of $7.64 million and incurred net cash outflows from operating activities of $5.42 million.

The Directors have prepared cash flow forecasts for the period from 1 July 2024 to 30 September 2025 that support the ability of the Group to continue as a going concern. Key items of the forecasts:

- Focus on growing key revenue areas through re-engagement of the Fund raiser channel, acquisition of new clients in B2B space and growing transaction linked revenues.
- Continuing the costs discipline as evidenced during the last 2 years (technology optimisation, reduced property footprint) while investing more in the brand awareness.
- Continued support from the majority shareholder. The Company was able to secure a new $5 million unsecured facility from Suzerain Investments in June 2024 with repayment date as on 31 December 2025.
- The Company got the extension of NGCH, Skybound Fidelis and Suzerain loan to 31 December 2025 from 31 December 2024.

The ongoing operations of the Group is critically dependent upon the Group continuing to access the Suzerain & related parties financing facilities and the success of the revenue growth strategies.

As of 30 June 2024, the Group had undrawn financing facilities from Suzerain and related parties totaling $5.14 million. See note 10 for further information. This undrawn amount was reduced to $3.5 million at the date of the approval of this financial report.

Considering the financial results for the full year ended 30 June 2024, and the inherent uncertainty and highly sensitive assumptions present in the cash flow forecasts, there is a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, the Directors have reasonable grounds to believe that the ongoing financial support of Suzerain and its related entities is likely to continue, and accordingly have prepared the financial report on a going concern basis

Key judgements and estimates

Revenue recognition on a principal basis for gift card sales

The Group recognises revenues from its gift card sales on a principal basis. Refer to Note 2 for further detail

Deferred tax assets "DTA"

The directors have not recognised any deferred tax assets for carry-forward tax losses or timing difference as it is uncertain as to when or if those timing differences or tax losses will be utilised under either loss carry-forward rules or through the derivation of assessable taxable income.

The Group has estimated unutilised tax losses of $82.01 million (30 June 2023: $76.03 million). Additionally, there are other deductible temporary differences resulting in a net potential deferred tax asset position for the Group of approximately $0.91 million (30 June 2023: $0.53 million), calculated using the prevailing rate of Australia corporation tax of 30% for the Group.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. No specific impairment triggers were identified for the Group's non-financial assets for the financial year ended 30 June 2024.

Accounting for equity conversion entitlements in borrowing arrangements

As set out in note 10, the Group has issued debt with variable conversion entitlements. In assessing this arrangement, owing to the current share price of the Company relative to the floor price written into the conversion formula, the directors have determined that any embedded derivative potentially applicable in the arrangement is not material to separately disclosed and fair value in these financial statements as the amortised cost of the underlying host contract materially equals the fair value of the entire debt agreement.

Note 2 | Revenue

Accounting policy

Revenue from contracts with customers

Other than for a limited number of exceptions, including leases, the revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

The Group satisfies its obligations as services are rendered to its members during the period of membership. Benefits must be provided constantly throughout the period and Entertainment Publications has concluded that a straight-line basis is the most appropriate method.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of services	Nature and timing of satisfaction of performance obligations and revenue recognition policies
Fee income – Paid advertising	Revenue from Entertainment Publications marketing and merchant support fees through the placement of advertisements and the distribution of offers and promotions on behalf of businesses to members is recognised at point in time when the advertisement or offer is placed, distributed and invoiced. Revenue from the successful promotion of merchant offers is recognised when the transaction occurs which evidences the take up of the promotion.
Fee income – Travel booking	Revenue from commission receivable for bookings are recognised at point in time when the bookings are made, and it is paid for. Members have access to a range of discounts and deals from hotels, airlines and car rental companies through the Group's platform through which the Group acts as an agent on behalf of the hotels, airlines and car rental companies.
Membership subscriptions	The Entertainment membership is a digital product with a rolling subscription period ranging from 12 to 24 months upon activation. Special promotions may offer different subscription periods. Upon activation, Entertainment Publications commits to providing benefits like special offers and discounts throughout the membership period, recognising revenue over time. Deferred revenue is recorded for obligations not yet fulfilled. Payment is made before membership begins. Revenue from Gift with Purchase promotions is handled by recognising the standalone value of the gift immediately, with the remainder recognised over the membership's duration.
Enterprise sales	Entertainment Publications enters into contracts with corporate customers to develop a program of special offers, discounts, promotions and booking facilities for their customers or employees over the period of time applicable in the contract. Entertainment Publications has taken the view that the performance obligations defined in the contract should be bundled into one performance obligation centred around access to the program of benefits and revenue is recognised over the term of the contract.
Seamless Rewards - Success Fee	Under the Seamless Rewards program, the Seamless Rewards business receives transaction-linked revenue each time a cardholder transacts using a linked card at a Seamless Rewards merchant and that revenue earned is recognised in full as the performance obligation has been met.

Notes to the financial statements for the year ending 30 June 2024

Type of services	Nature and timing of satisfaction of performance obligations and revenue recognition policies
Merchant Management Services	Seamless Rewards earns revenue from managing partners' existing merchants and also onboarding new merchants on their behalf. In order to ensure that the revenue is recognised over time, in a manner that depicts the entity's performance against the targets and obligations, management has decided to recognise revenue on a straight-line basis as the services are performed on an ongoing basis during the term of contract period.
Gift card sales	Revenue from the sale of gift cards to members is recognised at a point in time when the gift card is provided to the customer, and it is paid for. The Group is a principal in these transactions as it purchased the gift cards and obtains full control of them before selling them to members.

Payment terms are highly varied for the different sources of revenue, different customers and contract terms are individually negotiated.

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following revenue sources.

	Consolidated Group	
	2024 $	2023 $
Fee income-Paid advertising	859,444	863,195
Fee income-Travel booking	15,915	23,574
Membership subscriptions	5,673,702	6,191,366
Enterprise sales	2,170,204	1,944,640
Gift card sales	7,183,887	8,051,334
Seamless Rewards Success Fee	500,656	28,487
Merchant Management Services	151,106	25,758
Revenue from contracts with customers	**16,554,914**	**17,128,354**
Other income[1]	33,299	77,442
Interest received	27,619	43,020
Total revenue and other income	**16,615,832**	**17,248,816**
Timing of revenue and other income recognition		
At a point in time	8,505,101	9,552,621
Over time	8,110,731	7,696,195
	16,615,832	**17,248,816**

[1] Other income consists predominantly of the outgoings component of the expired sublease for the previous Sydney Head Quarters and Harrington Street. The lease concludes in October 2023.

Notes to the financial statements for the year ending 30 June 2024

Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers.

Contract balances	Note	2024 $	2023 $
Current contract assets		126,255	267,198
Current contract liabilities - deferred revenue	11	2,637,603	3,333,641
Non-current contract liabilities - deferred revenue	11	166,744	488,685

The contract assets relate to accrued/unbilled revenue from Fee income-Paid advertising and Seamless Rewards - Success Fee, for which revenue is recognised a point of time.

The current and non-current contract liabilities - deferred revenue primarily relate to the advance consideration received from members for subscriptions and Enterprise customers, for which revenue is recognised over time. See note 11 for details.

Note 3 | Expenses

The group has identified the expenses which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

		Consolidated Group	
	Note	2024 $	2023 $
Cost of sales			
Amortisation of deferred commission	7	724,158	1,048,795
Enterprise book printing		-	9,007
Gift with purchase		460,098	221,671
Gift cards		6,856,459	7,810,965
Other		478,730	262,032
Total		**8,519,445**	**9,352,470**
Employee expenses			
Employee related expenses		9,070,558	8,537,820
Superannuation expenses		595,600	572,913
Share-based payment expenses/(reversed)		146,035	(84,071)
Total		**9,812,193**	**9,026,662**
Finance costs			
Finance costs on borrowings	10	2,906,751	2,127,788
Interest expense on lease liabilities		1,762	39,546
Other finance costs		4,588	43,842
Total		**2,913,101**	**2,211,176**
Bad debts expenses/(reversals)			
Bad debts written off		17,617	-
Movement in expected credit losses	6	(92,341)	45,950
Total		**(74,724)**	**45,950**

Notes to the financial statements for the year ending 30 June 2024

Note 4 | Dividends, earnings per share and franking credit

	Consolidated Group	
a) Franking account	2024 $	2023 $
Balance of franking account at year end adjusted for franking credits arising from:	6,504,523	6,504,523
Payments of income tax	-	-
Franking credits available for subsequent financial year	**6,504,523**	**6,504,523**

The Directors have advised that they do not intend to declare dividends for the 2024 financial year. The ability to utilise the franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, Incentiapay Limited as the head entity in the tax consolidated group has also assumed the benefit of $6.50 million (2023: $6.50 million) franking credits.

