Complii FinTech Solutions Ltd

ACN 142 459 327

Annual Report
Year Ended 30 June 2019

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Complii FinTech Solutions Ltd (**Complii** or the **Company**) and its controlled entities (**Group**), for the year ended 30 June 2019.

Information on Directors

The following persons were the directors in office at any time during or since the end of the year unless otherwise stated:

Craig Mason – Executive Chairman

Alison Sarich – Managing Director

Peter Robinson – Non-Executive Director

Robert Cloughton– Non-Executive Director (appointed 28 February 2019)

Robert Evans – Non-Executive Director (resigned 30 October 2018)

Principal Activities

The principal activities of the Company during the financial year were software development. There was no significant change in the nature of these activities during the year.

Operating Results

The Company and its controlled entities recorded a net loss after tax of $832,526 for the year ended 30 June 2019 (2018: $1,669,318). Included in the net loss were share-based payments of $173,437 (2018: $1,051,868).

Review of Operations for the Year

The Group continued to invest in the business and resources to scale up for growth in the 2019 financial year which is reflected in improved results. Complii generated revenue from licence fees of $1,018,691 during the year ended 30 June 2019 (**FY19**), representing an increase of 11% compared to FY18. The customer base expanded from 36 at the end of the 2018 financial year to 41 stockbroking and AFSL holder organisations using the Complii system at 30 June 2019.

Product development continued to be the focus with the deployment of Corporate World Phase 1 and Research Library taking place during the year. The Company continued to expand the capabilities of the Complii system to further evolve the core standard technology of compliance and corporate efficiency tools to service a heavily regulated industry.

The Board assessed a number of strategic and complementary opportunities during the year and successfully completed the acquisition of Shroogle in Q3 FY19. Launch of the first module of the Shroogle digital financial services platform is scheduled for 1H FY20. The Board remains focussed on positioning the Company for an initial public offering (**IPO**) and ASX listing or a transaction with an existing listed company in a complementary segment to our core customer base. The Company intends to complete a capital raising to sophisticated investors in advance of this proposed strategic direction to facilitate an IPO and ASX listing or transaction in the 2019 calendar year.

During the year, the Company completed a seed capital raising of $581,000 at $0.16 per share and received an R&D tax incentive rebate of approximately $369,000 for the 2018 financial year.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

On 18 February 2019, the Company successfully acquired 100% of the issued capital of Shroogle Pty Ltd (**Shroogle**) for purchase price of $615,000, which was settled by:

- cash payment of $215,000; and
- the issue of 2,500,000 fully paid ordinary shares (**Shares**) in the capital of the Company to the shareholders of Shroogle at a deemed issue price of $0.16 per Share.

Fully paid ordinary shares (**Shares**) issued during the year were as follows:

- 3,631,250 Shares at $0.16 each to raise $581,000 via seed capital raising;
- 2,500,000 Shares at $0.16 each as part consideration for the acquisition of Shroogle.

There were a total of 65,829,005 Shares on issue at 30 June 2019.

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

Dividends

No dividends were declared and paid during the year.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Events Subsequent to Balance Date

Subsequent to balance date:

1. On 1 July 2019, the Company issued 1,000,000 options exercisable at $0.20 per option and expiring on 1 July 2022 to each of the non-executive directors, Messrs Robinson and Cloughton,
2. On 23 July 2019, the Company entered into a loan agreement with Albatross Pass Pty Ltd for the provision of a loan facility of up to $150,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2019 financial year.
3. On 1 August 2019, the Company entered into a loan agreement with Marshall William Holdings Pty Ltd as trustee for CSKM Family Trust, an entity associated with Mr Craig Mason, for the provision of a loan facility of up to $100,000. The loan is repayable within two business days following completion of a capital raising of a minimum of $500,000.
4. On 23 September 2019, the Company received an R&D tax incentive of $385,420.

Options

Unissued ordinary shares of Complii under option at the date of this report are as follows:

Issue Date	Expiry Date	Exercise price	Number
6 March 2017	28 February 2020	$0.20	300,000
30 November 2017	30 November 2020	$0.20	3,650,000
30 October 2018	30 November 2020	$0.20	300,000
1 July 2019	1 July 2022	$0.20	2,000,000
			6,250,000

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

300,000 settlement option were issued to Robert Evan during the year. Subsequent to balance date, the Company issued a total of 2,000,000 options to non-executive directors of the Company.

Performance Rights

Unissued ordinary shares of Complii Fintech Solutions Ltd under performance rights at the date of this report are as follows:

Class	Grant Date	Expiration date	Number of rights issued	Undiscounted Value per Right at Grant Date
D	17 January 2017	17 January 2020	700,000	0.12
E	17 January 2017	17 January 2020	700,000	0.12

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Information on Directors

Mr C Mason	—	***Executive Chairman***
Qualifications	—	***MSAA***
Experience	—	Over 30 years’ experience in the finance industry in various capacities and has been involved in many major changes which have taken place and shaped the industry over this time. He has worked with the ASX, ASIC and APRA in the areas of Custody, Third Party trade execution and clearing associated services.
Other current Directorships	—	None
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	6,077,002 Shares
Interest in Performance Rights	—	Class D – 700,000, Class E – 700,000
Special Responsibilities	—	Chair of the board Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee

Ms A Sarich	—	***Managing Director***
Qualifications	—	
Experience	—	Over 17 years’ experience in the finance industry, including Custody, Corporate actions and client relationship management. Including positions based in Australia and the United Kingdom.
Other current Directorships	—	None
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	1,250,000 Shares
Special Responsibilities	—	None

Mr P Robinson	—	***Non-Executive Director***

Qualifications	—	***BSc Joint Honours, Computer Science and Electronic Engineering University of Birmingham***
Experience	—	Over 26 years' experience in the financial services industry. Including senior positions in Australia in the financial services and broking industries.
Other current Directorships	—	CPS Capital Group Pty Ltd (ABN 73 088 055 636) CPS Capital Group Pty Ltd (ABN 47 618 925 054) CPS Capital No 3 Pty Ltd (ABN 18 632 670 618) Trader Lodge Grazing Pty Ltd (ABN 22 087 824 584)
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	208,334 Shares and 1,725,000 options
Special Responsibilities	—	***Chair of Nomination and Remuneration Committee*** ***Member of the Audit and Risk Committee***
Mr R Cloughton	—	***Non-Executive Director***
Qualifications	—	Graduate of the Australian Institute of Company Directors (GAICD). Bachelor of Science (BSc) Combined Honours in Mathematics and Statistics from Southampton University, UK. Chartered Accountant (ACA) and Member of the Institute of Chartered Accountants of England and Wales.
Experience	—	Over 30 years' experience in the financial service industry. Includes Senior Finance, Operations and Project Roles in Australia, Singapore and Spain.
Other current Directorships	—	Ord Minnett Investments Limited (effective 22 August 2019)
Previous Directorships (last 3 years)	—	Ord Minnett Hong Kong Limited Ord Minnett Limited Ord Minnett Financial Planning Pty Limited Ord Minnett Management Limited ACN 003 331 726 Pty Ltd Contango Nominees Pty Ltd Beaglemoat Nominees Pty Ltd Minnett Nominees Pty Ltd OM Nominees No. 1 Pty Ltd OM Nominees No. 2 Pty Ltd OMPL Pty Limited
Interest in Shares and Options	—	1,000,000 Options (issued 1 July 2019)
Special Responsibilities	—	Chairman of the Audit and Risk Committee Member of the Nomination and Remuneration Committee

