Appendix 4E and Financial Statements for the Year Ended 31 December 2020

Melbourne, 26th February 2021: iSignthis Ltd (the Company), and its subsidiaries (the Group) are pleased to present the year ended 31 December 2020 financial statements and Appendix 4E.

The Company is reporting an (unaudited) FY 2020 Net Profit After Tax (NPAT) of circa A$1.4 million for FY2020 (Jan to Dec), with underlying NPAT greater than circa A$4.0m when excluding one off costs.

The **one-off costs** of circa $2.6m (after tax) that impacted the NPAT include those costs associated with the ASX dispute, including legal fees, compliance costs and costs related to exploring alternative listing opportunities.

During FY2020, revenue from customers grew 21% to $36m, up from $30m in the same period in 2019. This growth was driven by regulated services in Europe, with ISXPay payment processing platform and eMoney revenues representing circa 90% of the Group's revenues, due to strong customer retention together with new customer acquisition during the year and increased volumes from existing customers during the period.

In the year ended 31 December 2020 the Group's expenses and other charges (inclusive of foreign exchange gains) increased by 20% or $5.8m to $34.4m, largely due to increased corporate costs and costs to support the Group's revenue growth.

Authorised by the Company Secretary and Managing Director

iSignthis Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	iSignthis Ltd
ABN:	93 075 419 715
Reporting period:	For the year ended 31 December 2020
Previous period:	For the year ended 31 December 2019

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	21.6%	to	36,290,517
Profit from ordinary activities after tax attributable to the owners of iSignthis Ltd	up	20.1%	to	1,913,528
Profit for the year attributable to the owners of iSignthis Ltd	up	20.1%	to	1,913,528

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

Comments
The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $1,913,528 (31 December 2019: $1,593,582).

The total revenue increased by approximately $6.4 million when compared to last year to $36.3 million. The increase is largely attributable to continuing customer acquisition and increased volumes from existing customers during the year.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.69	1.34

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of Company	Principal activity	Ownership interest 31 Dec 20 %	Ownership interest 31 Dec 19 %	Investment in Associate 31 Dec 20	Investment in Associate 31 Dec 19
NSX Limited	Tier1 Securities Exchange	19.22%	-	5,512,073	-

During the financial year 31 December 2020, the Company purchased a 19.22% stake in NSX Limited for $6.02m. During the year, the Company took a $0.5m write down to the investment in NSX Limited, reflecting the Group's share of net loss of associates for NSX Limited. This investment is accounted for using the equity method.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

The audit review is yet to be finalised.

11. Attachments

Details of attachments (if any):

The Financial Statements of iSignthis Ltd for the year ended 31 December 2020 is attached.

12. Signed

Signed ____________________ Date: 26 February 2021

Nickolas John Karantzis
Managing Director

iSignthis Limited
Financial Statements
31 December 2020

iSignthis Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	Consolidated 31 December 2020 $	Consolidated Restated 31 December 2019* $
Revenue	5	36,290,517	29,853,045
Other income	6	1,019,278	988,252
Expenses			
Corporate expenses		(6,860,651)	(4,362,446)
Advertising & marketing expense		(331,990)	(383,864)
Employee benefits expense		(7,463,980)	(6,606,094)
Research & development expenses		(713,865)	(1,087,220)
Depreciation & amortisation expense	7	(1,229,305)	(665,144)
Share of losses from investment in associate	16	(507,927)	-
IT expenses		(1,996,344)	(1,652,956)
Other expenses		(160,331)	(105,684)
Operating costs		(14,813,505)	(12,802,508)
Share based payments		(353,157)	(1,810,092)
Net realised/unrealised foreign exchange gain		69,354	901,436
Finance costs		(70,329)	(11,844)
Profit before income tax expense		2,877,765	2,254,881
Income tax expense	8	(1,517,037)	(661,299)
Profit after income tax expense for the year		1,360,728	1,593,582
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(439,143)	15,299
Other comprehensive income / (loss) for the year, net of tax		(439,143)	15,299
Total comprehensive income for the year		921,585	1,608,881
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(552,800)	-
Owners of iSignthis Ltd		1,913,528	1,593,582
		1,360,728	1,593,582
Total comprehensive income/(loss) for the year is attributable to:			
Non-controlling interest		(552,800)	-
Owners of iSignthis Ltd		1,474,385	1,608,881
		921,585	1,608,881
		Cents	**Cents**
Basic earnings per share	36	0.17	0.15
Diluted earnings per share	36	0.17	0.15

* 31 December 2019 numbers have been restated - see note 2 for details

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

iSignthis Ltd
Consolidated statement of financial position
As at 31 December 2020

	Note	Consolidated 31 December 2020 $	Restated 31 December 2019* $
Assets			
Current assets			
Cash and cash equivalents	9	16,611,465	17,703,578
Trade and other receivables	10	1,594,640	1,389,979
Funds held on behalf of merchants	11	98,027,440	96,178,224
Other assets	12	1,680,792	4,212,551
Total current assets		117,914,337	119,484,332
Non-current assets			
Plant and equipment	13	1,132,547	824,109
Right-of-use assets	14	1,713,318	2,243,766
Intangibles	15	5,148,746	2,912,080
Deferred tax	8	106,055	106,935
Investment in Associate	16	5,512,073	-
Total non-current assets		13,612,739	6,086,890
Total assets		131,527,076	125,571,222
Liabilities			
Current liabilities			
Trade and other payables	17	5,488,797	4,756,351
Contract liabilities	38	165,638	1,385,630
Lease liability	18	512,956	516,943
Employee benefits	19	470,067	291,533
Funds held on behalf of merchants	11	98,027,440	96,178,224
Other liabilities	20	-	818,762
Total current liabilities		104,664,898	103,947,443
Non-current liabilities			
Lease liability	21	1,270,685	1,742,328
Deferred tax	8	90,947	90,947
Employee benefits	22	70,274	36,537
Total non-current liabilities		1,431,906	1,869,812
Total liabilities		106,096,804	105,817,255
Net assets		25,430,272	19,753,967
Equity			
Issued capital	23	49,674,485	47,970,023
Reserves	24	1,357,216	311,248
Accumulated losses		(26,366,276)	(28,527,304)
Equity attributable to owners of the parent		24,665,425	19,753,967
Contribution to equity from non-controlling interest	25	764,847	-
Total equity		25,430,272	19,753,967

* 31 December 2019 numbers have been restated - see note 2 for details

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

iSignthis Ltd
Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated	Issued capital $	Share based payments reserve $	Accumulated losses $	Non-controlling interest $	Other reserves $	Total equity $
Balance at 1 January 2019 previously reported	40,677,673	1,141,585	(30,257,796)	-	(117,498)	11,443,964
Adjustment upon initial adoption of AASB 16	-	-	(25,246)	-	-	(25,246)
Balance at 1 January 2019 - restated	40,677,673	1,141,585	(30,283,042)	-	(117,498)	11,418,718
Profit/(loss) after income tax expense for the year - restated	-	-	1,593,582	-	-	1,593,582
Other comprehensive income for the year, net of tax	-	-	-	-	15,299	15,299
Total comprehensive income/(loss) for the year -restated	-	-	1,593,582	-	15,299	1,608,881
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	7,292,350	(2,376,074)	-	-	-	4,916,276
Share-based payments (note 37)	-	1,810,092	-	-	-	1,810,092
Lapse of options and rights	-	(162,156)	162,156	-	-	-
Balance at 31 December 2019 *	47,970,023	413,447	(28,527,304)	-	(102,199)	19,753,967

* 31 December 2019 numbers have been restated - see note 2 for details

Consolidated	Issued capital $	Share based payments reserve $	Accumulated losses $	Non-controlling interest $	Other reserves $	Total equity $
Balance at 1 January 2020 previously reported	47,970,023	413,447	(28,564,473)	-	(102,199)	19,716,798
Impact of correction of error on opening balance *	-	-	37,169	-	-	37,169
Balance at 1 January 2020 - restated	47,970,023	413,447	(28,527,304)	-	(102,199)	19,753,967
Profit/(loss) after income tax expense for the year	-	-	1,913,528	(552,800)	-	1,360,728
Other comprehensive income for the year, net of tax	-	-	-	-	(440,243)	(440,243)
Total comprehensive income/(loss) for the year	-	-	1,913,528	(552,800)	(440,243)	920,485
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	1,704,462	(501,799)	-	-	-	1,202,663
Non Controlling Interest Contributions to equity	-	-	-	1,317,647	1,882,353	3,200,000
Share-based payments (note 37)	-	353,157	-	-	-	353,157
Lapse of options and rights	-	(247,500)	247,500	-	-	-
Balance at 31 December 2020	49,674,485	17,305	(26,366,276)	764,847	1,339,911	25,430,272