	Consolidated Group	
	2024 $	2023 $
b) Reconciliation of earnings to profit or loss		
Loss for the period from continuing operations	(7,640,572)	(20,389,298)
Earnings used to calculate basic EPS	**(7,640,572)**	**(20,389,298)**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS[1]	1,231,279,015	1,231,279,015
Weighted average of dilutive convertible notes and equity instruments outstanding[2]	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	**1,231,279,015**	**1,231,279,015**

[1] The 12,651,000 ordinary shares issued on 14 December 2023 at a price of $0.007 each under the loan funded shares plan are still in escrow and as such not included in the weighted average number of ordinary shares as they are treated as in substance options for accounting purposes and would be considered anti-dilutive in nature.
[2] There is a convertible loan deed in place with New Gold Coast Holdings Limited which is excluded as anti-dilutive.
[3] The 20,247,500 performance rights issued to Key Management Personnel (KMP) and other senior employees are excluded as anti-dilutive and unvested.

Notes to the financial statements for the year ending 30 June 2024

Note 5 | Cash flow information

Reconciliation of loss after income tax to net cash flow from operations

	Consolidated Group	
	2024 $	2023 $
Loss after income tax	(7,640,572)	(20,389,298)
Adjustments for:		
Amortisation-intangibles	118,031	287,849
Depreciation-property plant and equipment	37,624	228,635
Depreciation-right-of-use	-	22,213
Impairment of Intangibles and Leasehold Improvements in continuing operations	-	11,605,164
Share based payment expense	146,035	(167,062)
Net interest included within financing activities	2,913,101	2,211,176
Operating assets and liabilities:		
(Increase)/decrease in trade receivables	(130,619)	668,276
(Increase)/decrease in prepayments	247,574	356,866
(Increase)/decrease in inventories	(823)	128,975
Increase/(decrease) in trade payables and accruals	17,563	(2,050,630)
Increase/(decrease) in deferred income	(1,017,978)	581,526
Increase/(decrease) in provisions	(109,652)	(385,038)
Cash flow used in operating activities	**(5,419,716)**	**(6,901,348)**

Notes to the financial statements for the year ending 30 June 2024

Reconciliation of liabilities arising from cash flows from financing activities

	Interest bearing loan	Transformational Capital Facility	New Gold Coast Holdings Loan Facility	Lease liabilities	Additional growth operational facility	Total
	$	$	$	$	$	$
Balance as at 1 July 2022	**631,017**	**1,207,807**	**6,096,642**	**1,219,887**	**184,452**	**9,339,805**
Drawn down	-	-	10,500,000	-	-	10,500,000
Repayment or amortised	-	-	-	(910,245)	-	(910,245)
Admin fees paid	-	-	(467,503)	-	-	(467,503)
Admin fees	-	-	394,169	-	-	394,169
Interest paid	-	(150,003)	(783,062)	(39,546)	-	(972,611)
Interest expenses	68,076	150,003	1,493,147	39,546	-	1,750,772
Line fees paid	-	(24,000)	-	-	(184,452)	(208,452)
Line fees	-	24,000	-	-	-	24,000
Balance as at 30 June 2023	**699,093**	**1,207,807**	**17,233,393**	**309,642**	**-**	**19,449,935**
Balance as 1 July 2023	**699,093**	**1,207,807**	**17,233,393**	**309,642**	**-**	**19,449,935**
Drawn down	-	-	5,930,000	-	-	5,930,000
Repayment	-	-	-	(233,178)	-	(233,178)
Amortised	-	-	-	(77,195)	-	(77,195)
Admin fees paid	-	-	(302,500)	-	-	(302,500)
Admin fees	-	-	330,000	-	-	330,000
Interest paid	-	(150,414)	-	(1,031)	-	(151,445)
Interest expenses	67,904	150,414	2,346,060	1,762	-	2,566,140
Line fees paid	-	(24,000)	-	-	-	(24,000)
Line fees	-	24,000	-	-	-	24,000
Balance as at 30 June 2024	**766,997**	**1,207,807**	**25,536,953**	**-**	**-**	**27,511,757**

Note 6 | Trade and other receivables

	Consolidated Group	
	2024	2023
	$	$
Current		
Trade receivables	547,276	367,920
Provision for allowance	(23,523)	(115,728)
Net trade receivables	**523,753**	**252,192**
Sublease rent receivable[1]	-	102,644
Total current trade and other receivables	**523,753**	**354,836**

[1]Expired Sublease of the Sydney office.

Notes to the financial statements for the year ending 30 June 2024

The movement in the provision for loss allowance of receivables is as follows:

	Opening balance 1/07/2023	Loss allowance adjustment for year	Exchange differences on translation of foreign operations	Closing balance 30/06/2024
	$	$	$	$
Current trade receivables	(115,728)	92,341	(136)	(23,523)
Total	**(115,728)**	**92,341**	**(136)**	**(23,523)**
	Opening balance 1/07/2022	**Loss allowance adjustment for year**	**Exchange differences on translation of foreign operations**	**Closing balance 30/06/2023**
	$	**$**	**$**	**$**
Current trade receivables	(69,778)	(45,950)	-	(115,728)
Total	**(69,778)**	**(45,950)**	**-**	**(115,728)**

The Group impairs the value of individual trade debtors based on an assessment of the credit quality of the customer, the previous trading pattern of the customer and management's assessment of the likely recovery. All trade debtors which are not likely to be recovered are either written off or an impairment for lifetime expected credit losses is recognised. Minimal risk is expected in respect of recoverable which are not written off or provided against. The remainder of receivables, after credit losses, are of high credit quality.

The Group uses a "roll rate" method to calculate expected credit losses for trade receivables from individual customers that is made up of variable mix of number and size of balances. Loss rates are calculated based on the probability of receivables progressing through successive stages of delinquency to write off. Roll rates are calculated using an analysis of how balances change from one month to next until they reach 90 days. Data over the last 12 months was reviewed to determine the level of recovery of those receivables older than 90 days. Combining these two measurements provided the Group with the ability to determine the loss allowance as of 30 June. As a result of recent economic variables such as cost of living, inflation and interest rates, the Group reviewed the expected credit loss allowance and determined that the adjusted loss rate for trade debtors past due over 90 days should be 100%, except where the group is highly likely to recover the debt.

On that basis, the expected credit loss allowance as at 30 June 2024 was determined as follows for trade receivables:

Report category	Days	Adjusted loss rate	Receivables balance as at 30 June 2024	Loss allowance at 30 June 2024
		%	$	$
Current	0-30	0.2	391,438	704
Past due 1-30	31-60	0.5	126,657	592
Past due 31-60	61-90	3.1	1,496	47
Past due 61-90	91-120	76.7	5,381	4,125
Past due over 90	121-150	0.0	-	-
Greater than over 90 days overdue	Greater than 150	80.9	22,304	18,055
		Total	**547,276**	**23,523**

The expected credit loss allowance as at 30 June 2023 was determined as follows for trade receivables:

Report category	Days	Adjusted loss rate	Receivables balance as at 30 June 2023	Loss allowance at 30 June 2023
		%	$	$
Current	0-30	9.0	145,329	12,960
Past due 1-30	31-60	5.0	93,412	5,092
Past due 31-60	61-90	21.0	40,101	8,598
Past due 61-90	91-120	100.0	27,782	27,782
Past due over 90	121-150	100.0	30,740	30,740
Greater than over 90 days overdue	Greater than 150	100.0	30,556	30,556
		Total	**367,920**	**115,728**

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically impaired. The class of assets described as "trade and other receivables" are the main source of credit risk related to the Group.