Directors' Meetings

During the financial year, ***the number of*** meetings of directors (including committees of directors) held and attendances by each director during the year were as follows:

	Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
Directors	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**
Craig Mason (Chair)	7	7	2	2	1	1
Alison Sarich	7	7	N/A	N/A	1	-
Peter Robinson	7	7	2	2	1	1
Robert Evans[1]	2	2	1	1	-	-
Robert Cloughton[2]	4	4	1	1	-	-

Notes:
1. Robert Evans resigned on 30 October 2018.
2. Robert Cloughton was appointed on 28 February 2019.

Company Secretary – Ms Karen Logan BCom, Grad Dip AppCorpGov, FCIS, FGIA, F Fin, GAICD

Ms Logan was appointed as company secretary on 8 September 2016. She has over 10 years' experience in corporate governance and compliance. She has extensive capital raising, merger and acquisition, IPO and backdoor listing experience in a diverse range of industries including technology, media, resources, health care and life science. She is presently the principal of a consulting firm and secretary to a number of ASX-listed companies, providing corporate and accounting services to those clients.

Indemnification and Insurance of Officer

During the year the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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

Non-Audit Services

There were no non-audit services provided by the Company's external auditor (2018: nil).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

This report of the directors is signed in accordance with a resolution of the Board of Directors.

Craig Mason
Executive Chairman
Dated: 21st October 2019

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit Partner for the audit of the financial statements of Complii FinTech Solutions Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

– the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

– any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL** CA
Chartered Accountants	**Partner**

Dated at Perth this 21st day of October 2019

Bentleys

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 June 2019

		2019	2018
Revenue	3	1,026,641	920,675
Other revenue	3	13,530	2,025
Research and development grant		369,063	387,092
Accounting fees		(42,546)	(52,232)
Borrowing expenses		(13,405)	(2,549)
Corporate secretarial fees		(53,079)	(40,659)
Depreciation and amortisation expense		(202,591)	(256,214)
Employee benefits expense	4	(1,193,641)	(1,211,459)
Legal and professional fees		(2,080)	(23,871)
Licensing fees		(58,405)	(26,267)
Rent		(77,933)	(54,165)
Share based payments	17	(173,437)	(1,051,868)
Software Maintenance		(9,875)	(18,709)
Travel and Entertainment		(21,506)	(24,337)
Other employment costs		(13,654)	(5,779)
Consulting expense		(174,663)	(160,995)
Other expenses	4	(204,945)	(50,006)
Profit/(Loss) before income tax		(832,526)	(1,669,318)
Income tax benefit/(expense)	5	-	-
Profit/(Loss) for the year		(832,526)	(1,669,318)
Other comprehensive income		-	-
Total comprehensive income for the year		(832,526)	(1,669,318)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2019

		2019	2018
CURRENT ASSETS			
Cash and cash equivalents	7	174,462	132,565
Trade and other receivables	8	20,021	8,212
Other current assets	9	8,252	11,436
TOTAL CURRENT ASSETS		202,735	152,213
NON-CURRENT ASSETS			
Property, plant and equipment	11	21,760	9,701
Intangible assets	10	729,072	412,504
TOTAL NON-CURRENT ASSETS		750,832	422,205
TOTAL ASSETS		953,567	574,418
CURRENT LIABILITIES			
Trade and other payables	12	225,625	179,406
Provisions	14	54,290	93,563
Financial liabilities	13	197,695	151,881
TOTAL CURRENT LIABILITIES		477,610	424,850
NON-CURRENT LIABILITIES			
Provisions	14	6,413	2,188
TOTAL NON-CURRENT LIABILITIES		6,413	2,188
TOTAL LIABILITIES		484,023	427,038
NET ASSETS		469,544	147,380
EQUITY			
Issued capital	15	3,598,262	2,467,008
Share based payment reserve	16	271,758	248,322
Retained earnings		(3,400,476)	(2,567,950)
TOTAL EQUITY		469,544	147,380

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 June 2019

	Issued Capital Ordinary Shares	Retained Earnings	Share Based Payments Reserve	Total
BALANCE AT 1 JULY 2017	**1,278,983**	**(898,632)**	**89,479**	**469,830**
Profit/(Loss) for the year	-	**(1,669,318)**	**-**	**(1,669,318)**
Other comprehensive income	-	**-**	**-**	**-**
SUB-TOTAL	**-**	**(1,669,318)**	**-**	**(1,669,318)**
Share based payment options	893,025	**-**	**158,843**	**1,051,868**
Share issue	300,000	**-**	**-**	**300,000**
Share issue cost	(5,000)	**-**	**-**	**(5,000)**
BALANCE AT 30 JUNE 2018	**2,467,008**	**(2,567,950)**	**248,322**	**147,380**
BALANCE AT 1 JULY 2018	**2,467,008**	**(2,567,950)**	**248,322**	**147,380**
Profit/(Loss) for the year	-	**(832,526)**	**-**	**(832,526)**
Other comprehensive income	-	**-**	**-**	**-**
SUB-TOTAL	**-**	**(832,526)**	**-**	**(832,526)**
Share based payment	-	**-**	**23,436**	**23,436**
Share issue	581,000	**-**	**-**	**581,000**
Issue of shares as consideration for acquisition	400,000	**-**	**-**	**400,000**
Issue of shares to employees	157,254	**-**	**-**	**157,254**
Share issue costs	(7,000)	**-**	**-**	**(7,000)**
BALANCE AT 30 June 2019	**3,598,262**	**(3,400,476)**	**271,758**	**469,544**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June 2019

	Note	**2019**	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,071,826	941,613
Payments to suppliers and employees		(1,797,274)	(1,560,780)
R&D tax refund		369,063	387,092
Interest Received		580	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	19	(355,805)	(232,075)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Intangibles		-	(73,430)
Purchase of property, plant and equipment		(9,974)	(5,146)
Proceeds from sale of plant and equipment		-	1,362
Acquisition of subsidiary, net of cash acquired		(212,138)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(222,112)	(77,214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		353,573	151,880
Repayment of borrowings		(307,759)	(48,940)
Proceeds from issue of share capital		581,000	250,000
Capital raising costs		(7,000)	(5,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		619,814	347,940
Net (decrease) / increase in cash held		41,897	38,651
Cash at beginning of financial year	7	132,565	93,914
CASH AT END OF FINANCIAL YEAR	7	174,462	132,565

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the financial statements and notes of Complii FinTech Solutions Ltd (**Complii**, **Parent Entity** or **Company**) which is a company limited by shares, incorporated and domiciled in Australia and its controlled entities (**Group**).