* 31 December 2019 numbers have been restated - see note 2 for details

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

iSignthis Ltd
Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	Consolidated 31 December 2020 $	31 December 2019 $
Cash flows from operating activities			
Receipts from customers		35,153,036	31,258,395
Payments to suppliers and employees		(30,237,437)	(27,860,483)
Interest received		46,823	112,105
Government grants & tax incentives received		972,455	858,800
Income taxes paid		(1,347,296)	-
Net cash from operating activities	35	4,587,581	4,368,817
Cash flows from investing activities			
Payments for acquisition of business	32	-	(118,840)
Payment for shares in Associate	16	(6,020,000)	-
Payments for plant and equipment	13	(533,784)	(757,780)
Payments for intangibles	15	(2,821,181)	-
Cash contribution from investment partner		3,200,000	-
Loans repaid from third parties		-	332,000
Cash acquired on acquisition of business		-	14,520
Net cash (used in) investing activities		(6,174,965)	(530,100)
Cash flows from financing activities			
Repayment of lease liabilities	21	(370,817)	(229,328)
Proceeds from exercise of options	23	361,122	4,634,540
Other (Merchant security and card scheme security received)		610,264	976,180
Net cash from financing activities		600,569	5,381,392
Net increase/(decrease) in cash and cash equivalents		(986,815)	9,220,109
Cash and cash equivalents at the beginning of the financial year		17,703,578	8,433,874
Effects of exchange rate changes on cash and cash equivalents		(105,298)	49,595
Cash and cash equivalents at the end of the financial year	9	16,611,465	17,703,578

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

Note 1. General information

The financial statements cover iSignthis Ltd as a consolidated entity consisting of iSignthis Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is iSignthis Ltd's functional and presentation currency.

iSignthis Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

456 Victoria Parade
East Melbourne
Victoria, 3002

The Company is an Australian incorporated hybrid regulated financial services company and developer of RegTech solutions, headquartered in Melbourne, Australia, with operations centres in Nicosia, Cyprus, Vilnius, Lithuania and London, UK, with sales offices in Sydney, Australia, Amsterdam, the Netherlands, Tel-Aviv, Israel and Valetta, Malta.

The Company has built its own monetary financial services technology stack including payment gateway, core banking, interbank networking and KYC platforms. The Company uses this technology stack to deliver payment and eMoney services to business and retail customers under EU and UK monetary financial services authorizations. The Company also provides the platforms as a technology provider to other regulated financial institutions under either SaaS or a licensing plus service fees model.

The Company also possesses the capability to license its know-how, including extensive software systems and intellectual property rights (in the form of patents granted across a number of jurisdictions) to prospective customers. The Company is in the deployment and commercialisation stage of its business life as an emerging neo-banking, payments, identity/KYC and technology provider to both the retail and AML regulated business sectors.

The Company's Cyprus subsidiary, ISX Financial EU Ltd ('ISXEU') is the holder of EEA regulatory authorisation as an EMoney Institution authorised by the Central Bank of Cyprus ISXEU was granted a transitional authority to operate in the UK by the FCA as an interim measure following Brexit and until a license is granted in the UK.

In September 2020, The Company's UK subsidiary, ISX Financial UK Ltd ('ISXUK') was granted an AEMI by the FCA under the Electronic Money Regulations 2011 (United Kingdom). The license allows ISXUK to issue, distribute and redeem eMoney in the UK, and, subject to approval of its application, to hold a BoE settlement account. The full range of services permissible under the Payment Services Regulations 2017 (United Kingdom) have also been authorised, including account information and payment initiation services.

The Company's subsidiaries hold payment services licenses in both the EEA and Australia for major card schemes, including Mastercard Inc., Diners Club, Discover, JCB, China UnionPay and other APM's.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iSignthis Ltd ('company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. iSignthis Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Foreign currency translation
The financial statements are presented in Australian dollars, which is iSignthis Ltd's functional and presentation currency.

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the

Note 2. Significant accounting policies (continued)

reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

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

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2020. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Restatement of Comparatives
For the period ended 31 December 2019 there have been three prior period restatements. The net impact on these restatements is a $37,169 increase in net profit after tax for the 12 months ended 31 December. The restatement of Revenue and the restatement of costs, items 1, 2 and 3 below are disclosed under *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The restated for the finalisation of UAB Probanx Solutions Accounting, item 3 below is accounted for under *AASB 3 Business Combinations*.

1. Restatement of Revenue

Previously the Group was recognising card acquiring revenue on transaction date. The prior period has been restated to recognise revenue as at settlement date, generally on a transaction date plus seven days basis. This change recognises that under *AASB 15 Revenue from Contracts with Customers*, that the performance obligations under the contract, should be recognised as one performance obligation, with revenue recognised when the asset or settlement is transferred to the customer. This resulted in a $1,385,630 decrease in revenue in the 31 December 2019 full year comparatives. No restatement was required to the opening retained earnings as at 1 January 2019 as card acquiring revenue was immaterial at this point in time.

2. Restatement of operating costs

Operating costs have been restated to recognise that under AASB 15 costs to fulfill a contract should be recognised as an asset and then amortised on a systematic basis that is consistent with the transfer of goods or services to which the asset relates. This change has resulted in the prior periods being restated to recognise operating costs, which largely consist of cash scheme charges, in line with revenue as at settlement date, generally on a transaction date plus seven days basis.

Further, post 31 December 2019, management became aware of an error which resulted in overpayment in 2019 of card scheme charges. These two changes have resulted in a $1,587,305 decrease in operating costs in the 31 December 2019 full year comparatives. No restatement was required to the opening retained earnings as at 1 January 2019 due to this change.

Note 2. Significant accounting policies (continued)

3. Finalisation of UAB Probanx Solutions Accounting

In the period management have finalised the acquisition accounting for UAB Probanx Solutions. The finalisation has resulted in a reduction in Goodwill of $757,067 and an increase in intangible assets of the same amount. Amortisation of this intangible asset has started on the date of acquisition, on a straight line basis over 5 years. This has resulted in an increase in depreciation & amortisation expense of $132,487 for the 12 months ended 31 December 2019. Refer to note 15 Non-current assets – intangibles for further details.

Excerpt of restated consolidated statement of profit or loss and other comprehensive income For the year ended 31 December 2019	**Previously Reported 31 Dec 2019 $**	**1. Restatement of Revenue $**	**2. Restatement of Operating Costs $**	**3. Finalisation of Acquisition Accounting $**	**Restated 31 Dec 19 $**
Revenue	31,238,675	(1,385,630)	-	-	29,853,045
Expenses					
Depreciation & amortisation expense	(532,657)	-	-	(132,487)	(665,144)
Operating costs	(14,389,813)	-	1,587,305	-	(12,802,508)
Profit/(loss) before income tax expense	2,185,693	(1,385,630)	1,587,305	(132,487)	2,254,881
Income tax expense	(629,280)	219,990	(252,009)	-	(661,299)
Profit/(loss) after income tax expense for the year attributable to the owners of iSignthis Ltd	1,556,413	(1,165,640)	1,335,296	(132,487)	1,593,582
Total comprehensive income/(loss) for the year attributable to the owners of iSignthis Ltd	1,571,712	(1,165,640)	1,335,296	(132,487)	1,608,881

	Previously Reported 31 Dec 2019 Cents	**Restated 31 Dec 19 Cents**
Basic earnings per share	0.14	0.15
Diluted earnings per share	0.14	0.15

Note 2. Significant accounting policies (continued)

Excerpt of restated consolidated statement of financial position As at 31 December 2019	Previously Reported 31 Dec 19 $	1. Restatement of Revenue $	2.Restatement of Operating Costs $	3. Finalisation of Acquisition Accounting $	Restated 31 Dec 19 $
Assets					
Current assets					
Trade and other receivables	572,608	-	817,371	-	1,389,979
Other assets	3,442,617	-	769,934	-	4,212,551
Total current assets	117,897,027	-	1,587,305	-	119,484,332
Non- current assets					
Intangibles	3,044,567	-	-	(132,487)	2,912,080
Total non-current assets	6,219,377	-	-	(132,487)	6,086,890
Total assets	124,116,404	-	1,587,305	(132,487)	125,571,222
Liabilities					
Current liabilities					
Trade and other payables	4,724,332	(219,990)	252,009	-	4,756,351
Contract liabilities	-	1,385,630	-	-	1,385,630
Total current liabilities	102,529,794	1,165,640	252,009	-	103,947,443
Total liabilities	104,399,606	1,165,640	252,009	-	105,817,255
Net assets	19,716,798	(1,165,640)	1,335,296	(132,487)	19,753,967
Equity					
Accumulated losses	(28,564,473)	(1,165,640)	1,335,296	(132,487)	(28,527,304)
Total equity	19,716,798	(1,165,640)	1,335,296	(132,487)	19,753,967

Note 3. Critical accounting judgments, estimates and assumptions

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

Revenue Recognition
Revenue from payment processing and settlement contracts is recognised when the entity has competed all performance obligations under the contract, by transferring the payment settlement to the customers account. This recognises that the Company's performance obligations are not separately identifiable and should be bundled as one performance obligation, completed when settlement is made to the customer. All performance obligations from payment processing and settlement are satisfied at a point in time.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Where market prices are not available, the fair value of equity-settled transactions are determined using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity 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.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The operating segments are analysed by the Executives of the consolidated entity who ultimately report to the board of Board of Directors (collectively identified as the Chief Operating Decision Makers ('CODM')), based on the internal reports that are reviewed and used by the CODM in assessing performance and in determining the allocation of resources.