No collateral is held in respect of these exposures and there are no other credit enhancement arrangements. All trade receivables have been investigated and, other than those which have been written off or for which credit losses have been recognised, there are no indicators of poor credit quality for trade receivables. Securities in the form of personal guarantees from directors, or registered mortgages are regularly taken to support customer trading activities.

	Consolidated Group	
	2024	2023
	$	$
Gross amount	547,276	367,920
Impaired (past due)	(23,522)	(115,728)
Total	**523,754**	**252,192**
Within initial trade terms	390,734	132,369
Past due not impaired – 30 days	126,066	88,320
60 days	1,448	31,503
90 days	1,256	-
90 days +	4,250	-
Total	**523,754**	**252,192**

Geographical credit risk

The Group has significant operations in Australia and New Zealand. The Group's exposure to credit risk for trade and other receivables at the end of the reporting period in these regions is as follows:

	Consolidated Group	
	2024 $	2023 $
Australia	494,422	209,512
New Zealand	29,332	42,680
Total	**523,754**	**252,192**

Note 7 | Other assets

Accounting policy

Other assets relate to prepaid fundraiser commission incurred as a result of the sale of memberships and short-term investments that relate to security deposits for the credit card facility. Prepayments are the right to receive future goods or services within the next 12 months.

	Consolidated Group	
	2024 $	2023 $
Current		
Short term investments[1]	109,261	445,224
Prepayments	138,545	374,003
Deferred commission[2]	313,474	325,590
Total other assets	**561,280**	**1,144,817**

[1] Short-term investments are all deposits held with banks.
[2] Sales commission paid to fundraiser partners for the sale of Entertainment memberships is an incremental cost of obtaining contracts with customers and is initially recognised as a prepayment on the balance sheet, and subsequently amortised as an expense through the income statement in line with the recognition of revenue from associated membership sales.

The movement in the deferred commission is as follows:

	Deferred commission $
30 Jun 2023	
Balance as at 1 July 2022	504,190
Commission deferred	870,195
Amortisation	(1,048,795)
Balance as at 30 June 2023	**325,590**
30 Jun 2024	
Balance as at 1 July 2023	325,590
Commission deferred	712,042
Amortisation	(724,158)
Balance as at 30 June 2024	**313,474**

Notes to the financial statements for the year ending 30 June 2024

Note 8 | Intangible assets

Accounting policy

Technology and software

Technology and software assets acquired separately are capitalised at cost. Where the technology and software assets have been acquired as part of a business acquisition, these assets are recognised at fair value as at the date of acquisition.

Amounts capitalised as part of internally developed intellectual property include the total cost of any external services and labour costs directly attributable to development of technology and software. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved. Research costs are expensed as incurred.

The useful lives of these assets are then assessed to be either finite or indefinite. Assets with a finite life are amortised over that life with the expense being recognised in the profit and loss. Expenditure on the development of technology and software assets are capitalised until the software is ready for use and then amortised over their expected useful life of 9 years (namely the CLO rewards platform which is the remaining asset in use). The total cost of the "ready for use" asset is based on the costs capitalised monthly. Any additional costs capitalised to the "ready for use" asset, are only those that will extend future economic benefits, and as such, will attract immediate amortisation.

These assets are tested for impairment at least annually as part of the value in use analysis associated with the cash-generating unit.

	Consolidated Group	
	2024 $	2023 $
Goodwill		
Cost	-	31,199,048
Accumulated impairment losses	-	(31,199,048)
Total	-	-
Technology and software		
Cost	10,265,024	10,265,024
Accumulated amortisation and impairment losses	(9,409,297)	(9,291,266)
Total	**855,727**	**973,758**
Purchased brand names and international rights		
Cost	-	3,000,000
Accumulated impairment losses	-	(3,000,000)
Total	-	-
Total intangible assets	**855,727**	**973,758**

	Goodwill $	Technology and software $	Software under development $	Brand name & international rights $	Total $
Balance as at 1 July 2022	7,655,507	915,144	751,018	3,000,000	12,321,669
Additions-internally developed	-	-	311,264	-	311,264
Transfers[1]	-	1,062,282	(1,062,282)	-	-
Amortisation charge	-	(287,896)	-	-	(287,896)
Impairment[2]	(7,655,507)	(715,772)	-	(3,000,000)	(11,371,279)
Balance as at 30 June 2023	**-**	**973,758**	**-**	**-**	**973,758**
Balance as at 1 July 2023	-	973,758	-	-	973,758
Amortisation charge	-	(118,031)	-	-	(118,031)
Balance as at 30 June 2024	**-**	**855,727**	**-**	**-**	**855,727**

[1] On 30 September 2022, the groups Card Linked Offer rewards platform was transferred to Technology and software when it was in a condition for use as per the expectations of management.

[2] Following the value in use calculation as at 31 December 2022, all intangible assets in the Entertainment Business CGU have been impaired.

Note 9 | Trade and other payables

	Consolidated Group	
	2024 $	2023 $
Current		
Unsecured liabilities		
Trade payables	999,363	828,256
Other payables and accruals	1,687,530	1,773,361
Total current unsecured liabilities	**2,686,893**	**2,601,617**

Note 10 | Borrowings

Accounting policy

Non-derivative

Non-derivative loans and borrowings are financial liabilities with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the financial liability is derecognised.

Amortised cost is calculated as the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Notes to the financial statements for the year ending 30 June 2024

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

	Consolidated Group	
	2024 $	2023 $
Current		
Transformational capital facility	1,207,807	-
Interest bearing loan	-	699,093
NZ Business cashflow loan	-	9,214
Total current borrowings	**1,207,807**	**708,307**
Non-current		
Transformational capital facility	-	1,207,807
Interest bearing loan	766,997	-
New Gold Coast Holdings facility	25,536,953	17,233,393
NZ Business cashflow loan	-	9,851
Total non-current borrowings	**26,303,950**	**18,451,051**
Total borrowings	**27,511,757**	**19,159,358**

Notes to the financial statements for the year ending 30 June 2024

	Interest bearing loan $	Transformational capital facility $	New Gold Coast Holdings Loan Facility $	Suzerain Investment Holdings Loan Facility $	NZ Business Cashflow Loan $
Facility limit	500,000	1,200,000	22,500,000	5,000,000	27,680
Available funds	-	-	141,268	5,000,000	-
Interest rate	10% per annum	12.5% per annum	12.5% per annum	13% per annum	3% per annum
Line fees	N/A	2,000 per month	The line fees have been replaced by a fixed monthly admin fee.	1% annually on the Outstanding Principal, payable in arrears on the last day of June and December of each year of the term, respectively	N/A
Admin fees	N/A	N/A	27,500 per month	N/A	N/A
Maturity date	31/12/2025[2]	31/12/2024[1]	31/12/2025[2]	31/12/2025	19/07/2024
Security	Security over all the Group's present and future property	Second ranking security over all the Group's present and future property	First ranking security over all the Group's present and future property	Unsecured	Unsecured
Opening balance as at 1 July 2023	**699,093**	**1,207,807**	**17,233,393**	**-**	**19,064**
Drawn down	-	-	5,930,000	-	-
Interest expenses	67,904	150,414	2,346,060	-	(11,627)
Line fees	-	24,000	-	-	-
Admin fees	-	-	330,000	-	-
Interest repaid	-	(150,414)	-	-	11,627
Line fees repaid	-	(24,000)	-	-	-
Admin fees repaid	-	-	(302,500)	-	-
Loan repaid	-	-	-	-	(19,064)
Closing balance as at 30 June 2024	**766,997**	**1,207,807**	**25,536,953**	**-**	**-**

[1] Updated repayment terms have been agreed post 30 June 2024 seeing a deferment in repayment until 31 December 2025.
[2] Repayment terms have been agreed in December 2023 seeing a deferment in repayment until 31 December 2025.

Interest bearing loan

On 9 August 2019 the Group entered into a loan deed with Suzerain for total funding of $19 million to support working capital requirements and to restructure the business.