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss after tax for the year of $832,526 (2018: loss of $1,669,618) and net cash outflows from operating and investing activities of $577,917 (2018: outflows of $309,289). Included in the loss for the year was share based payments expense of $173,437 (2018: $1,051,868).

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to generate profit from its activities, raise funds from capital raising and manage cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

As disclosed in note 25, subsequent to year end the company received an R&D tax incentive of $385,420 and a loan of $100,000 to assist with working capital.

The directors have prepared a cash flow forecast, which has an allowance for further capital to be raised and indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Complii Fintech Solutions Ltd) and the subsidiary (including any structured entities). The subsidiary is an entity the parent controls. The parent controls an entity when it 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 over the entity. Details of the subsidiary is provided in Note 20.

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

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in the subsidiary and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair values of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured in each reporting period to fair value recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of: (i) the consideration transferred; (ii) any non-controlling interest; and (iii) the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). The Group determines which method to adopt for each acquisition.

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of the subsidiary is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying values of goodwill.

(d) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income). The Company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax consolidation

Complii Fintech Solutions Limited and its wholly owned Australian subsidiary have formed an income tax consolidated Group under tax consolidation legislation. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 18 February 2019.

(e) Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing-value and straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% - 67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Intangibles other than Goodwill

Software Development

Software development costs are capitalised when incurred.

They have a finite life and are carried at cost less any accumulated amortisation & impairment. Software development costs are amortised over 4 years, and are assessed for impairment when an impairment trigger events occurs.

Patents and Trademarks

Patent and trademarks costs are capitalised when incurred. They have a finite life and are carried at cost less any accumulated depreciation. Patents and trademark costs are amortised over 10 years.

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the consolidated Statement of Profit or Loss and Other comprehensive Income.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are accompanied on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

(iii) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised costs, loss events may include: indications that the debtors (or group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal repayments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of the financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

(i) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the Statement of Profit or Loss & Other Comprehensive Income.

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

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

(j) Employee Benefits

Provision is made for the Company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of shares option and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a black-scholes or monte-carlo simulation model depending on the type of share-based payment.

Share based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares. Details of share-based payments assumptions are detailed in Note 16.

(k) Cash and Cash Equivalents

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

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Judgments

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimate - Impairment

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(p) New Accounting Standards for Application in Current Period

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 Financial Instruments and related amending Standards
- AASB 15 Revenue from Contracts with Customers and related amending Standards
  - AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 Financial Instruments: Disclosures.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

In the current year, the Group has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 July 2018.

This standard provides a single standard for revenue recognition. The core principle of the standard is that an entity must recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity must select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

The entity has assessed the requirements of AASB 15, and analysed the effect this has on revenue recognition including an analysis of the performance obligations within the Company’s contracts with Customers. There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

(q) New Accounting Standards and Interpretations for Adoption in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The directors have decided not to early-adopt any of the new and amended pronouncements. The following sets out their assessment of the pronouncements that are relevant to the Company and applicable in future reporting periods.

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

The Company has chosen not to early-adopt AASB 16. However, the Company has conducted a preliminary assessment of the impact of this new Standard, as follows.

A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees, as the Standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new Standard. There are, however, two exceptions allowed: short-term and low-value leases.

Basis of preparation

The accounting for the Company’s operating leases will be primarily affected by this new Standard.

AASB 16 will be applied by the Company from its mandatory adoption date of 1 July 2019. The comparative amounts for the year prior to first adoption will not be restated, as the Company has chosen to apply AASB 16 retrospectively with cumulative effect. While the right-of-use assets for property leases will be measured on transition as if the new rules had always been applied, all other right-of-use assets will be measured at the amount of the lease liability on adoption (after adjustments for any prepaid or accrued lease expenses).

The Company's non-cancellable operating lease commitments amount to $316,082 as at the reporting date. Of this $316,082, approximately $316,082 of short-term leases will be recognised as expense in profit or loss on a straight-line basis.

The Company has performed a preliminary impact assessment and has estimated that on 1 July 2019, it expects to recognise right-of-use assets and lease liabilities of approximately $303,845 (after adjusting for prepayments and accrued lease payments recognised as at 30 June 2019).

Following the adoption of this new Standard, the Company's net profit after tax is expected to increase by approximately $5,139 in 2020.

The repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities, thus increasing operating cash flows and decreasing financing cash flows by approximately $109,800.

2. PARENT INFORMATION

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

BALANCE SHEET

	2019	2018
ASSETS		
Current Assets	294,640	152,212
Non-Current Assets	675,865	422,205
TOTAL ASSETS	970,505	574,417
LIABILITIES		
Current Liabilities	473,297	427,038
Non-Current Liabilities	6,412	-
TOTAL LIABILITIES	479,709	427,038
NET ASSETS	490,796	147,379
EQUITY		
Issued Capital	3,598,262	2,467,009
Retained earnings/(losses)	(3,379,224)	(2,567,952)
Option Reserve	271,758	248,322
TOTAL EQUITY	490,796	147,379
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss)	(832,526)	(1,669,321)

Total comprehensive income	(832,526)	(1,669,321)

3. REVENUE

	2019	2018
SALES REVENUE		
Licence Fees	**1,001,439**	904,648
Set Up Fees	**7,950**	-
Additional Work	**17,252**	16,027
TOTAL SALES REVENUE	**1,026,641**	**920,675**
OTHER REVENUE		
Sundry Income	**13,530**	1,926
Profit/(loss) on sale of plant and equipment	**-**	99
TOTAL OTHER REVENUE	**13,530**	**2,025**
TOTAL SALES REVENUE AND OTHER REVENUE	**1,040,171**	**922,700**

4. PROFIT/(LOSS) FOR THE YEAR

	2019	2018
EXPENSES		
EMPLOYEE BENEFITS EXPENSE		
Directors fees	**200,000**	203,333
Leave provisions	**(13,838)**	40,655
Payroll tax	**12,811**	26,031
Superannuation	**84,976**	84,043
Wages and salaries	**909,692**	857,397
TOTAL EMPLOYEE BENEFITS EXPENSE	**1,193,641**	**1,211,459**
OTHER EXPENSES		
Advertising	**12,234**	1,346
Amazon Web Services	**1,427**	-
Acquisition Costs	**47,964**	-
Bad debts	**8,000**	-
Bank fees and charges	**2,553**	1,651
Compliance costs	**1,449**	1,524
Cleaning	**963**	-
Electricity	**2,955**	2,219
Foreign currency losses	**413**	296

Freight paid	**208**	67
Hosting fees	**4,177**	3,573
Insurance	**8,438**	7,857
Office supplies	**953**	2,090
Patent costs written off	**84,780**	-
Postage	**15**	-
Sales promotion	**11,058**	13,048
Staff amenities	**2,038**	2,086
Subscriptions	**2,196**	1,989
Sundry expenses	**-**	144
Telephone	**12,906**	12,116
Website maintenance	**218**	-
TOTAL OTHER EXPENSES	**204,945**	**50,006**