The CODM reviews revenues, relevant expenses and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 4. Operating segments (continued)

In 2020, to better reflect how the Group is being managed the CODM identified new operating segments. The Group operates across four main operating divisions, with various product/services brands within each of those divisions, they include:

- *Regulated eMoney & Payment Services:* Payments, eMoney and transactional banking services;
- *RegTech Solutions:* Core banking, core networking platforms, identity and other banking software services;
- *Regulated Securities Exchange*: including holdings in the public quoted National Stock Exchange of Australia Ltd, and in ClearPay, our digital ledger technology delivery versus payment company; and
- *Intellectual Property:* A number of granted and pending patents applicable to anti-money laundering, payment verification and payments, across multiple jurisdictions. Future revenue is expected to be generated from this segment.

	Regulated eMoney & Payment Services						
Consolidated - 31 December 2020	Australia	Europe	Reg- Tech Solutions	Regulated Securities Exchanges	Intellectual Property	Corporate Items	Total
	$	$	$	$	$	$	$
Revenue and Other Income							
Sales to external customers (note 5)	1,476,466	32,655,914	2,158,137	-	-	-	36,290,517
Government grants (includes R&D tax concessions)	816,855	-	-	-	-	155,600	972,455
Interest	16,178	11,678	-	6,386	-	12,581	46,823
Total revenue and other income	2,309,499	32,667,592	2,158,137	6,386	-	168,181	37,309,795
Expenses							
Corporate expenses	(782,195)	(1,920,116)	(433,966)	(4,678)	(213,501)	(3,506,195)	(6,860,651)
Advertising & marketing	(15,240)	(241,027)	(3,802)	-	-	(71,921)	(331,990)
Employee benefits expense	(2,094,437)	(2,839,818)	(1,537,895)	-	-	(991,830)	(7,463,980)
Research & development expenses	(713,865)	-	-	-	-	-	(713,865)
Depreciation & amortisation expense	(166,912)	(43,704)	(922,137)	-	(96,552)	-	(1,229,305)
Share of losses from investment in associate	-	-	-	(507,927)	-	-	(507,927)
IT expenses	(791,046)	(961,572)	(176,308)	-	-	(67,418)	(1,996,344)
Other expenses	(18,605)	(98,238)	(43,351)	-	-	(137)	(160,331)
Operating costs	(647,715)	(14,008,798)	(156,992)	-	-	-	(14,813,505)
Share based payments	-	-	-	-	-	(353,157)	(353,157)
Finance costs	(7)	-	(72,131)	-	-	1,809	(70,329)
Intercompany management fee recharge	-	(1,565,720)	1,565,720	-	-	-	-
Net realised foreign exchange gain/(loss)	174,324	227,999	(253,349)	154,310	-	(233,930)	69,354
	(5,055,698)	(21,450,994)	(2,034,211)	(358,295)	(310,053)	(5,222,779)	(34,432,030)
Profit/(loss) before income tax expense	(2,746,199)	11,216,598	123,926	(351,909)	(310,053)	(5,054,598)	2,877,765
Income tax expense							(1,517,037)
Profit after income tax expense	(2,746,199)	11,216,598	123,926	(351,909)	(310,053)	(5,054,598)	1,360,728

Note 4. Operating segments (continued)

Consolidated – Restated 31 December 2019	Regulated eMoney & Payment Services Australia $	Regulated eMoney & Payment Services Europe $	Reg- Tech Solutions $	Regulated Securities Exchanges $	Intellectual Property $	Corporate Items $	Total $
Revenue and Other Income							
Sales to external customers - restated (note 5)	2,324,623	24,395,785	3,132,637	-	-	-	29,853,045
Government grants (includes R&D tax concessions)	887,910	-	-	-	-	-	887,910
Interest	46,688	11,337	6	-	-	42,311	100,342
Total revenue and other income	3,259,221	24,407,122	3,132,643	-	-	42,311	30,841,297
Expenses							
Corporate expenses	(1,484,825)	(941,783)	(344,767)	-	(280,245)	(1,310,826)	(4,362,446)
Advertising & marketing	(15,992)	(69,196)	(183,003)	-	-	(115,673)	(383,864)
Employee benefits expense	(1,120,263)	(3,374,107)	(1,549,933)	-	-	(561,791)	(6,606,094)
Research & development expenses	(1,087,220)	-	-	-	-	-	(1,087,220)
Depreciation & amortisation expense-restated	(125,313)	(142,471)	(300,808)	-	(96,552)	-	(665,144)
Impairment of investment in associate	-	-	-	-	-	-	-
Share of losses from investment in associate	-	-	-	-	-	-	-
IT expenses	(1,175,678)	(348,269)	(129,009)	-	-	-	(1,652,956)
Other expenses	89,482	(50,171)	(60,530)	-	-	(84,465)	(105,684)
Operating costs-restated	(808,989)	(12,006,756)	13,237	-	-	-	(12,802,508)
Share based payments	-	-	-	-	-	(1,810,092)	(1,810,092)
Finance costs	(13,133)	-	1,289	-	-	-	(11,844)
Intercompany management fee recharge	7,443,008	(5,609,197)	(1,833,811)	-	-	-	-
Net realised foreign exchange gain/(loss)	21,032	876,796	(702)	-	-	4,310	901,436
	1,722,109	(21,665,154)	(4,388,037)	-	(376,797)	(3,878,537)	(28,586,416)
Profit/(loss) before income tax expense	4,981,330	2,741,968	(1,255,394)	-	(376,797)	(3,836,226)	2,254,881
Income tax expense -restated							(661,299)
Profit after income tax expense	4,981,330	2,741,968	(1,255,394)	-	(376,797)	(3,836,226)	1,593,582

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

Note 5. Revenue

	Consolidated	
	31 December 2020 $	**Restated 31 December 2019 $**
Contracted service fees		
- Recognised at a point in time	34,567,725	27,644,473
- Recognised over time	1,722,792	2,208,572
Revenue	36,290,517	29,853,045

Revenue is disaggregated as indicated in note 4 to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data and geographical dispersion.

Previously the Group was recognising card acquiring revenue on transaction date. The prior period has been restated to recognise revenue as at settlement date, generally on a transaction date plus seven days basis. This change recognises that under *AASB 15 Revenue from Contracts with Customers*, that the performance obligations under the contract, should be recognised as one performance obligation, with revenue recognised when the asset or settlement is transferred to the customer. This resulted in a $1,385,630 decrease in revenue in the 31 December 2019 full year comparatives.

Operating costs have been restated to recognise that under AASB 15 costs to fulfill a contract should be recognised as an asset and then amortised on a systematic basis that is consistent with the transfer of goods or services to which the asset relates. This change has resulted in the prior periods being restated to recognise operating costs, which largely consist of cash scheme charges, in line with revenue as at settlement date, generally on a transaction date plus seven days basis.

Accounting policy for revenue recognition
Revenue is recognised when (or as) the consolidated entity satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is recognised at the transaction price that is allocated to the performance obligation.

Revenue is recognised through the following major revenue streams as follows:

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

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

Transactional banking services
Revenue generated from transactional banking services are billed on a per transaction basis and are recognised once the service has been performed. All revenue within this revenue stream has been included within ‘contracted service fees’ noted above and is recognised point in time. This revenue stream forms part of the Regulated Services division.

Note 5. Revenue (continued)

Payment processing and settlement
Revenue generated from the payment processing and settlement are billed on a per transaction basis and are recognised once all performance obligations are completed, when settlement is made to the customer.