The loan was to be repaid on 30 September 2020 with interest capitalised at 10% per annum. During the 2020 AGM, resolutions were passed to enter into a General Security Deed over the assets of the Group in the form attached to the Convertible Loan Deed and for the loan to be convertible to ordinary shares at the higher of $0.047 per share or 30 days volume weighted average price prior to conversion.

Accordingly, $19.30 million including accrued interest on the convertible loan was converted to equity with the issuance of 410,643,766 ordinary shares (4.7cent per share) in the Company. $0.50 million of the convertible loan was left in the loan in which Suzerain had the option to convert up until 30 June 2020. The option lapsed as the loan was not converted at 30 June 2020. The balance remaining on this loan is $0.66m (Including interest) and will remain as a secured interest-bearing loan until repaid. The Interest-bearing loan matured on 30 September 2020. The Company signed an amendment deed in August 2023 to defer the Principal and Interest payment to 31 December 2024 and another amendment deed in December 2023 to defer the Principal and Interest payment to 31 December 2025.

Transformational capital facility

Skybound Fidelis Investment limited as trustee for the Skybound Fidelis Credit Fund (Skybound) (a related entity of Suzerain) provided the Group with a $1.20 million facility for the transformational capital expenditures. During the AGM in December 2020, the resolutions were passed to enter into a second ranking security deed (ranking behind Suzerain). As at 30 June 2024 this loan facility has been fully drawn down.

The original repayment date for this loan was 11 February 2022, however, as part of the Group's debt management plans, the repayment date had been renegotiated and had been deferred to 31 December 2024. Updated repayment terms have been agreed post 30 June 2024 seeing a deferment in repayment until 31 December 2025.

New Gold Coast Holdings Limited Loan Facility

New Gold Coast Holdings Limited (NGCH), a related party of Suzerain, provided a $5 million Loan facility that was approved on 3 June 2021. The funds have been predominantly used to expedite the development of the Company's technology and customer experience platforms and to provide contingent working capital due to seasonal cash inflows. During the AGM on the 20 January 2022, the resolutions were passed to enter a second ranking security deed (ranking behind Suzerain). During the EGM on 23 May 2022, IncentiaPay Ltd gained shareholder approval to enter a convertible loan deed with New Gold Coast Holdings Limited which extended the total facility to $22.50 million and deferred the repayment date to 31 December 2024. The convertible loan deed provides an option to NGCH to convert the principal outstanding under the facility into the shares of the Company at higher of a) $0.022 per share or b) the volume weighted average price of Shares traded on ASX during the period of 30 trading days concluding on the trading day before the issue date of the relevant Conversion Shares, plus an additional 20%. The Company has determined that any embedded derivative is immaterial, as the amortized cost of the debt closely matches its fair value and hence has not been accounted for separately.

The Company signed an amendment deed signed in December 2023 to defer the principal and interest payment until 31 December 2025. As at 30 June 2024 the current principal amount outstanding was $22.36 million and interest outstanding is $3.12 million. The undrawn portion of the facility as at 30 June 2024 was $0.14 million.

Suzerain Investment Holdings Loan Facility (Unsecured Loan)

On 28 June 2024 the Company entered into a new loan agreement with Suzerain for total loan facility of $5 million. The loan is unsecured with no convertible option. There was no drawn amount of the facility as at 30 June 2024.

NZ Business Cashflow Loan

The Group applied for and was granted a one-off loan provided by New Zealand government in July 2020 to support New Zealand business during the Pandemic. The loan was paid off during the financial year.

Note 11 | Deferred revenue

Accounting policy

Deferred revenue constitutes contract liabilities under AASB 15, as it relates to performance obligations to the members of Entertainment Publications not yet satisfied. See note 2.

	Consolidated Group	
	2024 $	2023 $
Current		
Deferred revenue	2,637,603	3,333,641
Total current deferred revenue	**2,637,603**	**3,333,641**
Non-current		
Deferred revenue	166,744	488,685
Total non-current deferred revenue	**166,744**	**488,685**
Total deferred revenue	**2,804,347**	**3,822,326**

The movement in the deferred revenue is as follows:

	Deferred revenue $
Year ended 30 June 2023	
Balance as at 1 July 2022	3,240,798
Revenue deferred	8,277,724
Revenue recognised	(7,696,196)
Year ended 30 June 2023	**3,822,326**
Year ended 30 June 2024	
Balance as at 1 July 2023	3,822,326
Revenue deferred	7,092,752
Revenue recognised	(8,110,731)
Year ended 30 June 2024	**2,804,347**

Notes to the financial statements for the year ending 30 June 2024

The contract liabilities primarily relate to cash receipts from membership and Enterprise sales, for which revenue is recognised over time.

Note 12 | Issued capital

	Consolidated Group			
	2024 shares	2023 shares	2024 $	2023 $
Ordinary shares - fully paid on issue	**1,231,279,015**	**1,231,279,015**	**132,141,215**	**132,141,215**

INP has no limit to its authorised share capital.

Movements in ordinary share capital	Date	Number of shares	Issue price $	$
Ordinary shares at beginning of the year		1,231,279,015		**132,141,215**
Balance as at 30 June 2023		**1,231,279,015**		**132,141,215**
Ordinary shares at beginning of the year		**1,231,279,015**		**132,141,215**
Balance as at 30 June 2024		**1,231,279,015**		**132,141,215**

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. Shares have no par value.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital is also managed having regard to the Group's long-term growth requirements.

Employee and Executive Share Based Schemes

During previous years, the Board had implemented a Loan Funded Share Scheme being a three-year long-term incentive plan for the former CEO and former CFO, vesting over a three-year period. With the departure of those KMPs, all the unvested options under the Loan Funded Share Plan were forfeited last year.

During FY24, shareholders had approved in 2023 AGM a Loan Funded Share Scheme (LFS) for the non-executive director Charles Romito and Performance Rights for previous CEO, Ani Chakraborty. To incentivize key employees, Board had approved issuance of Performance Rights to key senior employees as detailed in Note 13. The share-based compensation was also approved for Heidi Halson on her appointment as CEO and for Ani Chakraborty on his appointment as non-executive director. Issuance of shares to Heidi Halson and Ani Chakraborty as non-executive director is still subject to shareholders' approval in 2024 AGM.

Note 13 | Reserves

Accounting policy

Share based payments

The fair value of unissued ordinary shares granted is recognised as a benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the equity-based incentive.

Upon the issue of shares, the balance of the share-based payments reserve relating to those equity-based incentives are transferred to share capital.

Shares issued under the loan funded share scheme are accounted for as in substance option and share based payments were measured using a Black–Scholes model.

Performance Rights issued to Key Management Personnel were measured at the grant-date fair value of 0.5 cent, which was the share price on the day of issuance of the performance rights.

Foreign currency translation

Exchange differences arising from translation of the foreign controlled entity are recognised in other comprehensive income as a foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

	Consolidated Group		
	Share based payments reserve $	Foreign currency translation reserve $	Total $
Balance as at 1 July 2022	**167,062**	**322,099**	**489,161**
Amortised during the period	20,850	-	20,850
Lapsed during the period	(82,991)	-	(82,991)
Forfeited during the period	(104,921)	-	(104,921)
Movement during the period	-	24,143	24,143
Balance as at 30 June 2023	**-**	**346,242**	**346,242**
Balance as at 1 July 2023	-	346,242	346,242
Amortised during the period	140,143	-	140,143
Movement during the period	-	(2,825)	(2,825)
Balance as at 30 June 2024	**140,143**	**343,417**	**483,560**

Share based payments - Performance Rights

The Board and Shareholders approved a Performance Rights for previous CEO, Ani Chakraborty during 2023 AGM. In addition, the Board has approved the issuance of Performance Rights to key senior employees. The key terms of the Performance Rights issued to Key Management Personnel (KMP) are as follows:

Notes to the financial statements for the year ending 30 June 2024

- 4,250,000 performance rights issued to Ani Chakraborty at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024.
- 2,125,000 performance rights issued to Kunal Kapoor at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024.
- 13,872,500 performance rights issued to other senior employees at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024.
- Each performance right can be exercised into fully paid ordinary share of the Company.