5. INCOME TAX BENEFIT/(EXPENSE)

	2019	2018
The components of income tax comprise:		
Current	**-**	**-**
Deferred	**-**	**-**
TOTAL INCOME TAX BENEFIT/(EXPENSE)	**-**	**-**
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018:27.5%)	-	-
Less: tax effect of non-assessable items	-	-
Add: reversal of carried forward tax losses	-	-
INCOME TAX BENEFIT/(EXPENSE) ATTRIBUTABLE	**-**	**-**

6. AUDITOR'S REMUNERATION

	2019	2018
Remuneration of the auditor of the entity for:		
Auditing or reviewing the financial statements	**11,746**	16,900
TOTAL AUDITOR'S REMUNERATION	**11,746**	**16,900**

7. CASH AND CASH EQUIVALENTS

	2019	2018

CASH AT BANK AND IN HAND	**174,462**	132,565
TOTAL CASH AND CASH EQUIVALENTS	**174,462**	**132,565**

8. TRADE AND OTHER RECEIVABLES

	2019	2018
CURRENT		
Trade receivables	**20,021**	8,212
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	**20,021**	**8,212**

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main sources of credit risk to the Company are considered to relate to the classes of assets described as “trade and other receivables”.

The following table details the Company’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

			Past Due but Not Impaired (Days Overdue)			
	Gross Amount	**Past Due & Impaired**	**< 30**	**31-60**	**>60**	**Not Past Due**
2019						
Trade receivables	**20,021**	**-**	**-**	**550**	**3,300**	**16,171**
TOTAL	**20,021**	**-**	**-**	**550**	**3,300**	**16,171**

			Past Due but Not Impaired (Days Overdue)			
	Gross Amount	**Past Due & Impaired**	**< 30**	**31-60**	**>60**	**Not Past Due**
2018						
Trade receivables	8,212	-	-	2,200	402	5,610
TOTAL	8,212	-	-	2,200	402	5,610

9. OTHER CURRENT ASSETS

	2019	2018

Prepayments	**8,252**	11,436
TOTAL OTHER CURRENT ASSETS	**8,252**	**11,436**

10. INTANGIBLES

	2019	2018
Software development	**1,472,249**	1,471,084
Accumulated amortisation	**(1,309,584)**	(1,139,759)
Patents and trademarks	**-**	110,166
Accumulated amortisation	**-**	(28,987)
Other intellectual property	**587,659**	-
Accumulated amortisation	**(21,252)**	-
TOTAL INTANGIBLES	**729,072**	**412,504**

a. Movements in carrying amounts

Software development:		
Carrying amount at beginning of the reporting period	**331,325**	507,719
Additions	**1,165**	61,321
Amortisation expense	**(169,825)**	(237,715)
Carrying amount at the end of the reporting period	**162,665**	**331,325**
Patents and trademarks:		
Carrying amount at beginning of the reporting period	**81,179**	78,088
Additions	**3,601**	12,111
Write off	**(84,780)**	(9,020)
Carrying amount at the end of the reporting period	**-**	**81,179**
Other intellectual property:		
Carrying amount at beginning of the reporting period	**-**	-
Additions	**587,659**	-
Amortisation expense	**(21,252)**	-
Carrying amount at the end of the reporting period	**566,407**	**-**

Management has based the value-in-use calculations on budget for the Group. A post-tax discount rate of 16% (2018: 16%) was used and are adjusted to incorporate risks associated with the Group.

11. PLANT AND EQUIPMENT

	2019	2018
Leasehold Improvements at cost	**11,450**	5,500
Accumulated depreciation	**(5,536)**	(3,880)
Plant and Equipment at cost	**42,421**	22,046
Accumulated depreciation	**(26,575)**	(13,965)
TOTAL PLANT AND EQUIPMENT	**21,760**	**9,701**

a. Movements in carrying amounts

Leasehold improvements:		
Carrying amount at beginning of the reporting period	**1,620**	4,370
Additions	**5,950**	-
Depreciation expense	**(1,656)**	(2,750)
Carrying amount at the end of the reporting period	**5,914**	**1,620**
Plant and equipment:		
Carrying amount at beginning of the reporting period	**8,081**	10,929
Additions	**17,624**	5,146
Disposals	**-**	(1,265)
Depreciation expense	**(9,859)**	(6,729)
Carrying amount at the end of the reporting period	**15,846**	**8,081**

12. TRADE AND OTHER PAYABLES

	2019	2018
Unsecured liabilities:		
Trade payables	**51,441**	39,026
Other creditors	**127,704**	99,394
GST payable	**795**	6,779
Unearned revenue	**3,500**	3,500
Pay as you go withholding tax	**30,185**	18,807
Accrued Expenses	**12,000**	11,900
TOTAL TRADE AND OTHER PAYABLES	**225,625**	**179,406**

a. Financial liabilities at amortised cost classified as trade and other payables

	2019	2018
Trade and other payables:		
- Total current	**225,625**	179,406
- Total non-current	**-**	-
	225,625	**179,406**
Less GST payable	**(795)**	(6,779)
Financial liabilities as trade and other payables	**224,830**	**172,627**

13. FINANCIAL LIABILITIES

	2019	2018
CURRENT		
Non-secured liabilities:		
IQumulate Funding	**6,410**	-
Loan from Albatross Pass Pty Ltd	**-**	101,864
Loan from Lachemot Super Fund	**103,164**	-
Loan from C&K Mason Superannuation Fund	**88,121**	-
Loan from Marshall William Holdings Pty Ltd	**-**	50,017
TOTAL CURRENT FINANCIAL LIABILITIES	**197,695**	**151,881**

In March 2019, the Company entered into a loan agreement with Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund, an entity associated with Alison Sarich, for the provision of a loan facility of up to $100,000 for the purposes of funding its working capital. The loan facility is fully drawn as at 30 June 2019. The loan is repayable within two business days following completion of a capital raising of a minimum of $500,000.

In June 2019, the Company entered into a loan agreement with Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund, an entity associated with Craig Mason, for the provision of a loan facility of up to $100,000 for the purposes of funding its working capital. An amount of $88,000 was drawn against the loan facility as at 30 June 2019. The loan is repayable within 2 business days following the earlier of receipt of the research and development tax incentive for the 2019 financial year and completion of a capital raising of a minimum of $500,000.

Reconciliation of liabilities arising from financing activities

		Cash flows			
	2018	Inflow	Outflow	Interest expense	2019
Premium Funding	**-**	**8,073**	**(1,797)**	**134**	**6,410**
Loans from Related Parties	**50,017**	**345,500**	**(213,329)**	**9,097**	**191,285**
Loans from Third Parties	**101,864**	**-**	**(105,768)**	**3,904**	**-**
Total liabilities from financing activities	**151,881**	**353,573**	**(320,894)**	**13,135**	**197,695**

In November 2018, the Company entered into a loan agreements with Marshall William Holdings Pty Ltd, an entity associated with Craig Mason, a director of the Company and Alison Sarich, also a director of the Company, whereby each party provided a loan facility of up to $50,000 for the purposes of funding its working capital. Both loans were repaid on 26 April 2019.