Revenue from payment processing contracts is recognised when the entity has competed all performance obligations under the contract, by transferring the payment settlement to the customers account. This recognises that the Company's performance obligations are not separately identifiable and should be bundled as one performance obligation, completed when settlement is made to the customer.

All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised point in time. This revenue stream forms part of the Regulated Services division.

Know Your Customer (KYC) verification (Identity Services)
Revenue generated from KYC fees are billed on a flat rate per verification service and are recognised once the service is performed. All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised point in time. This revenue stream forms part of the Reg-Tech Solutions division.

Integration, Establishment, Project and Platform Fees
Revenue generated from the initial integration and merchant operational set up are billed on contract signing and service go live date, or line with the performance obligations in the contract. Revenue is recognised once the service has been performed. All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised over time. This revenue stream forms part of the Reg-Tech Solutions division.

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

Note 6. Other income

	Consolidated	
	31 December 2020 $	31 December 2019 $
Research & development tax concession	-	887,910
Other government grants	972,455	-
Interest income	46,823	100,342
Other income	1,019,278	988,252

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

Government grants and tax incentives
Other government grants include jobkeeper payments and cash flow boost support from the Government due to the impact of Covid-19. Grants from the government are recognised as income at their fair value where there is reasonable assurance that the grant will be received, the Company will comply with attached conditions and the grants are readily measurable. Government subsidies are recognised under the AASB 120 (Accounting for Government Grants and Disclosure of Government Assistance).

Note 7. Expenses

	Consolidated 31 December 2020 $	Restated 31 December 2019 $
Profit before income tax includes the following specific expenses:		
Depreciation		
Land and buildings right-of-use assets	425,634	239,814
Computers and office equipment	211,333	133,615
Total depreciation	636,967	373,429
Amortisation		
Intangible assets	592,338	291,715
Total depreciation and amortisation	1,229,305	665,144

Note 8. Income tax

	Consolidated 31 December 2020 $	Restated 31 December 2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	2,877,765	2,254,881
Tax at the statutory tax rate of 27.5%	791,385	620,092
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	97,118	540,896
Difference attributable to foreign operations	683,297	(426,377)
Research and development refund	-	244,175
Job keeper payment/government incentives	267,425	-
	1,839,225	978,786
Deductible blackhole expenditure	67,174	98,149
Other timing differences	102,459	32,259
Income tax losses not taken up as a tax benefit	(491,821)	(447,895)
Income tax expense	1,517,037	661,299

Note 8. Income tax (continued)

	31 December 2020 $	31 December 2019 $
Deferred tax assets recognised		
Deferred tax assets recognised comprises temporary differences attributable to:		
Acquisition of Probanx Information Systems Ltd	(90,947)	(90,947)
Tax losses (foreign subsidiaries)	242,068	106,935
Tax losses (Australia)	386,824	-
Employee cost capitalisation	(522,837)	-
Total deferred tax assets recognised	15,108	15,988

	Consolidated	
	31 December 2020 $	31 December 2019 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses (Australia)	4,577,902	3,564,771
Temporary differences (Australia)	288,206	253,368
Tax losses (foreign subsidiaries)	886,636	863,618
Total deferred tax assets not recognised	5,752,744	4,681,757

The above potential tax benefit for deductible temporary differences, which excludes tax losses, has not been recognised in the financial statements as the recovery of the benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law;

iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses; and

iv) the losses are transferred to an eligible entity in the consolidated group.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 8. Income tax (continued)

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

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

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

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	31 December 2020 $	31 December 2019 $
Cash at bank	16,611,465	17,703,578

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

Note 10. Current assets - trade and other receivables

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Trade receivables	1,592,350	1,308,702
Other receivables	2,290	23,073
GST/VAT receivable	-	58,204
	1,594,640	1,389,979

Due to the short-term nature of the receivables, their carrying value is assumed to be approximately their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit time frame.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Note 10. Current assets - trade and other receivables (continued)

The consolidated entity recognises a loss allowance for expected credit losses on financial assets measured at amortised cost, including trade and other receivables. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly (i.e. more than 60 days overdue), the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

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

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

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

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

Note 11. Current assets - funds held on behalf of merchants

	Consolidated	
	31 December 2020 $	31 December 2019 $
Funds held on behalf of merchants		
Funds received - current asset	98,027,440	96,178,224
Funds payable - current liability	(98,027,440)	(96,178,224)
	-	-

The funds held on behalf of merchants current asset and current liability noted above represent rolling reserve (initial and additional requirements under each agreement depending on the volume of transactions with each Merchant), e-money deposits and settlement funds which were yet to be settled back to the respective merchants as at 31 December 2020 and 31 December 2019.

Note 12. Current assets - other assets

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Prepayments	143,548	388,805
Deferred expenses	118,885	769,934
Security deposits	254,989	163,350
Card scheme collateral	1,163,370	2,890,462
	1,680,792	4,212,551

The card scheme collateral requirements as noted above are largely held by Mastercard (2019: Visa and Mastercard) in relation to merchant clients whereby iSignthis offers card acquiring, processing and settlement services and are held to meet capital adequacy and security requirements by each party.

Note 13. Non-current assets - plant and equipment

	Consolidated	
	31 December 2020 $	31 December 2019 $
Computer and office equipment - at cost	1,623,848	1,090,063
Less: Accumulated depreciation	(491,301)	(265,954)
	1,132,547	824,109

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

Consolidated	**Computer and office equipment $**
Balance at 1 January 2019	182,039
Additions	757,781
Additions through business combinations (note 32)	17,904
Depreciation expense	(133,615)
Balance at 31 December 2019	824,109
Additions	533,784
Exchange differences	(14,013)
Depreciation expense	(211,333)
Balance at 31 December 2020	1,132,547

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

Note 13. Non-current assets - plant and equipment (continued)

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

Computer and office equipment	2.5 - 7 years

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

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 14. Non-current assets - right-of-use assets

	Consolidated	
	31 December 2020 $	31 December 2019 $
Land and buildings - right-of-use	2,334,937	2,740,479
Less: Accumulated depreciation	(621,619)	(496,713)
	1,713,318	2,243,766

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

Consolidated	Land and building right-of-use assets $	Total $
Balance at 1 January 2019	-	-
Opening balance upon adoption of AASB 16	581,556	581,556
Additions	2,230,123	2,230,123
Leases not renewed	(328,099)	(328,099)
Depreciation expense (note 18)	(239,814)	(239,814)
Balance at 31 December 2019	2,243,766	2,243,766
Leases not renewed	(97,843)	(97,843)
Exchange differences	(6,971)	(6,971)
Depreciation expense (note 18)	(425,634)	(425,634)
Balance at 31 December 2020	1,713,318	1,713,318

Accounting policy for right-of-use assets
The consolidated entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets less than $7,000. The consolidated entity applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of items that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as incurred.

Note 14. Non-current assets - right-of-use assets (continued)

The consolidated entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets are capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In calculating the present value of lease payments, the Company uses its incremental borrowing rate of 5.24% at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Note 15. Non-current assets - intangibles

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Goodwill - at cost	1,013,080	1,013,080
Intellectual property - at cost	1,439,027	1,439,027
Less: Accumulated amortisation	(525,544)	(429,181)
	913,483	1,009,846
Internally developed software - at cost	3,906,282	1,087,785
Less: Accumulated amortisation	(684,099)	(198,631)
	3,222,183	889,154
	5,148,746	2,912,080

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

The value of the goodwill and Intellectual property - at cost and its accumulated amortisation as at 31 December 2019 have been restated. During the year, the management have finalised the acquisition accounting for UAB Probanx Solutions. The finalisation has resulted in a reduction in Goodwill of $757,067 from $1,678,712 to $921,645 and an increase in intangible assets of the same amount (less amortisation) when compared to the balances reported at 31 December 2019.

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

	Consolidated
	$
Balance at 1 January 2019	1,531,113
Additions - Software acquired (through business combinations - see note 32)	757,067
Additions - Goodwill acquired (through business combinations - see note 32)	921,645
Exchange differences	(6,030)
Amortisation expense	(291,715)
Balance at 31 December 2019	2,912,080
Additions - Internally developed software	2,821,181
Exchange differences	7,824
Amortisation expense	(592,339)
Balance at 31 December 2020	5,148,746

Accounting policy for intangible assets
Intangible assets, not acquired through a business combination, are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Amortisation commences when the asset is available for use, in the location and condition necessary for it to be capable of operating in the intended manner by management. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

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

Goodwill impairment
The Group performed its annual impairment test in November 2020.