Movement in Performance Rights

	Held on 1 July 2023	Granted	Held on 30 June 2024	Vested and exercisable as of 30 June 2024
Aniruddha Chakraborty	-	4,250,000	4,250,000	-
Kunal Kapoor	-	2,125,000	2,125,000	-
Other senior employees	-	13,872,500	13,872,500	-
Total	**-**	**20,247,500**	**20,247,500**	**-**

Share based payments - Loan funded shares

The Board and Shareholders approved a Loan Funded Share Scheme (LFS) for the non-executive director Charles Romito during 2023 AGM. The key terms of the LFS scheme for Charles Romito are as follows:

- Loan shares issued at $0.007 being 30 trading day VWAP of INP shares on ASX as on 17 November 2023.
- Shares to vest in 3 tranches only if Charles remains engaged by the Company as a non-executive director on or after each applicable vesting date. Vesting schedule is as follows:

Tranche	Number of Shares	Vesting Date
Tranche 1	4,217,000	1-Jul-24
Tranche 2	4,217,000	1-Jul-25
Tranche 3	4,217,000	1-Jul-26

- The Company will provide an interest-free limited recourse loan (Loan) to the non-executive director to fund the purchase of shares.
- If there is an outstanding amount owing under the Loan, all dividends, distribution, capital return declared and paid with respect to the shares (after deduction for tax payable in relation to those distributions) shall be applied to repaying the Loan, therefore the executives shall have no right to receive those distributions
- The non-executive director has the option to either repay the loan or return the shares at the loan repayment date, being 30 business days after the last vesting date;
- The Loan shares will rank pari passu with existing shares.

Key inputs used in valuing this LFS were as follows:

Grant date	14-Nov-2023
Start date	14-Nov-2023
Expiry date	1-Jul-2026
Share price at issue date	$0.007
Exercise price	$0.007
Expected life (years)	2.6
Volatility	210%
Risk free interest rate	4.47%
Distribution yield	-

During previous years, the Company had issued loan funded shares to previous CEO, Henry Jones and previous CFO, Ben Newling. With their departure from the Company in December 2021 and February 2023 respectively, the Company had cancelled the balance loan funded shares held in the Escrow account for these 2 previous employees.

Movement in loan funded shares

	Held on 1 July 2023	Granted	Held on 30 June 2024	Vested and exercisable as of 30 June 2024
Charles Romito	-	12,651,000	12,651,000	-
Total	**-**	**12,651,000**	**12,651,000**	**-**

	Held on 1 July 2022	Forfeited/ Expired/ Cancelled	Held on 30 June 2023	Vested and exercisable as of 30 June 2023
Ben Newling[1]	11,585,043	(11,585,043)	-	-
Total	**11,585,043**	**(11,585,043)**	**-**	**-**

[1] On 31 December 2022, 5,382,791 share options lapsed and the remaining 6,202,252 share options were forfeited upon resignation and departure from the Company at the end of February 2023.

Movement in share based payment reserve

	Share based payments reserve					
	Ben Newling $	Charles Romito $	Ani Chakraborty $	Kunal Kapoor $	Other employees $	Total $
Balance as at 1 July 2022	**167,062**	**-**	**-**	**-**	**-**	**167,062**
Amortised during the period	20,850	-	-	-	-	**20,850**
Lapsed during the period	(82,991)	-	-	-	-	**(82,991)**
Forfeited during the period	(104,921)	-	-	-	-	**(104,921)**
Balance as at 30 June 2023	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 1 July 2023	-	-	-	-	-	**-**
Amortised during the period	-	33,593	21,250	10,625	74,675	**140,143**
Balance as at 30 June 2024	**-**	**33,593**	**21,250**	**10,625**	**74,675**	**140,143**

Note 14 | Key Management Personnel compensation

The total remuneration paid to KMP of the Group during the year was as follows:

	Consolidated Group	
	2024 $	2023 $
Short-term employee benefits	984,518	881,325
Post-employment benefits	65,453	50,450
Long-term employee benefits	1,910	509
Share based payments[1]	71,360	(167,062)
TOTAL KMP COMPENSATION	**1,123,241**	**765,222**

[1] Shared based payments for the prior reporting period comes from the reversal of previously recognised share-based payment expenses relating to the former CFO, Ben Newling, of $167k.

Note 15 | Auditor's remuneration

During the financial year, the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company.

	Consolidated Group	
	2024 $	2023 $
William Buck		
Auditing or reviewing the financial statements	94,000	-
Taxation services - compliance	9,255	-
Total - William Buck	**103,255**	**-**
KPMG		
Auditing or reviewing the financial statements	-	259,439
Taxation services - compliance	-	14,108
Other services	-	2,090
Total - KPMG	**-**	**275,637**

Note 16 | Interests in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business also reflects its country of incorporation.

		Ownership interest held by the Group	
Name of entity	**Principal place of business**	2024 %	2023 %
a) Information about Principal Subsidiaries			
Entertainment Publications of Australia Pty Ltd	Australia	100	100
Entertainment Publications Ltd	New Zealand	100	100
Entertainment Digital Pty Ltd (previously MobileDEN Pty Ltd)	Australia	100	100
Entertainment Trus Co Pty Ltd[1]	Australia	100	100
Entertainment Seamless Rewards Pty Ltd	Australia	100	100

[1] The Employee share plan trust ("ESP") was established on 24 April 2020 to provide benefits to current employees, directors and contractors ("the Beneficiaries"). Under the employee shares scheme, the trustee, Entertainment Trus Co Pty Ltd will purchases the Company's shares currently held under the previous directors. The shares will be held until the vesting day for the benefit of the Beneficiaries, in such numbers or proportions that the trustee deem reasonable.

Subsidiary financial statements used in the preparation of these preliminary consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements, using the same accounting policies. There are no significant restrictions over the Group's ability to access or use the assets and settle liabilities of the Group.

Notes to the financial statements for the year ending 30 June 2024

Note 17 | Parent company information

Information relating to IncentiaPay Limited (the Parent Entity):

	2024 $	2023 $
Statement of profit or loss and other comprehensive income		
Total loss	(4,485,562)	(34,727,531)
Total comprehensive income	**(4,485,562)**	**(34,727,531)**
Statement of financial position **Assets**		
Current assets	965,609	1,325,885
Non-current assets	3,858,342	8,388
Total assets	**4,823,951**	**1,334,273**
Liabilities **Current liabilities**		
Current liabilities	173,100	1,364,870
Non-current liabilities	29,369,795	20,342,929
Total liabilities	**29,542,895**	**21,707,799**
Equity		
Issued capital	132,140,772	132,140,772
Reserves	122,733	(17,410)
Accumulated losses	(156,982,449)	(152,496,888)
Total equity	**(24,718,944)**	**(20,373,526)**

Details of the contingent assets and liabilities of the Group are contained in note 19.

Deed of cross guarantee

IncentiaPay Limited, Entertainment Publications of Australia Pty Ltd, Entertainment Digital Pty Ltd and Entertainment Seamless Rewards Pty Ltd are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2024

Set out below is a consolidated balance sheet as of 30 June 2024 of the parties to the Deed of Cross Guarantee.

Assets Current assets	2024 $	2023 $
Cash and cash equivalents	1,831,207	1,599,509
Trade and other receivables	618,457	577,380
Inventories	61,940	49,144
Other assets	502,762	1,083,717
Total current assets	**3,014,366**	**3,309,750**
Non-current assets		
Property, plant and equipment	70,278	43,140
Intangible assets	855,727	973,758
Total non-current assets	**926,005**	**1,016,898**
Total assets	**3,940,371**	**4,326,648**
Liabilities **Current liabilities**		
Trade and other payables	2,491,511	2,377,782
Lease liabilities	-	309,642
Borrowings	1,207,807	699,093
Deferred revenue	2,299,146	2,863,059
Provisions	394,693	495,435
Total current liabilities	**6,393,157**	**6,745,011**
Non-current liabilities		
Inter-company loan payables	959,171	1,309,357
Borrowings	26,303,950	18,441,200
Deferred revenue	147,208	415,267
Provisions	55,727	50,613
Total non-current liabilities	**27,466,056**	**20,216,437**
Total liabilities	**33,859,213**	**26,961,448**
Net deficiency of assets	**(29,918,842)**	**(22,634,800)**
Equity		
Issued capital	132,140,772	132,140,772
Reserves	462,242	321,099
Retained earnings	(162,521,856)	(155,096,671)
Total equity	**(29,918,842)**	**(22,634,800)**

See note 18 for the Consolidated Statement of Profit or Loss for the year ended 30 June 2024 of the parties to the Deed of Cross Guarantee. All entities incorporated in Australia are the parties of Deed of Cross Guarantee.