Interest is payable on the loans at an interest rate of 12.5% pa, interest is capitalised until such time as the loans and interest are repaid. The loans are unsecured.

Loan Facilities	Amounts Drawn	Amounts Undrawn	Facility Available
Loan from Lachemot Superannuation Fund	**$100,000**	**-**	**$100,000**
Loan from C&K Mason Superannuation Fund	**$88,000**	**$12,000**	**$100,000**

14. PROVISIONS

	2019	2018
CURRENT		
Annual leave employee benefits	**54,290**	93,563
TOTAL CURRENT PROVISIONS	**54,290**	93,563

	2019	2018
NON-CURRENT		
Long Service Leave employee benefits	**6,413**	2,188
TOTAL NON-CURRENT PROVISIONS	**6,413**	2,188

15. ISSUED CAPITAL

	2019	2018
	$	$
65,829,005 Fully paid ordinary shares (2018: 59,697,755)	**3,615,787**	2,477,533
Less: Capital raising costs	**(17,525)**	(10,525)
BALANCE AT REPORTING DATE	**3,598,262**	2,467,008

(a) Movements in issued capital	**2019**	2018
Fully paid ordinary shares	**No.**	No.
At the beginning of the reporting period	**59,697,755**	50,118,876
Issue of ordinary shares at $0.16 per share	**2,335,924**	2,500,003
Issue of bonus shares	**45,326**	-
Issue of shares on acquisition of Shroogle (note 20)	**2,500,000**	-
Share based payments at $0.12 per shares	**1,250,000**	-
Vesting of performance rights at $0.12 per share	**-**	1,827,001
Share based payments at $0.12 per share	**-**	5,251,875
AT THE END OF THE REPORTING PERIOD	**65,829,005**	59,697,755

(b) Movements in unlisted options	**2019**	2018
	No.	No.
At the beginning of the reporting period	**3,950,000**	300,000
Issue of options	**300,000**	3,650,000
AT THE END OF THE REPORTING PERIOD	**4,250,000**	3,950,000

(c) Movements in performance rights	**2019**	2018
	No.	No.
At the beginning of the reporting period	**1,400,000**	3,500,000
Vesting of performance rights	**-**	(1,827,001)
Lapse of performance rights	**-**	(272,999)
AT THE END OF THE REPORTING PERIOD	**1,400,000**	1,400,000

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

(d) Capital management

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by its continued operations. There are no externally imposed capital requirements.

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

The working capital structure at 30 June 2019 and 30 June 2018 is as follows:

	2019	2018
Trade and other payables	**225,625**	179,406
Provisions	**54,290**	93,563
Financial liabilities	**197,695**	151,881

Less cash and cash equivalents	**(174,462)**	(132,565)
Net debt	**303,148**	**292,285**
Total equity	**490,796**	147,380
Total capital	**793,944**	**439,665**

16. RESERVES

		2019	2018
Opening balance		**248,322**	89,479
Share based payment expense	17	**23,436**	229,490
Vesting of performance rights		**-**	(70,647)
Closing balance		**271,758**	248,322

This reserve records the value of options issued including the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 16 for further details of these grants.

17. SHARE BASED PAYMENTS

	2019	2018
Share based payment expense	**173,437**	1,051,868

The following share based payment arrangements existed as at 30 June 2019:

a. Options

Under the terms of an agreement, the Company issued the following options:

Recipient	**Class of Share Based Payment**	**Quantity**	**Grant date Fair Value**	**Value recognised during the year**	**Value to be recognised in future years**
Robert Evans	Unlisted share options	**300,000**	**0.078**	**23,436**	**-**
				23,436	**-**

Fair value of options

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the unlisted share options were granted.

A summary of the inputs used the valuation of the options is as follows:

- Exercise price	**0.20**
- Share price at date of issue	**0.16**
- Grant date	**30 October 2018**
- Expected volatility	**100%**
- Expiry date	**30 November 2020**

-	Risk free interest rate	**1.73%**
-	Value per option	**0.078**
-	Number of options	**300,000**
-	**Total value of options**	**23,436**

b. Performance Rights

During the year ended 30 June 2017, the following performance rights were issued to Mr C Mason in connection with his service agreement.

Class	Grant Date	Vesting Dates	Expiration dates	Number of rights Issued	Undiscounted Value per Right at Grant Date	Total Undiscounted Value $
A	17 January 2017	24 August 2018	17 January 2020	700,000	0.12	84,000
B	17 January 2017	30 October 2017	17 January 2020	700,000	0.12	84,000
C	17 January 2017	12 April 2018	17 January 2020	700,000	0.12	84,000
D	17 January 2017	-	17 January 2020	700,000	0.12	84,000
E	17 January 2017	-	17 January 2020	700,000	0.12	84,000

Performance rights values at grant date were determined using the performance milestones summarised in the table below. Each Performance right will vest as one (1) Share subject to the satisfaction of certain performance criteria ("Performance Milestones") disclosed below.

Class	Performance Milestone
A	Within 3 years of grant date the nominated person brings about or causes the Company to execute agreements with financial planning organisations that have in total at least 120 duly licenced financial planners and by the agreements the organisations contract to use the Complii software system on commercial terms; or a takeover event occurs
B	Within 9 months of grant date the nominated person brings or causes the Company to complete a seed capital raising to investors outside Western Australia of at least $500,000 at a minimum of 12 cents per share; or a takeover event occurs
C	Within 3 years of grant date the nominated person brings about or causes the Company to execute agreements with at least 5 stockbroking organisations each with a minimum of 3 advisers as listed on the financial advisers register and by the agreements the organisations contract to use the Complii software system on commercial terms; or a takeover event occurs
D	Within 3 years of grant date the nominated person brings about or causes the Company to enter into a new market for the supply of the Complii software system where revenue from the supply of the Complii software system generates at least $250,000 in any calendar year; or a takeover event occurs
E	Within 3 years of grant date the nominated person brings about or causes the Company to execute an agreement establishing a strategic international alliance for the broadening of the distribution of the Complii software system and which results in at least one Complii user licence being issued as a result of the alliance; or a takeover event occurs

The Performance Rights will vest into ordinary shares in the Company upon the satisfaction of vesting conditions as disclosed above. If the Performance Rights do not convert into ordinary shares within the

vesting period they will automatically lapse.
At 30 June 2019, Performance Rights on issue were as follows:

Class	Number Issued	Date Vested/ Lapsed/Expired	Number Vested	Number Lapsed	Balance as at 30 June 2019
A	700,000	17 January 2017	(700,000)	-	-
B	700,000	30 October 2017	(427,001)	(272,999)	-
C	700,000	12 April 2018	(700,000)	-	-
D	700,000	-	-	-	700,000
E	700,000	-	-	-	700,000
				Total	**1,400,000**

As at balance date it was not considered probable that the milestones for classes D to E will be met. As such no expense has been booked with respect to these Performance Rights.