For the purpose of impairment testing, the goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. The technology which was acquired through the Probanx and BBS acquisitions, includes the core banking system and payment gateway technology used in both the Regulated eMoney & Payment Services and the Reg-tech Solutions operating segments of the Group. Management believe its therefor appropriate to group these two operating segments as the Regulated Services and Reg-tech Solutions CGU ('RSRS CGU'), to assess the goodwill from both the Probanx and BBS acquisitions, which represents the goodwill of the Group.

The recoverable amount of the RSRS CGU is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three year period. The projected cash flows have been updated to reflect the expected demand for the RSRS CGU's products and services. The pre-tax discount rate applied to the cash flow projections is 15%. The terminal value has been calculated using an 8.5x multiple of the year 3 free cash flows. Management believes this is a conservative multiple based on current trading multiples in the market. As a result of the analysis, there is headroom of approximately $70 million and management did not identify an impairment for the RSRS CGU.

The key assumptions used in value in use calculations and sensitivity to changes in assumptions are:
- E-Money issuance Growth rates over the 3 year period
- Operating costs as a % of revenues
- Discount rate

E-Money issuance Growth rates – Growth rates in eMoney issuance are based on the historical and current performance of the Group in both payment and transactional banking services. The growth rates used of between 0-9% are below the long term industry average of circa 30% due to the uncertainty in achieving these growth rates, as a result of the timing and customer take up of future product releases. For the Group CGU unit, a reduction by 16% in the growth rates would result in impairment.

Operating costs as a % of revenues – operating costs as a % of revenues are based on average values achieved in the year preceding the beginning of the budget period. Operating costs as a % of revenues is expected to remain broadly stable over the three year budget period, at between 32-35%. A decreased in demand can lead to an increase in operating costs as a % of revenues. An increase in operating costs as a % of revenues of 23% would result in impairment in the Group CGU.

Discount rate – Discount rate represent the current market assessment of the risks specific to the Group CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate of 15% was calculated based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the anticipated cost of interest bearing borrowings, if the Group had debt, which is does not. A rise in the pre-tax discount rate to over 600% (i.e. +585%) in the Group CGU would result in impairment.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the shorter of the period of expected benefit or the period of the related patent as follows:

Patents	1- 15 years

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 16. Non-current assets - Investment in Associate

	Consolidated	
	31 December 2020 $	31 December 2019 $
Balance as at 1 January 2020	-	-
Additions	6,020,000	-
Share of losses from investment in associate	(507,927)	-
Total Investment in associate	5,512,073	-

Investment in associate
In determining how to account for an investment in an associate, management first review whether the iSignthis group controls the investee. Where its determined that the iSignthis group controls the investee, the results of the investee are consolidated within iSignthis Limited's consolidated financial statements.

Where management determine an investee is not controlled by the iSignthis Group, management further review the investee to determine if the iSignthis Group have significant influence over the investee. Where its determined significant influence exists, the investee is accounted for under the equity method. Where significant influence doesn't exist, the investment is accounted for as a financial asset.

Investment in NSX Limited
During the financial year ended 31 December 2020, the Company purchased a 19.22% stake in NSX Limited ('NSX') for $6.02m. NSX operates NSXA, Australia's second-largest Tier 1 securities market operator.

Management reviewed the investment in NSX, first to determine if control existed and secondly to determine if significant influence existed. After considering serval factors including the ability to control a shareholders vote, the ability to control a board vote, the material transaction between NSX and iSignthis and the Managing Director of the iSignthis Group holding the interim CEO role at NSX, Management concluded that the iSignthis Group does not control NSX, but despite owning only 19.22% of NSX does have significant influence over NSX. The investment in NSX is therefore accounted for under the equity method.

During the year, the Company took a $0.5m share of loss to the investment in NSX Limited, reflecting the Group's share of net loss of associates for NSX Limited.

If the investment in NSX were to be valued at its fair value, it would be worth approximately $10.8 million on 31 December 2020, based on the share price on the day.

Set out below is the supplementary information about the associate, NSX Limited.

Statement of profit or loss and other comprehensive income

	NSX Year Ended 31 December 2020 $
Total Revenue	1,549,555
Loss after income tax	(3,858,352)
Total comprehensive loss for the period	(3,858,352)

Note 16. Non-current assets - Investment in Associate (continued)

Statement of financial position

	NSX As at 31 December 2020 $
Current assets	4,763,829
Non-current assets	5,150,215
Total assets	9,914,044
Current liabilities	3,225,879
Non-current liabilities	2,096,844
Total liabilities	5,322,723
Equity	
Issued capital	56,581,352
Option Reserves	1,385,159
Retained earnings	(53,375,190)
Total Equity	4,591,321

Note 17. Current liabilities - trade and other payables

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Trade payables	933,681	478,016
Income tax provision	937,975	768,234
GST/VAT payable	118,538	-
Other payables (includes Merchant Security Payable)	3,498,603	3,510,101
	5,488,797	4,756,351

Refer to note 26 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Current liabilities - lease liability

	Consolidated	
	31 December 2020 $	31 December 2019 $
Lease liability	512,956	516,943

Refer to note 14 for accounting policy.

Refer to note 26 for further information on financial instruments.

The following are the amounts recognised in profit or loss:

	Consolidated	
	31 December 2020 $	31 December 2019 $
Depreciation expense of right-of-use assets	425,634	239,814
Interest expense on lease liabilities	70,322	11,844
Expense relating to short-term leases (included in corporate expenses)	475,283	262,537
Expense relating to leases of low-value assets (included in corporate expenses)	7,722	2,744
Total amount recognised in profit or loss	978,961	516,939

Note 19. Current liabilities - employee benefits

	Consolidated	
	31 December 2020 $	31 December 2019 $
Annual leave	470,067	291,533

Accounting policy for employee benefits

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

Note 20. Current liabilities - other liabilities

	Consolidated	
	31 December 2020 $	31 December 2019 $
Deferred consideration	-	818,762

Refer to note 32 for details of the deferred consideration acquired as a part of the business combination of UAB Probanx Solutions.

Note 21. Non-current liabilities - lease liability

	Consolidated	
	31 December 2020 $	31 December 2019 $
Lease liability (refer to note 14 for accounting policy)	1,270,685	1,742,328

Refer to note 26 for further information on financial instruments.

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

Note 22. Non-current liabilities - employee benefits

	Consolidated	
	31 December 2020 $	31 December 2019 $
Long service leave	70,274	36,537

Accounting policy for other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 23. Equity - issued capital

	Consolidated			
	31 December 2020 Shares	31 December 2019 Shares	31 December 2020 $	31 December 2019 $
Ordinary shares - fully paid	1,097,597,165	1,093,383,191	49,674,485	47,970,023

Note 23. Equity - issued capital (continued)

Movements in ordinary share capital from 1 January 2020 to 31 December 2020

Details	Date	Shares	Issue price	$
Balance	1 January 2020	1,093,383,191	$0.000	47,970,023
Issue of shares upon the vesting of performance rights	1 January 2020	50,000	$0.000	16,750
Issue of shares upon the vesting of performance rights	1 March 2020	62,500	$0.000	11,250
Issue of shares to employee	2 March 2020	10,000	$0.000	1,500
Issue of shares in relation to a business combination	2 March 2020	787,478	$1.070	842,601
Issue of shares upon the vesting of performance rights	30 April 20	74,000	$0.000	24,790
Issue of shares upon the vesting of performance rights	1 May 20	30,616	$0.000	4,592
Issue of shares upon the vesting of performance rights	1 August 20	76,375	$0.000	61,100
Issue of shares upon the vesting of performance rights	11 August 20	1,000	$0.000	1,070
Issue of shares upon the vesting of performance rights	11 August 20	5,000	$0.000	750
Issue of shares upon the vesting of performance rights	2 September 20	1,565,000	$0.000	266,050
Issue of shares upon the vesting of performance rights	2 September 20	23,364	$0.000	3,505
Issue of shares upon the vesting of performance rights	10 December 20	2,500	$0.000	1,625
Issue of shares upon the vesting of performance rights	10 December 20	46,728	$0.000	30,373
Issue of shares upon the vesting of performance rights	10 December 20	314,500	$0.000	204,426
Exercise of options during the year		1,164,913	$0.310	361,122
Transfer from share based payments reserve		-	$0.000	(127,042)
Balance 31 December 2020		1,097,597,165		49,674,485

Note 23. Equity - issued capital (continued)

Movements in ordinary share capital from 1 January 2019 to 30 December 2019

Details	Date	Shares	Issue price	$
Balance	1 January 19	1,075,714,618	$0.000	40,677,673
Issue of shares upon the vesting of performance rights	3 January 19	1,208,936	$0.000	126,087
Issue of shares upon the vesting of performance rights	28 February 19	1,250,000	$0.000	133,875
Issue of shares upon the vesting of performance rights	6 March 19	62,500	$0.000	7,088
For the purchase of UAB Probanx Solutions	6 March 19	607,055	$0.190	119,408
Issue of shares upon the vesting of performance rights	12 March 19	85,000	$0.000	9,639
Issue of shares upon the vesting of performance rights	26 April 19	100,000	$0.000	11,582
Issue of shares upon the vesting of performance rights	26 April 19	50,000	$0.000	5,355
Issue of shares upon the vesting of performance rights	1 July 19	17,500	$0.000	2,975
Issue of shares upon the vesting of performance rights	2 September 19	3,291,667	$0.000	1,387,095
Issue of shares upon the vesting of performance rights	1 December 19	10,000	$0.000	1,550
Issue of shares upon the vesting of performance rights	10 December 19	155,000	$0.000	24,800
Exercise of options during the year		10,354,079	$0.510	5,299,737
For the purchase of Probanx	8 August 19	476,836	$0.340	163,159
Balance 31 December 2019		1,093,383,191		47,970,023

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

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

Share buy-back
There is no current on-market share buy-back.