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2024

Note 18 | Segment information

Accounting policy

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance. IncentiaPay Limited manages the Group as two segments, being the Entertainment business and Seamless Rewards business.

	Entertainment		Seamless Rewards		Total	
	Year ended		Year ended		Year ended	
	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$
Revenue and other income	15,964,069	17,194,572	651,763	54,244	16,615,832	17,248,816
Cost of sales	(8,221,123)	(9,331,807)	(298,322)	(20,663)	(8,519,445)	(9,352,470)
Impairments	-	(11,605,164)	-	-	-	(11,605,164)
Employee expenses	(9,585,064)	(8,809,667)	(227,129)	(216,995)	(9,812,193)	(9,026,662)
Depreciation and amortisation expense	(37,624)	(450,176)	(118,031)	(88,522)	(155,655)	(538,698)
Building occupancy expense	(34,631)	(398,850)	-	-	(34,631)	(398,850)
Finance costs	(2,913,101)	(2,211,176)	-	-	(2,913,101)	(2,211,176)
Legal and professional costs	(248,062)	(284,339)	-	(290)	(248,062)	(284,629)
Marketing expenses	(685,304)	(1,291,962)	-	-	(685,304)	(1,291,962)
Website and communication	(662,746)	(1,035,498)	(114,407)	(183,316)	(777,153)	(1,218,814)
Bad debts reversals/ (expenses)	74,724	(45,950)	-	-	74,724	(45,950)
Other expenses	(1,185,464)	(1,350,862)	(120)	(312,877)	(1,185,584)	(1,663,739)
Segment profit/ (loss) before income tax	**(7,534,326)**	**(19,620,879)**	**(106,246)**	**(768,419)**	**(7,640,572)**	**(20,389,298)**
Segment total assets	**4,179,291**	**3,679,311**	**(1,632)**	**1,001,198**	**4,177,659**	**4,680,509**
Segment total non-current assets	**927,637**	**43,140**	**(1,632)**	**973,758**	**926,005**	**1,016,898**
Segment total liabilities	**34,334,517**	**24,691,665**	**(873,750)**	**1,768,700**	**33,460,767**	**26,460,365**

Geographical location

The profit and loss attributable to external customers is disclosed below based on the country in which the revenue is derived and billed.

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2024

	Australia Year ended		New Zealand Year ended		Total Year ended	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Revenue and other income	15,477,628	16,012,937	1,138,204	1,235,879	16,615,832	17,248,816
Cost of sales	(8,170,301)	(8,999,880)	(349,144)	(352,590)	(8,519,445)	(9,352,470)
Impairments	-	(11,605,164)	-	-	-	(11,605,164)
Employee expenses	(9,404,676)	(8,533,185)	(407,517)	(493,477)	(9,812,193)	(9,026,662)
Depreciation and amortisation expenses	(155,655)	(538,698)	-	-	(155,655)	(538,698)
Building occupancy expense	(34,362)	(397,433)	(269)	(1,417)	(34,631)	(398,850)
Finance costs	(2,924,728)	(2,230,227)	11,627	19,051	(2,913,101)	(2,211,176)
Legal and professional costs	(247,247)	(281,649)	(815)	(2,980)	(248,062)	(284,629)
Marketing expenses	(684,021)	(1,289,893)	(1,283)	(2,069)	(685,304)	(1,291,962)
Website and communication	(775,438)	(1,213,285)	(1,715)	(5,529)	(777,153)	(1,218,814)
Bad debts reversals/ (expenses)	57,554	(28,830)	17,170	(17,120)	74,724	(45,950)
Other expenses	(1,176,179)	(1,616,652)	(9,405)	(47,087)	(1,185,584)	(1,663,739)
Segment profit/ (loss) before income tax	**(8,037,425)**	**(20,721,959)**	**396,853**	**332,661**	**(7,640,572)**	**(20,389,298)**

Major customers

The Group has no major customers with revenue exceeding 10% of total revenue.

Note 19 | Contingent liabilities and contingent assets

Security deposit

The parent entity has given the guarantee for a credit cards facility of $0.10 million as at 30 June 2024 and 30 June 2023.

Note 20 | Financial risk management

Accounting policy

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and loans to related parties.

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

	Consolidated Group	
	2024 $	2023 $
Financial assets		
Cash and cash equivalents	1,968,186	1,825,406
Trade and other receivables	523,753	354,836
Other current assets	109,261	445,224
Total financial assets	**2,601,201**	**2,625,466**
Financial liabilities		
Trade and other payables	2,686,893	2,601,617
Lease liabilities	-	309,643
Borrowings	27,511,757	19,159,358
Total financial liabilities	**30,198,650**	**22,070,618**

Financial risk management policies

Senior management meet on a regular basis to review currency and interest rate exposure and to evaluate treasury management strategies where relevant, in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use credit risk policies and future cash flow requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual liabilities interest payments and exclude the impact of netting agreements.

Maturity analysis	Contractual cash flows									
			Within 1 year		1-5 years		> 5 years		Total	
	2024 Carrying Value $	2023 Carrying Value $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Financial assets										
Cash	1,968,186	1,825,406	1,968,186	1,825,406	-	-	-	-	1,968,186	1,825,406
Trade debtors	523,753	354,836	523,753	354,836	-	-	-	-	523,753	354,836
Other current assets	109,261	445,224	109,261	445,224	-	-	-	-	109,261	445,224
Financial liabilities										
Trade and other payables	(2,686,893)	(2,601,617)	(2,686,893)	(2,601,617)	-	-	-	-	(2,686,893)	(2,601,617)
Lease liabilities	-	(309,643)	-	(309,643)	-	-	-	-	-	(309,643)
Borrowings	(27,511,757)	(19,159,358)	(452,924)	(1,283,297)	(30,546,871)	(21,784,924)	-	-	(30,999,795)	(23,068,221)

Accounting classifications and fair values

As at 30 June 2024 and 2023 all financial assets and liabilities had carrying values that approximated their fair values.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

Market risk

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by customers of contract obligations that could lead to a financial loss to the Group.

i. Risk management

Credit risk is managed through the maintenance of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers, ensuring to the extent possible that customers to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk with any single customer or group of customers. $12.9m of the revenue in note 2 is from memberships and gift cards sales, they are cash on delivery, therefore, the Group has no significant credit risk.

ii. Impairment of financial assets

The Group has trade and other receivables that are subject to the expected credit loss model. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 6. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial because the Group deals with reputable banks with high credit ratings.

Trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6.

b. Liquidity risk

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

Notes to the financial statements for the year ending 30 June 2024

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- monitoring undrawn credit facilities;
- obtaining funding from major financial institutions;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.
- Renegotiating maturity dates of key funding lines of credit to ensure liquidity is managed within acceptable and planned thresholds.

i. Financing arrangements

New Suzerain Investment Holdings Loan Facility of $5m was signed on 28th June 2024. The loan is unsecured with no convertible option. At 30 June 2024 there was still $5.14m available to the Company. See note 10 for more details.

II. Maturities of financial liabilities

Interest bearing loan
Updated repayment terms have been agreed in FY2024 and the facility will now be repaid on 31 December 2025 (Previously 31 December 2024). See note 10.

Transformational capital facility
Post 30 June 2023, the repayment date for the Transformational capital facility with Skybound was set to mature on 31 December 2024. See note 10.
Post 30 June 2024, the Company has successfully renegotiated the repayment date to 31 December 2025.