18. CAPITAL AND LEASING COMMITMENTS

	2019	2018
(a) Operating lease commitments		
Payable — minimum lease payments		
- not later than 12 months	**114,939**	11,825
- between 12 months and 5 years	**201,143**	61,948
- greater than 5 years	**-**	-
Minimum lease payments	**316,082**	**73,773**
Future finance charges	**-**	-
Present value of minimum lease payments	**316,082**	**73,773**

The property lease for the Sydney office King Street office was terminated during the year and a new lease at premises 56 Pitt Street Sydney was entered into for a term of 3 years commencing 1 April 2019.
The property lease for the Perth office at 111 St Georges Terrace was not renewed and ceased on 30 April 2019.

19. CASH FLOW INFORMATION

a) Reconciliation of cash flow from operations with profit after income tax

	2019	2018
PROFIT / (LOSS) AFTER INCOME TAX	**(832,526)**	(1,669,318)
NON-CASH FLOWS IN PROFIT		
- Depreciation and amortisation	**202,591**	256,214
- Bad Debts	**8,000**	-
- Share based payments	**173,437**	1,051,868
- Non-cash employee and supplier payments	**20,043**	50,000
- Realised profit on sale of plant and equipment	**-**	(99)
- Patent costs written off	**84,780**	-
CHANGES IN ASSETS AND LIABILITIES		
- (Increase)/decrease in trade and other receivables	**(11,809)**	31,210
- (Increase)/decrease in prepayments	**3,185**	(2,121)
- Increase/(decrease) in trade payables and accruals	**(44,968)**	9,931

- Increase/(decrease) in provisions	**41,462**	40,240
CASH FLOW FROM OPERATIONS	**(355,805)**	**(232,075)**

20. ACQUISITION OF ENTITIES

On 18 February 2019, Complii FinTech Solutions Ltd acquired Shroogle Pty Ltd for $615,000 via cash and shares issued. 2,500,000 shares were valued at $0.16 based on the latest capital raising share price. The acquisition has been provisionally accounted for and determined as an asset acquisition.

	2019
Acquisition of Entities	
In the 2019 year a 100% ownership interest in Shroogle Pty Ltd was acquired. Details of the transaction are:	
Purchase consideration	**615,000**
Consisting of:	
Cash consideration	**215,000**
Share consideration	**400,000**
	615,000
Net Cash outflow	**212,138**

Asset and liabilities acquired were as follows:	
Cash	**2,862**
Receivable	**44,043**
Property, plant and equipment	**14,765**
Intangible assets: intellectual property	**100,549**
Payables	**(34,328)**
Net asset acquired	**127,891**
Excess on acquisition: acquired as intellectual property	**487,109**

21. CONTROLLED ENTITY

a. **Information about Principal Subsidiary**

The subsidiary listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary has been consolidated on a line-by-line basis in the consolidated financial statements of the Group. The subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Percentage Owned (%)*	
		2019	2018
Subsidiary of Complii FinTech Solutions Limited:			
Shroogle Pty Ltd	Australia	100%	-

* Percentage of voting power in proportion to ownership

22. RELATED PARTY TRANSACTIONS

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

	2019	2018
(a) Key management personnel compensation		
Short-term employee benefits	**402,790**	463,333
Post-employment benefits	**18,799**	24,700
Other long-term benefits	**3,576**	1,168
TOTAL COMPENSATION	**425,165**	489,201

(b) Other key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

	Transactions value for the year		Balance outstanding at 30 June	
	2019	2018	2019	2018
Sales Revenue:				
Licence fee[1]	**(96,000)**	**(96,000)**	**-**	**-**
Additional work[1]	**(640)**	**(822)**	**-**	**-**
TOTAL REVENUE FROM DIRECTOR-RELATED ENTITIES	**(96,640)**	**(96,822)**	**-**	**-**
Goods and services provided by related entities on commercial terms:				
Interest payable[2]	**4,929**	**17**	**3,733**	**17**
Office expenses[1]	**-**	**952**	**-**	**-**
TOTAL COSTS OF SERVICES PROVIDED BY DIRECTOR-RELATED ENTITIES	**4,929**	**969**	**3,733**	**17**

Loans provided by related entities on commercial terms:				
Unsecured loan from Marshall William Holdings Pty Ltd[3]	50,000	50,000	-	50,000
Unsecured loan from Alison Sarich[4]	107,500	-	-	-
Unsecured loan from Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund[5]	100,000	-	100,000	-
Unsecured loan from Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund[6]	100,000	-	88,000	-
TOTAL LOANS PROVIDED BY DIRECTOR-RELATED ENTITIES	357,500	50,000	188,000	50,000

Notes in relation to the table of other key management personnel transactions

1. CPS Capital Pty Ltd, a company associated with Mr Robinson, licenses software from the Group.
2. The unsecured loans provided by director-related entities are provided at an interest rate of 12.5% per annum. Refer to Note 13 for further details of the unsecured loans.
3. Marshall William Holdings Pty Ltd, an entity associated with Mr Mason agreed to provide loans of up to:
    a. $100,000 to the Company in the 2018 financial year. The loan was repaid in October 2018.
    b. $50,000 to the Company in the 2019 financial year. The loan was repaid in April 2019.
4. Mrs Sarich agreed to provide a loan of $107,500 to the Company. The loan was repaid in April 2019.
5. Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund, an entity associated with Mrs Sarich agreed to provide a loan facility of up to $100,000 to the Company. The loan is repayable within two business days following completion of a capital raising of a minimum of $500,000.
6. Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund, an entity associated with Mr Mason agreed to provide a loan facility of up to $100,000 to the Company. An amount of $88,000 was drawn against the loan as at 30 June 2019. The loan is repayable within two business days following the earlier of receipt of the research and development tax incentive for the 2019 financial year and completion of a capital raising of a minimum of $500,000.

All transactions with related parties are on commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated.

There were no other key management personnel transactions during the 2019 or 2018 financial years.

Transactions with subsidiary
Balances and transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation. Details of transactions between the Group and its subsidiary are disclosed below:

Loans are made by the Company, Complii FinTech Solutions Limited, to its wholly owned subsidiary for capital purchases and working capital purposes. The loans outstanding between the Parent Entity and its subsidiary have no fixed date of repayment and are non-interest bearing. Details of the Parent Entity's interest in its subsidiary are set out in Note 21.

	2019	2018
Non-Current		
Loans to subsidiary	**93,597**	-

No dividends were received from the subsidiary in the 2019 financial year (2018: not applicable).

23. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks; local money market instruments; investments in term deposits, accounts receivable and payable and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies, are as follows:

		2019	2018
FINANCIAL ASSETS			
Cash and cash equivalents	7	**174,462**	132,565
Trade and other receivables	8	**20,021**	8,212
TOTAL FINANCIAL ASSETS		**194,483**	140,777
FINANCIAL LIABILITIES			
Trade and other payables	12	**225,625**	179,406
Borrowings	13	**197,695**	151,881
TOTAL CURRENT LIABILITIES		**423,320**	331,287

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables and any collateral held are provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2019	2018
Cash and cash equivalents		
AA rated	**174,462**	132,565
TOTAL CASH AND CASH EQUIVALENTS	**174,462**	132,565

b. Liquidity risk

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

– preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;

– maintaining a reputable credit profile;

– managing credit risk related to financial assets;

– only investing surplus cash with major financial institutions; and

– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 Years**		**Over 5 Years**		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Financial liabilities due								
Trade and other payables	**225,625**	**179,406**	**-**	**-**	**-**	**-**	**225,625**	**179,406**
Loans	**197,695**	**151,881**	**-**	**-**	**-**	**-**	**197,695**	**151,881**
Total expected outflows	**423,320**	**331,287**	**-**	**-**	**-**	**-**	**423,320**	**331,287**
Financial assets realisable								
Cash and cash equivalents	**174,462**	**132,565**	**-**	**-**	**-**	**-**	**174,462**	**132,565**
Trade and other receivables	**20,021**	**8,212**	**-**	**-**	**-**	**-**	**20,021**	**8,212**
Total expected inflows	**194,483**	**140,777**	**-**	**-**	**-**	**-**	**194,483**	**140,777**

24. CONTINGENT LIABILITIES

There were no contingent liabilities to report for the financial period.

25. SUBSEQUENT EVENTS

Subsequent to balance date:

1. On 1 July 2019, the Company issued 1,000,000 options exercisable at $0.20 per option and expiring on 1 July 2022 to each of the non-executive directors, Messrs Robinson and Cloughton,
2. On 23 July 2019, the Company entered into a loan agreement with Albatross Pass Pty Ltd for the provision of a loan facility of up to $150,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2019 financial year. This amount has now been repaid on the date of receipt of the R&D tax incentive on 23 September 2019.
3. On 1 August 2019, the Company entered into a loan agreement with Marshall William Holdings Pty Ltd as trustee for CSKM Family Trust, an entity associated with Mr Craig Mason, for the provision of a loan facility of up to $100,000. The loan is repayable within two business days following completion of a capital raising of a minimum of $500,000.
4. On 23 September 2019, the Company received an R&D tax incentive of $385,420.

The financial effect of the above transactions has not been brought to account in the financial statements for the year.

26. COMPANY DETAILS

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 1
56 Pitt Street
SYDNEY NSW 2000

DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 37 in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

    b. give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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

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

Craig Mason
Director

Dated: 21st October 2019

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Complii FinTech Solutions Ltd

Opinion

We have audited the financial report of Complii FinTech Solutions Ltd ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of $832,526 during the year ended 30 June 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In [Note 1], the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

Bentleys

BENTLEYS
Chartered Accountants
Dated at Perth this 21st day of October 2019

DOUG BELL CA
Partner

Complii FinTech Solutions Ltd

ACN 142 459 327

Annual Report

Year Ended 30 June 2020

DIRECTORS’ REPORT

The directors present their report, together with the financial statements of Complii FinTech Solutions Ltd (**Complii** or the **Company**) and its controlled entities (**Group**), for the year ended 30 June 2020.

Information on Directors

The following persons were the directors in office at any time during or since the end of the year unless otherwise stated:

Craig Mason – Executive Chairman

Alison Sarich – Managing Director

Peter Robinson – Non-Executive Director

Robert Cloughton– Non-Executive Director (resigned 9 March 2020)

Principal Activities

The principal activities of the Company during the financial year were software development. There was no significant change in the nature of these activities during the year.

Operating Results

The Company and its controlled entities recorded a net loss after tax of $3,959,691 for the year ended 30 June 2020 (2019: $832,526). Included in the net loss were share-based payments of $184,146 (2019: $173,437), depreciation and amortisation of $478,123 (2019: $202,591) and impairment of intangible assets of $2,084,454 (2019: nil).

Review of Operations for the Year

The Group continued to invest in the business and resources to scale up for growth in the 2020 financial year which is reflected in improved results. Complii generated revenue from licence fees of $1,096,878 during the year ended 30 June 2020 (**FY20**), representing an increase of 7.6% compared to FY19. The customer base expanded from 41 at the end of the 2019 financial year to 47 stockbroking and AFSL holder organisations using the Complii system at 30 June 2020. These numbers include four of Complii’s Licensees merging into two. Product development continued to be the focus with the deployment of Corporate Highway taking place during the year. The Company continued to expand the capabilities of the Complii system to further evolve the core standard technology of compliance and corporate efficiency tools to service a heavily regulated industry.

The Board assessed a number of strategic and complementary opportunities during the year and successfully completed the acquisition of ThinkCaddie in Q1 FY20. Launch of the first module of the Shroogle digital financial services platform took place in Q1 FY20. The Board remains focussed on positioning the Company for an initial public offering (**IPO**) and ASX listing or a transaction with an existing listed company in a complementary segment to our core customer base.

In August, the Company received an R&D tax incentive rebate of $573,916 for the 2020 financial year.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

On 20 December 2019, the Company successfully acquired 100% of the issued capital of ThinkCaddie Pty Ltd (**ThinkCaddie**) for purchase price of $1,650,000, which was settled by the issue of 10,312,500 fully paid ordinary shares (**Shares**) in the capital of the Company to the shareholders of ThinkCaddie at a deemed issue price of $0.16 per Share.

On 19 May 2020, the Company successfully acquired 100% of the issued capital of Adviser Solutions Group Pty Ltd (**Adviser Solutions Group**) for purchase price of $175,000, which was settled by the issue of 1,093,750 fully paid ordinary shares (**Shares**) in the capital of the Company to the shareholders of Adviser Solutions Group at a deemed issue price of $0.16 per Share.

Fully paid ordinary shares (**Shares**) issued during the year were as follows:

- 10,312,500 Shares at $0.16 each as consideration for the acquisition of ThinkCaddie;
- 1,093,750 Shares at $0.16 each as consideration for the acquisition of Adviser Solutions Group.

There were a total of 77,235,255 Shares on issue at 30 June 2020.

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

Dividends

No dividends were declared and paid during the year.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Events Subsequent to Balance Date

Subsequent to balance date:

1. On 1 July 2020, the Company entered into a loan agreement with Prosser Enterprises Pty Ltd as Trustee for the Prosser Family trust, for the provision of a loan facility of up to $75,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
2. On 13 July 2020, the Company entered into a loan agreement with Alison Sarich for the provision of a loan facility of up to $55,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
3. On the 30th July 2020, the company entered into a loan agreement with Marshall William Holdings Pty for the provision of a loan facility of up to $105,000. The facility was drawn down for $30,000 on the 30th July 2020. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
4. On 20 August 2020, the Company received an R&D tax incentive of $573,916.
5. On 20th August 2020, the Company repaid loans of $75,000 to Prosser Enterprises, $25,000 to Alison Sarich, $35,000 to Pindari Road Pty Ltd, and 30,000 to Marshall William Holdings.