Note 24. Equity - reserves

	Consolidated	
	31 December 2020 $	**31 December 2019 $**
Foreign currency reserve	(542,442)	(102,199)
Share-based payments reserve	17,305	413,447
Other reserves	1,882,353	-
	1,357,216	311,248

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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

Other reserves
This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	**Foreign currency reserve $**	**Share based payments reserve $**	**Other reserve $**	**Total $**
Balance at 1 January 2019	(117,498)	1,141,585	-	1,024,087
Foreign currency translation	15,299	-	-	15,299
Share-based payments issued	-	1,810,092	-	1,810,092
Transfer to issued capital upon the vesting of performance rights and exercise of options	-	(2,376,074)	-	(2,376,074)
Lapse of options and rights	-	(162,156)	-	(162,156)
Balance at 31 December 2019	(102,199)	413,447	-	311,248
Foreign currency translation	(440,243)	-	-	(440,243)
Non Controlling Interest Contributions to equity	-	-	1,882,353	1,882,353
Share-based payments issued	-	353,157	-	353,157
Transfer to issued capital upon the vesting of performance rights and exercise of options	-	(502,899)	-	(502,899)
Lapse of options and rights	-	(246,400)	-	(246,400)
Balance at 31 December 2020	(542,442)	17,305	1,882,353	1,357,216

Note 25. Equity - Contribution to equity from non-controlling interest

	Consolidated 31 December 2020 $	31 December 2019 $
Balance at the beginning of the period	-	-
Non-controlling interest from capital contribution	1,317,647	-
Non-controlling interest -share of profit	(552,800)	-
Balance at the end of the period	764,847	-

Non-controlling interest relates to the $3.2m capital contribution from NSX Limited during the year for 41% of ClearPay Pty Ltd. The remaining balance of the capital contribution of $1.9m has been taken to other reserves.

Note 26. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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

Market risk
Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognized financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

	31 December 2020		31 December 2019	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash at bank	0.29%	16,611,465	0.93%	17,703,578
Net exposure to cash flow interest rate risk		16,611,465		17,703,578

Note 26. Financial instruments (continued)

Below is a sensitivity analysis of interest rates at a rate of 50 basis points on cash at bank for the 2019 and 2020 financial years. The impact would not be material on bank balances held at 31 December 2020. The percentage change is based on expected volatility of interest rates using market data and analysis forecasts.

	Basis points increase			Basis points decrease		
Consolidated - 31 December 2020	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	81,614	81,614	50	(81,614)	(81,614)

	Basis points increase			Basis points decrease		
Consolidated - 31 December 2019	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	54,153	54,153	50	(54,153)	(54,153)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The consolidated entity holds security in relation to its card scheme merchant settlements (initial and additional requirements (rolling reserve) under each agreement depending on the volume of transactions with each Merchant). This therefore mitigates the risk of default of the counterparty as the consolidated entity holds sufficient security to cover amounts receivable by each party.

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

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

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

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

Note 26. Financial instruments (continued)

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

Consolidated - 31 December 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	933,681	-	-	-	933,681
Other payables	-	4,436,579	-	-	-	4,436,579
Interest-bearing - variable						
Lease liability	5.24%	512,956	976,031	294,654	-	1,783,641
Total non-derivatives		5,883,216	976,031	294,654	-	7,153,901

Consolidated - 31 December 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	478,016	-	-	-	478,016
Other payables	-	3,510,101	-	-	-	3,510,101
Interest-bearing - variable						
Lease liability	5.24%	516,943	497,335	1,244,993	-	2,259,271
Total non-derivatives		4,505,060	497,335	1,244,993	-	6,247,388

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

Note 27. Key management personnel disclosures

Directors
The following persons were directors of iSignthis Ltd during the financial year and up to the date of this report, unless otherwise stated:

Mr Timothy Hart	(Independent, Non-Executive Chairman)
Mr Nickolas John Karantzis	(Managing Director)
Mr Scott Minehane	(Independent, Non-Executive Director)
Mr Barnaby Egerton-Warburton	(Independent, Non-Executive Director)
Mr Christakis Taoushanis	(Independent, Non-Executive Director)

Note 27. Key management personnel disclosures (continued)

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

	Consolidated	
	31 December 2020 $	31 December 2019 $
Short-term employee benefits	989,268	839,497
Post-employment benefits	41,545	53,156
Share-based payments	9,455	1,404,940
	1,040,268	2,297,593

Note 28. Remuneration of auditors

During the financial year, the Group has changed the auditor from Grant Thornton Audit Pty Ltd to BDO Audit Pty Ltd. During the financial year 2020, the following fee was paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Group:

	Consolidated	
	31 December 2020 $	31 December 2019 $
Audit services (BDO Audit Pty Ltd for the financial year 2020 and Grant Thornton Audit Pty Ltd for the financial year 2019)		
Audit or review of the financial statements	248,500	117,000
Audit services - network firms		
Audit or review of the financial statements	-	53,478
Audit services - unrelated firms		
Audit or review of the financial statements	-	5,638

Note 29. Contingent assets and liabilities

ASIC Investigation
On 7 December 2020, ASIC served iSignthis with a statement of claim in civil proceedings to be conducted in the Federal Court of Australia. The proceedings seek civil penalties against iSignthis arising from some alleged continuous disclosure breaches and alleged misleading information in 2018 and mid-2020 (the latter being while the Company's shares were not trading on the ASX). iSignthis will vigorously contest the claims. The Company holds no provision for this matter, as the outcome is so uncertain, no reliable estimate can be made.

Note 30. Related party transactions

Parent entity
iSignthis Ltd is the parent entity.

Note 30. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties
During the year, NSX Limited contributed capital $3.2m for 41% of ClearPay Pty Ltd (refer to note 25. Equity - Contribution to equity from non-controlling interest).

In December 2020 Authenticate Pty Ltd, a wholly owned subsidiary of iSignthis Limited, charged NSX Limited $30,250 (including GST) for once-off IT services provided in the month. The balance remained payable from NSX Limited to Authenticate Pty Ltd as at 31 December 2020.

There were no transactions with related parties in the previous financial year.

Receivable from and payable to related parties
As at 31 December 2020, NSX Limited owed $30,250 to Authenticate Pty Ltd as mentioned in the transactions with related parties note above. The amount is recorded in trade receivables in note 10.

There was no trade receivables from or trade payables to related parties in the previous financial year.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	31 December 2020 $	**Restated 31 December 2019 $**
Profit/(loss) after income tax	8,756,821	(3,384,088)
Total comprehensive income / (loss)	8,756,821	(3,384,088)

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	31 December 2020 $	**Restated 31 December 2019 $**
Total current assets	30,321,818	28,225,095
Total assets	41,939,825	42,320,767
Total current liabilities	532,250	10,387,852
Total liabilities	532,250	10,387,852
Equity		
Issued capital	133,354,529	132,490,060
Share-based payments reserve	17,305	413,447
Accumulated losses	(91,964,259)	(100,970,592)
Total equity	41,407,575	31,932,915

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2019 and 31 December 2020.

Contingent liabilities of the parent

ASIC Investigation
On 7 December 2020, ASIC served iSignthis with a statement of claim in civil proceedings to be conducted in the Federal Court of Australia. The proceedings seek civil penalties against iSignthis arising from some alleged continuous disclosure breaches and alleged misleading information in 2018 and mid-2020 (the latter being while the Company's shares were not trading on the ASX). iSignthis will vigorously contest the claims. The Company holds no provision for this matter, as the outcome is so uncertain, no reliable estimate can be made.