New Gold Coast Holdings Limited Loan facility
Updated repayment terms have been agreed in FY2024 and the facility will now be repaid on 31 December 2025 (Previously 31 December 2024). See note 10.

c. Foreign exchange risk

The Group is exposed to foreign currency risk on the sale of memberships and other fee income from foreign entities and on the translation of its foreign subsidiaries. Senior management has not hedged foreign currency transactions as at 30 June 2024 as $1.1m of total revenue is in NZD and the foreign currency fluctuation between AUD and NZD is historically insignificant at 0.99% during the year. Foreign exchange risk was therefore, considered insignificant. Senior management continue to evaluate this risk on an ongoing basis.

The exposure to foreign currency risk at the end of the reporting period, expressed in New Zealand dollar, was as follows:

	2024 NZD $	2023 NZD $
Trade debtors	33,626	68,303
Trade payables	(6,294)	(38,966)

At the end of the financial year, the effect on profit and equity as a result of changes in the foreign exchange rate with all other variables remaining constant would be as follows:

	Profit $	Equity $
Year ended 30 June 2024		
+/- 0.99% in foreign exchange rates	2,918	(6,794)
Year ended 30 June 2023		
+/- 0.5% in foreign exchange rates	(5,079)	9,042

d. Interest rate risk

The interest rate relating to the borrowings with Suzerain is capitalised at a fixed rate of 10% per annum and is expected to be repaid 31 December 2025.

Interest relating to the borrowings with Skybound is paid monthly at a fixed rate of 12.5% and repayable by 31 December 2025.

Note 21 | Related party transactions

Key Management Personnel

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity, are considered key management personnel.

During the year certain remuneration entitlements of executive and non-executive directors were paid, upon request of the directors, to related entities or associates of those Directors.

See note 14 for the value of the related party transactions above and remuneration report.

Other related parties

Other related parties include entities controlled by the Company and entities over which key management personnel have joint control. Amounts disclosed in note 21 include transactions with associated entities of key management personnel.

Transactions between related parties are on normal commercial terms and conditions that are no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties controlled by key management personnel:

Notes to the financial statements for the year ending 30 June 2024

	Consolidated Group	
	2024 $	2023 $
Sales of goods and services		
Membership subscriptions[1]	9,409	2,737
Enterprise sales[2]	-	61,000
Travel commission[3]	14,350	6,228
Salary recharge[4]	45,642	93,334
Purchases of services		
Rent and parking[5]	1,268	7,000
Customer service[6]	-	17,294
Travel expense[7]	936	-
Recruitment fee[8]	30,740	-
Communication Infrastructure[9]	-	971

[1] Sale of Entertainment memberships to Leisurecom Group, a related entity of Suzerain.
[2] Enterprise sales to Noble Oak Life Limited, an entity related to Stephen Harrison, the ex-Chairman, until he left the group on 31 May 2023.
[3] Travel commission from Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
[4] Recharge of salary expenses to Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
[5] Gold Coast office and car park space provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
[6] Customer service provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
[7] Recharge of travel expense from eCruising Travel, a controlled entity of Suzerain.
[8] Recharge of recruitment fee from eCruising Travel, a controlled entity of Suzerain.
[9] Communication network costs on charged from Leisurecom Group Pty Ltd for Harrington Street location.

Outstanding balances arising from sales/purchases of goods and services:

	Consolidated Group	
	2024 $	2023 $
Current payables		
Leisurecom Group Pty Ltd[1]	-	6,600
Current receivables		
Leisurecom Group Pty Ltd[2]	891	10,069

[1] Office space provided by a related entity of Suzerain.
[2] Travel Commission provided to a related entity of Suzerain.

Outstanding balances arising from loan agreements:

	Consolidated Group	
	2024 $	2023 $
Borrowings		
Interest bearing loan	766,997	699,093
Transformational capital facility	1,207,807	1,207,807
New Gold Coast Holdings	25,536,953	17,233,393

Transactions between the Company and controlled entities include loans, management fees and interest, which are eliminated on consolidation. Significant loan and capital related transactions between the Group and related parties include the following:

- Suzerain, Skybound and NGC, related parties to Dean Palmer (Chairman), have provided a total of $29.2m loan facilities to the Group. During the period, the Group drew down $5.9m of the line of credit facility. See note 10 for additional detail.

Note 22 | Events after the reporting period

On 25 July 2024, the Group has successfully re-negotiated the repayment of the Skybound Transformational capital facility until 31 December 2025.

Other than the matter described above no other matters or circumstances has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

INCENTIAPAY LIMITED AND CONTROLLED ENTITIES
Consolidated entity disclosure statement
As at 30 June 2024

		Body corporates		Tax residency	
Name of entity	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign Jurisdiction**
Incentiapay Ltd	Body corporate	Australia	N/A	Australian (i)	N/A
Entertainment Publications of Australia Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Publications Ltd	Body corporate	New Zealand	100	Foreign	New Zealand
Entertainment Seamless Rewards Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Digital Pty Ltd (previously MobileDEN Pty Ltd)	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Trus Co Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A

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 Group 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 Group has applied the following interpretations:

Australian tax residency

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

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions 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

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

Directors' Declaration

In accordance with a resolution of the Directors of IncentiaPay Ltd, the Directors of the Company declare that:

The financial statements and notes, as set out on pages 45 to 82, are in accordance with the Corporations Act 2001 (Cth) and:

a. Comply with Australian Accounting Standards, which, as stated in the notes to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS) as disclose in Note 1; and,

b. Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated Group.

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

i. the consolidated entity disclosure statement set out on page 83 required by section 295(3A) of the Corporations Act 2001 is true and correct; and,

ii. the Directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Dean Palmer
Chairman

26 September 2024

IncentiaPay Limited ABN 43 167 603 992
The Wave, Suite 202, Level 2, 89-91 Surf Parade,
Broadbeach, QLD 4218 Australia
Email: info@incentiapay.com
Phone: (02) 8280 7100
www.incentiapay.com

Independent Auditor's Report

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of IncentiaPay Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of IncentiaPay Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

— 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

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

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 30 June 2024,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $7,640,572 during the year ended 30 June 2024 and, as of that date, the Group's current liabilities exceeded its total current assets by $3,682,694. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – cut-off of revenue	**Area of focus** **(refer also to note 2)**	**How our audit addressed the key audit matter**
	The Group primarily generates its revenue through membership subscriptions, gift card sales, and various fees and commissions earned through contractual or partnership arrangements. Applying accounting standards to these revenue streams can be complex and may require judgment to determine whether the Group acts as an agent or principal in these transactions. It also involves assessing when performance obligations are satisfied and, consequently, the appropriate accounting period for revenue recognition.	Our audit procedures included: — Obtaining an understanding of the revenue streams and evaluating the appropriateness of the Group's principles to ensure that revenue is recognised in accordance with the criteria outlined in AASB 15 *Revenue from Contracts with Customers*; — Understanding the management process for monitoring the recognition and deferral of revenue throughout the period; — Testing revenue transactions in the sales ledger on a sample basis through cash receipts and other supporting evidence; — Testing the deferred revenue recorded at year-end to ensure appropriate cut-off of revenue recognised during the year; — Assessing the appropriateness of the Group's accounting policies and disclosures in Note 2 of the financial report.

Other information

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.

Other matters

The financial report of the Group for the year ended 30 June 2023 was audited by another auditor who expressed an unmodified opinion on the financial report on 4 September 2023.

Responsibilities of the directors for the financial report

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

- 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
- 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:

- 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
- 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.