Capital commitments - Plant and equipment
The parent entity had no capital commitments for plant and equipment as at 31 December 2019 and 31 December 2020.

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

Note 32. Business combinations

UAB Probanx Solutions (previously known as UAB Baltic Banking Services)
On 14 February 2019, the consolidated entity acquired 100% of the ordinary shares of UAB Probanx Solutions. The acquired business contributed revenues of $1,427,603 and a loss after tax of $67,345 to the consolidated entity for the year ended 31 December 2019 and contributed revenues of $831,628.85 and a profit after tax of $2,316 to the consolidated entity for the nine months ended 31 December 2020.

Note 32. Business combinations (continued)

UAB Probanx Solutions is located in Lithuania, and has developed specialised banking software that allows rapid connectivity to the SEPA Core and SEPA Instant networks, together with the development of specialised core banking modules on a basis of document driven solution including client onboarding (KYC, AML), transaction core, product configuration, electronic document management (automated document relations and storage), reporting, etc, which will integrate with Paydentity™ and incorporate components of iSignthis' patented intellectual property.

The initial consideration for the purchase consisted of €75,000 in ordinary shares, issued at the February 2019 monthly VWAP, plus a €75,000 cash payment. An earn out applied, based upon multiplier of EBIT at 31 December 2019 less the initial cash payment and several other items, capped at €1.5m. The final earn out was €500,000 in addition to the initial consideration, to be paid in ordinary shares, issued at the January 2020 monthly VWAP.

There were no material acquisition costs related to the acquisition.

In the period management have finalised the acquisition accounting for UAB Probanx Solutions . The finalisation has resulted in a reduction in Goodwill of $757,067 from $1,678,712 to $921,645 and an increase in intangible assets of the same amount (less amortisation) when compared to the balances reported at 31 December 2019. Refer to note 2. Significant accounting policies (Restatement of Comparatives).

Final details of the acquisition are as follows:

	Fair value
	$
Cash and cash equivalents	14,520
Software Intangibles	757,067
Trade receivables	121,543
Other current assets	3,004
Computers and equipment	17,904
Trade payables	(159,005)
Contract liabilities	(509,487)
Other payables	(51,732)
Employee benefits	(60,652)
Net assets acquired	133,162
Goodwill	921,645
Acquisition-date fair value of the total consideration transferred	1,054,807
Representing:	
Cash paid or payable to vendor*	118,840
iSignthis Ltd shares issued to vendor**	118,840
Contingent consideration***	817,127
	1,054,807

* Consists of €75,000 cash paid on acquisition date
** Consists of €75,000 in ordinary shares, issued at the February 2019 monthly VWAP.
*** Contingent consideration is in ordinary shares, issued at the January 2020 VWAP.

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

Note 32. Business combinations (continued)

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

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

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

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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

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

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 December 2020 %**	**31 December 2019 %**
Authenticate Pty Ltd	Australia	100.00%	100.00%
Authenticate BV	Netherlands	100.00%	100.00%
ClearPay Pty Ltd	Australia	59.00%	-
ISX IP Ltd	British Virgin Islands	100.00%	100.00%
ISX Financial EU Ltd (1)	Cyprus	100.00%	100.00%
iSignthis Inc.	USA	100.00%	100.00%
iSignthis (IOM) Ltd	Isle of Man	100.00%	100.00%
ISX Financial UK Ltd (2)	United Kingdom	100.00%	-
ISX Financial Pty Ltd (3)	Australia	100.00%	100.00%
iSignthis BV	Netherlands	100.00%	100.00%
ISX Holdings Ltd (4)	United Kingdom	100.00%	-
iSignthis Solutions Pty Ltd	Australia	100.00%	100.00%
Probanx Information Systems Ltd	Cyprus	100.00%	100.00%
UAB Probanx Solutions (5)	Lithuania	100.00%	100.00%

Note 33. Interests in subsidiaries (continued)

(1) Previously known as iSignthis eMoney Ltd
(2) Previously known as iSignthis (UK) Ltd
(3) Previously known as iSignthis eMoney (AU) Pty Ltd
(4) Previously known as Probanx Holdings Ltd
(5) Previously known as UAB Baltic Banking Services

Subsidiaries
The results of all entities where the Group has 100% ownership interest, are included within iSignthis Limited's consolidated financial statements.

Entities with less than 100% ownership interest are reviewed by management and approved by the Board to determine whether the Group controls the entity. Where the Group has determined an entity is controlled by the iSignthis Group, it's results are included within iSignthis Limited's consolidated financial statements.

ClearPay Pty Ltd
ClearPay Pty Ltd ('ClearPay'), has a 59% ownership interest by the Group, with 41% owned by NSX Limited. The Group owns a further 19.22% of NSX Limited. ClearPay's principal place of residence is 456 Victoria Parade, East Melbourne, Victoria, Australia. Management and the Board have determined that the iSignthis Group controls ClearPay and have therefore consolidated the results of ClearPay within iSignthis Limited's consolidated financial statements.

Note 34. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 35. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Profit after income tax expense for the year	1,360,728	1,593,582
Adjustments for:		
Depreciation and amortisation	1,229,305	665,144
Share of loss - associates	507,927	-
Share-based payments	353,157	1,810,092
Foreign exchange differences	(105,748)	(28,619)
Finance costs	-	11,844
Income tax expense	-	661,299
Change in operating assets and liabilities:		
Increase in trade and other receivables	(204,660)	(291,217)
Decrease/(Increase) in other current assets	896,306	(183,872)
Increase in trade and other payables	1,558,287	452,534
Increase in employee benefits	212,271	109,940
Decrease in deferred revenue	(1,219,992)	(507,851)
(Decrease)/Increase in other liabilities	-	75,941
Net cash from operating activities	4,587,581	4,368,817

Note 36. Earnings per share

	Consolidated 31 December 2020 $	Consolidated Restated 31 December 2019 $
Profit after income tax	1,360,728	1,593,582
Non-controlling interest	552,800	-
Profit after income tax attributable to the owners of iSignthis Ltd	1,913,528	1,593,582

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share	1,094,452,951	1,086,871,672
Adjustments for calculation of diluted earnings per share:		
Performance rights	3,144,214	2,349,606
Options over ordinary shares	-	4,161,913
Weighted average number of ordinary shares used in calculating diluted earnings / (loss) per share	1,097,597,165	1,093,383,191

	Cents	Cents
Basic earnings per share	0.17	0.15
Diluted earnings per share	0.17	0.15

Note 37. Share-based payments

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

31 December 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/11/2017	08/02/2020	$0.310	1,164,913	-	(1,164,913)	-	-
13/03/2019	10/07/2020	$0.300	3,000,000	-	-	(3,000,000)	-
			4,164,913	-	(1,164,913)	(3,000,000)	-

Note 37. Share-based payments (continued)

31 December 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/08/2016	01/07/2019	$0.620	5,000,000	-	(5,000,000)	-	-
03/08/2017	01/12/2019	$0.300	500,000	-	(400,000)	(100,000)	-
09/11/2017	08/02/2019	$0.240	2,850,877	-	-	(2,850,877)	-
09/11/2017	08/05/2019	$0.270	2,850,877	-	(2,850,877)	-	-
09/11/2017	08/02/2020	$0.310	2,850,877	-	(1,685,964)	-	1,164,913
08/12/2017	08/02/2019	$0.240	200,000	-	-	(200,000)	-
08/12/2017	08/05/2019	$0.270	200,000	-	(200,000)	-	-
08/12/2017	08/02/2020	$0.310	200,000	-	(200,000)	-	-
13/03/2019	10/07/2020	$0.300	-	3,000,000	-	-	3,000,000
			14,652,631	3,000,000	(10,336,841)	(3,150,877)	4,164,913

* All options issued during the financial year 2019 were issued to advisers for services provided to the consolidated entity. There were no options issued during the financial year 2020.