William Buck
ACCOUNTANTS & ADVISORS

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of IncentiaPay Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

Responsibilities

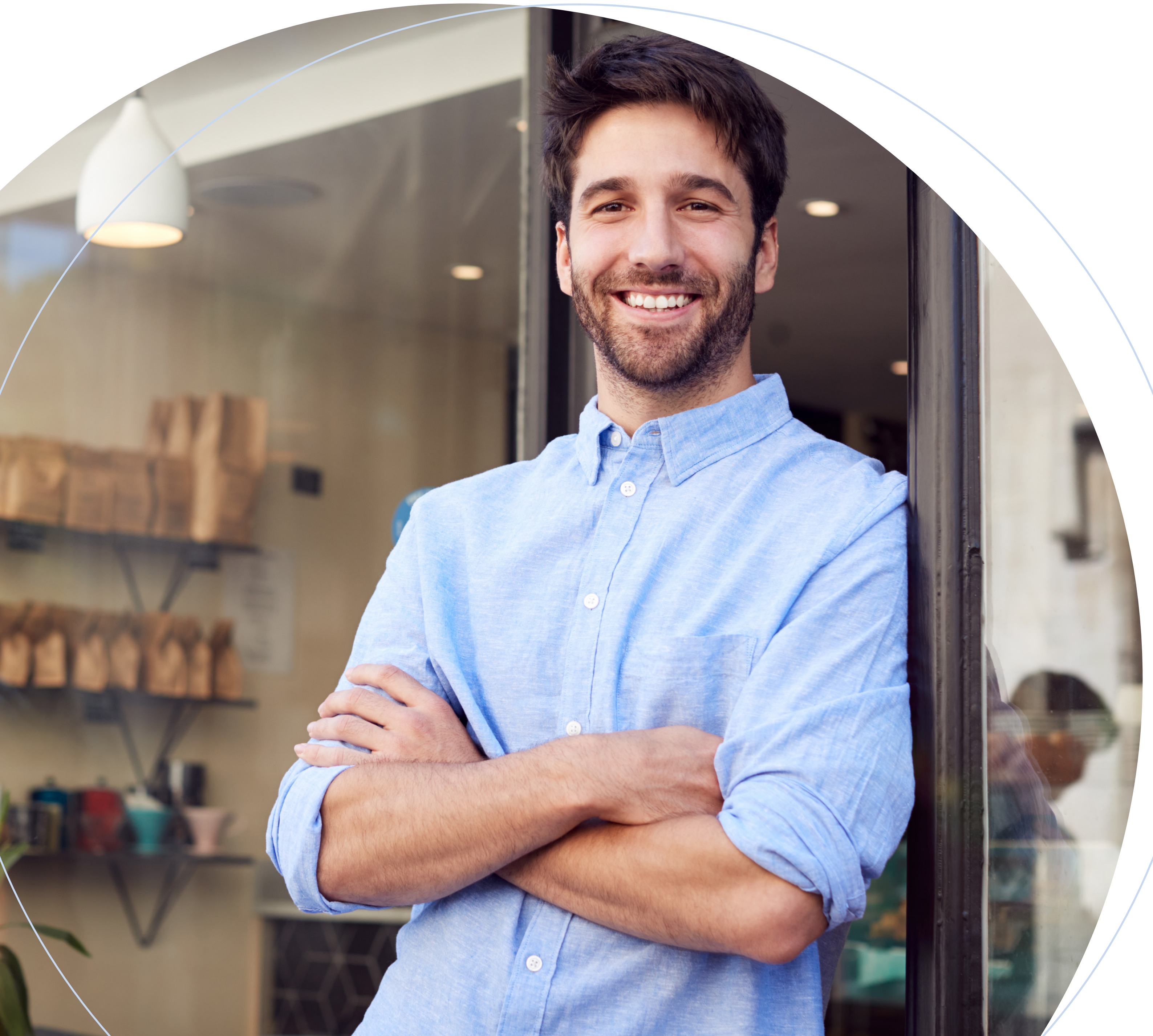
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director
Melbourne, 26 September 2024

ASX Additional Information



ASX Additional Information

As at 24 September 2024

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holding:

Range	No. of holders	% no. of holders	Securities	% Issued capital
1 to 1,000	66	14.44	5,063	0.00
1,001 to 5,000	27	5.91	91,514	0.01
5,001 to 10,000	5	1.09	44,217	0.00
10,001 to 100,000	195	42.67	11,181,572	0.90
100,001 and over	164	35.89	1,232,607,649	99.09
TOTAL	**457**	**100.00**	**1,243,930,015**	**100.00**

Unmarketable parcels

Based on the 24 September 2024 closing price of $0.005, the number of security investors holding less than a marketable parcel of 100,000 securities ($500) was 276 and they hold 9,622,366 securities.

Substantial holders

Rank	Name	Current balance	% Issued capital
1	SUZERAIN INVESTMENTS HOLDINGS LTD	861,845,725	69.28
2	BNP PARIBAS NOMS PTY LTD	62,814,504	5.05

Top 20 Holders of fully paid ordinary shares (as at 24 September 2024)

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	24 September 2024	% Issued capital
1	SUZERAIN INVESTMENTS HOLDINGS LTD	861,845,725	69.28
2	BNP PARIBAS NOMS PTY LTD	62,814,504	5.05
3	AUSTRALIAN FINTECH PLUS PTY LTD	59,524,369	4.79
4	IT'S TAKEN PTY LTD	23,556,229	1.89
5	AFRICAN KLIP PTY LTD	16,440,091	1.32
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,314,671	1.07
7	DR CHARLES ROMITO	12,651,000	1.02
8	YOUTH TRAVEL PTY LTD	11,079,417	0.89
9	BNP PARIBAS NOMINEES PTY LTD	10,441,166	0.84
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,233,249	0.82

Rank	Name	24 September 2024	% Issued capital
11	MR DEVEN HARRISON	7,684,167	0.62
12	EVEREST MB PTY LTD	7,518,000	0.60
13	MRS LEONORILDA EUGENIA ROBELS-VARGAS	7,300,000	0.59
14	MR DAVID RICHARD PALMER	6,506,132	0.52
15	MR LAWRENCE ALLAN PAPPIN	6,363,636	0.51
16	MR JEREMY KEVIN THORPE & MRS WENDY AILEEN THORPE	6,200,456	0.50
17	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	5,093,190	0.41
18	MR HENRY MICHAEL HOY JONES	4,986,667	0.40
19	STEPHEN HARRISON	4,754,285	0.38
20	CORELLA RESOURCES LTD	4,535,484	0.36

Convertible Loan Security

The Company has one convertible loan security on issue that is unquoted and currently held by New Gold Coast Holdings Limited, an associate of the Company's majority shareholder, Suzerain Investments Holdings Limited. There are no voting rights attached to the convertible loan security. For further information regarding the terms of the convertible loan security, please refer to the Appendix 3B, Appendix 3G and s708A(12C)(e) Cleansing Notice lodged by the Company to ASX on 23 May 2022.

Voting rights

The Company has 1,243,930,015 (including shares in voluntary escrow) fully paid ordinary shares on issue. Each ordinary share is entitled to 1 vote when a poll is called, otherwise each member present at a meeting, or by proxy, has 1 vote by a show of hands. There are no other classes of equity securities.

Voluntary escrow

The Company has 12,651,000 shares in the voluntary escrow until 1 July 2026.

On market by back

There is currently no on-market share buyback.

Corporate Directory

Directors	Mr. Dean Palmer Non-Executive Chairman Dr Charles Romito Non-Executive Director Ani Chakraborty Non-Executive Director
Company Secretary	Mr. Kunal Kapoor
Registered Office	The Wave, Suite 202, Level 2, 89-91 Surf Parade, Broadbeach, QLD 4218
Principal place of business	The Wave, Suite 202, Level 2, 89-91 Surf Parade, Broadbeach, QLD 4218
Share registry	Link Market Services ACN 083 214 537 Level 12, 680 George Street Sydney NSW 2000 +61 2 8280 7100
Auditor	William Buck Level 20, 181 William Street, Melbourne VIC 3000
Legal advisers	Sundaraj & Ker Level 36, Australia Square 264 George Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Level 3, 240 Queen Street Brisbane Qld 4000
Stock exchange listing	IncentiaPay Limited shares are listed on the Australian Securities Exchange (ASX code: INP)
Website	www.incentiapay.com

The Company's Corporate Governance Statement, which was approved by the Board at the same time as the Annual Report, sets out the corporate governance practices that were in operation during the financial period and identifies and explains any ASX Corporate Governance Principles and Recommendations that have not been followed. The Corporate Governance Statement for the year ended 30 June 2024 can be found on the Company's website at https://www.incentiapay.com/governance/.

The Wave, Suite 202,
Level 2, 89-91 Surf Parade,
Broadbeach, QLD 4218
Australia

Email: info@incentiapay.com

Phone: (02) 8280 7100

www.incentiapay.com