Set out below are summaries of options exercisable at the end of the financial year:

Grant date	Expiry date	31 December 2020 Number	31 December 2019 Number
09/11/2017	08/02/2020	-	1,164,913
13/03/2019	10/07/2020	-	3,000,000
		-	4,164,913

Note 37. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan in 2020:

31 December 2020

Grant date	Expiry date	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
23/05/2018	01/03/2020	62,500	-	(62,500)	-	-
03/09/2018	01/09/2020	1,857,000	-	(1,565,000)	(292,000)	-
09/05/2019	01/01/2020	50,000	-	(50,000)	-	-
09/05/2019	30/04/2020	74,000	-	(74,000)	-	-
09/05/2019	30/04/2021	69,000	-	-	-	69,000
01/08/2019	01/08/2020	96,625	-	(76,375)	(20,250)	-
01/08/2019	01/08/2021	96,625	-	-	(39,625)	57,000
06/12/2019	08/08/2020	1,000	-	(1,000)	-	-
06/12/2019	08/08/2021	1,000	-	-	-	1,000
06/12/2019	31/12/2020	2,500	-	(2,500)	-	-
06/12/2019	30/06/2020	4,545	-	-	(4,545)	-
06/12/2019	31/07/2020	3,846	-	-	(3,846)	-
06/12/2019	31/08/2020	8,906	-	-	(8,906)	-
06/12/2019	30/09/2020	2,381	-	-	(2,381)	-
06/12/2019	30/06/2021	4,545	-	-	-	4,545
06/12/2019	31/07/2021	3,846	-	-	-	3,846
06/12/2019	31/08/2021	8,906	-	(8,906)	-	-
06/12/2019	30/09/2021	2,381	-	-	-	2,381
12/03/2020	31/08/2020	-	23,364	(23,364)	-	-
12/03/2020	28/02/2022	-	23,364	-	-	23,364
01/04/2020	01/05/2020	-	30,616	(30,616)	-	-
01/04/2020	28/02/2021	-	18,750	-	-	18,750
01/04/2020	31/03/2021	-	787,950	-	(19,500)	768,450
01/04/2020	28/02/2022	-	18,750	(5,000)	(13,750)	-
30/04/2020	31/03/2021	-	43,851	-	-	43,851
03/08/2020	01/07/2021	-	21,250	(20,000)	(1,250)	-
11/08/2020	28/02/2021	-	5,000	-	-	5,000
02/09/2020	01/07/2021	-	294,500	(294,500)	-	-
28/10/2020	31/10/2021	-	1,830,000	-	(18,000)	1,812,000
28/10/2020	31/10/2022	-	85,000	-	-	85,000
28/10/2020	31/10/2023	-	85,000	-	-	85,000
09/12/2020	31/08/2021	-	137,849	(37,822)	-	100,027
09/12/2020	30/09/2021	-	15,000	-	-	15,000
09/12/2020	13/11/2021	-	25,000	-	-	25,000
09/12/2020	13/11/2022	-	25,000	-	-	25,000
		2,349,606	3,470,244	(2,251,583)	(424,053)	3,144,214

Note 37. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan in 2019:

31 December 2019

Grant date	Grant date	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
27/01/2017	02/01/2019	218,250	-	(218,250)	-	-
30/06/2017	25/04/2019	50,000	-	(50,000)	-	-
30/06/2017	01/07/2019	17,500	-	(17,500)	-	-
05/12/2017	24/04/2019	107,500	-	(100,000)	(7,500)	-
05/12/2017	01/09/2019	83,334	-	(41,667)	(41,667)	-
05/12/2017	19/09/2019	72,500	-	-	(72,500)	-
05/12/2017	01/12/2019	10,000	-	(10,000)	-	-
23/05/2018	01/03/2019	100,000	-	(62,500)	(37,500)	-
23/05/2018	01/03/2020	100,000	-	-	(37,500)	62,500
23/05/2018	11/03/2019	110,000	-	(85,000)	(25,000)	-
02/07/2018	31/12/2018	116,686	-	-	(116,686)	-
03/09/2018	31/12/2018	874,000	-	-	(874,000)	-
03/09/2018	01/09/2020	3,464,000	-	(1,250,000)	(357,000)	1,857,000
08/10/2018	30/09/2020	250,000	-	-	(250,000)	-
10/12/2018	10/12/2019	220,000	-	(155,000)	(65,000)	-
21/12/2018	10/12/2019	20,000	-	-	(20,000)	-
09/05/2019	01/01/2020	-	50,000	-	-	50,000
09/05/2019	30/04/2020	-	74,000	-	-	74,000
09/05/2019	30/04/2021	-	69,000	-	-	69,000
17/05/2019	30/06/2021	-	1,625,000	(1,625,000)	-	-
17/05/2019	30/06/2022	-	1,625,000	(1,625,000)	-	-
01/08/2019	01/08/2020	-	101,625	-	(5,000)	96,625
01/08/2019	01/08/2021	-	101,625	-	(5,000)	96,625
06/12/2019	08/08/2020	-	1,000	-	-	1,000
06/12/2019	08/08/2021	-	1,000	-	-	1,000
06/12/2019	31/12/2020	-	2,500	-	-	2,500
06/12/2019	30/06/2020	-	4,545	-	-	4,545
06/12/2019	31/07/2020	-	3,846	-	-	3,846
06/12/2019	31/08/2020	-	8,906	-	-	8,906
06/12/2019	30/09/2020	-	2,381	-	-	2,381
06/12/2019	30/06/2021	-	4,545	-	-	4,545
06/12/2019	31/07/2021	-	3,846	-	-	3,846
06/12/2019	31/08/2021	-	8,906	-	-	8,906
06/12/2019	30/09/2021	-	2,381	-	-	2,381
		5,813,770	3,690,106	(5,239,917)	(1,914,353)	2,349,606

Note 37. Share-based payments (continued)

Set out below are the performance rights exercisable at the end of the financial year.

Grand date	Expiry date	31 December 2020 Number	31 December 2019 Number
23/05/2018	01/03/2020	-	62,500
03/09/2018	01/09/2020	-	1,857,000
09/05/2019	01/01/2020	-	50,000
09/05/2019	30/04/2020	-	74,000
09/05/2019	30/04/2021	69,000	69,000
01/08/2019	01/08/2020	-	96,625
01/08/2019	01/08/2021	57,000	96,625
06/12/2019	01/08/2020	-	1,000
06/12/2019	01/08/2021	1,000	1,000
06/12/2019	08/08/2020	-	2,500
06/12/2019	30/06/2021	4,545	4,545
06/12/2019	31/12/2020	3,846	3,846
06/12/2019	30/06/2020	-	8,906
06/12/2019	31/07/2020	-	2,381
06/12/2019	31/08/2020	-	4,545
06/12/2019	30/09/2020	-	3,846
06/12/2019	30/06/2021	-	8,906
06/12/2019	30/09/2021	2,381	2,381
12/03/2020	28/02/2022	23,364	-
01/04/2020	28/02/2021	18,750	-
01/04/2020	31/03/2021	768,450	-
30/04/2020	31/03/2021	43,851	-
11/08/2020	28/02/2021	5,000	-
28/10/2020	31/10/2021	1,812,000	-
28/10/2020	31/10/2022	85,000	-
28/10/2020	31/10/2023	85,000	-
09/12/2020	31/08/2021	100,027	-
09/12/2020	30/09/2021	15,000	-
09/12/2020	13/11/2021	25,000	-
09/12/2020	13/11/2022	25,000	-
		3,144,214	2,349,606

Note 37. Share-based payments (continued)

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

Grant date	Expiry date	Fair value at grant date
12/03/2020	31/08/2020	$0.150
12/03/2020	28/02/2022	$0.150
01/04/2020	01/05/2020	$0.150
01/04/2020	28/02/2021	$0.150
01/04/2020	31/03/2020	$0.150
01/04/2020	28/02/2022	$0.150
30/04/2020	31/03/2021	$0.150
03/08/2020	01/07/2021	$0.060
11/08/2020	28/02/2021	$0.060
02/09/2020	01/07/2021	$0.060
28/10/2020	31/10/2021	$0.060
28/10/2020	31/10/2022	$0.060
28/10/2020	31/10/2023	$0.060
09/12/2020	31/08/2021	$0.060
09/12/2020	30/09/2021	$0.060
09/12/2020	13/11/2021	$0.060
09/12/2020	13/11/2022	$0.060

Note 37. Share-based payments (continued)

The performance rights listed above will vest once the holder of the right has satisfied various performance conditions set out in the signed offer letter.

The performance conditions may include one or more of:
(i) service to the Company of a minimum period of time;
(ii) achievement of specific performance conditions by the participant and/or by the Company;
(iii) a vesting period following satisfaction of performance conditions before the Performance Rights vest; or
(iv) such other performance conditions as the Board may determine and set out in the Offer.
The Board in its absolute discretion determines whether performance conditions have been met.

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Where market prices are not available, the fair value of equity-settled transactions are determined using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. This valuation technique considers value of tangible and intangible assets of the Company, the present value of anticipated future cash flows, multiple of earnings and other factors to be reasonable valuation technique for the purposes of AASB 2 Share-based Payment.

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

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

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

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

Note 38. Current liabilities - contract liabilities

	Consolidated	
	31 December 2020 $	Restated 31 December 2019 $
Contract liabilities	165,638	1,385,630

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Nickolas John Karantzis
Managing Director

26 February 2021