Options

Unissued ordinary shares of Complii under option at the date of this report are as follows:

Issue Date	Expiry Date	Exercise price	Number
30 November 2017	30 November 2020	$0.20	3,650,000
30 October 2018	30 November 2020	$0.20	300,000
1 July 2019	1 July 2022	$0.20	2,000,000
			5,950,000

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Performance Rights

There were no unissued ordinary shares of Complii Fintech Solutions Ltd under performance rights at the date of this report.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Information on Directors

Mr C Mason	—	Executive Chairman
Qualifications	—	MSAA
Experience	—	Over 30 years' experience in the finance industry in various capacities and has been involved in many major changes which have taken place and shaped the industry over this time. He has worked with the ASX, ASIC and APRA in the areas of Custody, Third Party trade execution and clearing associated services.
Other current Directorships	—	None
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	6,077,002 Shares
Interest in Performance Rights	—	Class D – 700,000 (lapsed/expired), Class E – 700,000 (lapsed/expired)
Special Responsibilities	—	Chair of the board Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee

Ms A Sarich	—	Managing Director
Qualifications	—	
Experience	—	Over 17 years' experience in the finance industry, including Custody, Corporate actions and client relationship management. Including positions based in Australia and the United Kingdom.
Other current Directorships	—	None
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	1,250,000 Shares
Special Responsibilities	—	None

Mr P Robinson	—	Non-Executive Director
Qualifications	—	BSc Joint Honours, Computer Science and Electronic Engineering University of Birmingham
Experience	—	Over 26 years' experience in the financial services industry. Including senior positions in Australia in the financial services and broking industries.
Other current Directorships	—	CPS Capital Group Pty Ltd (ABN 73 088 055 636) CPS Capital Group Pty Ltd (ABN 47 618 925 054) CPS Capital No 3 Pty Ltd (ABN 18 632 670 618) Trader Lodge Grazing Pty Ltd (ABN 22 087 824 584)
Previous Directorships (last 3 years)	—	None
Interest in Shares and Options	—	208,334 Shares and 1,725,000 options
Special Responsibilities	—	Chair of Nomination and Remuneration Committee Member of the Audit and Risk Committee

Directors' Meetings

During the financial year, the number of meetings of directors (including committees of directors) held and attendances by each director during the year were as follows:

	Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
Directors	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**
Craig Mason (Chair)	11	11	-	-	-	-
Alison Sarich	11	11	-	-	-	-
Peter Robinson	11	11	-	-	-	-
Robert Cloughton[1]	9	9	-	-	-	-

Notes:

1. Robert Cloughton resigned on 9 March 2020.

Company Secretary – Ms Karen Logan BCom, Grad Dip AppCorpGov, FCIS, FGIA, F Fin, GAICD

Ms Logan was appointed as company secretary on 8 September 2016. She has over 10 years' experience in corporate governance and compliance. She has extensive capital raising, merger and acquisition, IPO and backdoor listing experience in a diverse range of industries including technology, media, resources, health care and life science. She is presently the principal of a consulting firm and secretary to a number of ASX-listed companies, providing corporate and accounting services to those clients.

Indemnification and Insurance of Officer

During the year the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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

Non-Audit Services

There were no non-audit services provided by the Company's external auditor (2019: nil).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

This report of the directors is signed in accordance with a resolution of the Board of Directors.

Craig Mason
Executive Chairman

Dated: 18 September 2020

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit partner for the audit of the financial statements of Complii FinTech Solutions Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL** CA
Chartered Accountants	**Partner**

Dated at Perth this 18th day of September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 June 2020

		2020	2019
Revenue	3	1,169,875	1,026,641
Other revenue	3	74,043	13,530
Gain from a bargain purchase		82,995	-
Research and development grant		385,420	369,063
Accounting fees		(48,746)	(42,546)
Borrowing expenses		(79,372)	(13,405)
Corporate secretarial fees		(47,351)	(53,079)
Depreciation and amortisation expense		(478,123)	(202,591)
Impairment of intangible assets		(2,084,454)	-
Employee benefits expense	4	(2,056,855)	(1,193,641)
Legal and professional fees		(34,091)	(2,080)
Licensing fees		(138,932)	(58,405)
Rent		(33,125)	(77,933)
Share based payments	17	(184,146)	(173,437)
Software Maintenance		(4,727)	(9,875)
Travel and Entertainment		(20,571)	(21,506)
Other employment costs		(66,782)	(13,654)
Consulting expense		(161,744)	(174,663)
Other expenses	4	(233,005)	(204,945)
Profit/(Loss) before income tax		(3,959,691)	(832,526)
Income tax benefit/(expense)	5	-	-
Profit/(Loss) for the year		(3,959,691)	(832,526)
Other comprehensive income		-	-
Total comprehensive income for the year		(3,959,691)	(832,526)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2020

		2020	2019
CURRENT ASSETS			
Cash and cash equivalents	7	**152,084**	**174,462**
Trade and other receivables	8	**33,253**	**20,021**
Other current assets	9	**29,790**	**8,252**
TOTAL CURRENT ASSETS		**215,127**	**202,735**
NON-CURRENT ASSETS			
Property, plant and equipment	11	**18,449**	**21,760**
Intangible assets	10	**38,427**	**729,072**
Right-of-use Assets	18	**177,846**	**-**
TOTAL NON-CURRENT ASSETS		**234,722**	**750,832**
TOTAL ASSETS		**449,849**	**953,567**
CURRENT LIABILITIES			
Trade and other payables	12	**347,027**	**225,625**
Provisions	14	**115,334**	**54,290**
Financial liabilities	13	**1,248,543**	**197,695**
Lease Liabilities	18	**108,598**	**-**
TOTAL CURRENT LIABILITIES		**1,819,502**	**477,610**
NON-CURRENT LIABILITIES			
Provisions	14	**16,082**	**6,413**
Lease Liabilities	18	**77,205**	**-**
TOTAL NON-CURRENT LIABILITIES		**93,287**	**6,413**
TOTAL LIABILITIES		**1,912,789**	**484,023**
NET ASSETS		**(1,462,940)**	**469,544**
EQUITY			
Issued capital	15	**5,441,323**	**3,598,262**
Share based payment reserve	16	**437,071**	**271,758**
Accumulated Losses		**(7,341,334)**	**(3,400,476)**
TOTAL EQUITY		**(1,462,940)**	**469,544**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 June 2020

	Issued Capital Ordinary Shares	Accumulated Losses	Share Based Payments Reserve	Total
BALANCE AT 1 JULY 2018	**2,467,008**	**(2,567,950)**	**248,322**	**147,380**
Profit/(Loss) for the year	-	**(832,526)**	**-**	**(832,526)**
Other comprehensive income	-	**-**	**-**	**-**
SUB-TOTAL	**-**	**(832,526)**	**-**	**(832,526)**
Share based payment	-	**-**	**23,436**	**23,436**
Share issue	581,000	**-**	**-**	**581,000**
Issue of shares as consideration for acquisition	400,000	**-**	**-**	**400,000**
Issue of shares to employees	157,254	**-**	**-**	**157,254**
Share issue costs	(7,000)	**-**	**-**	**(7,000)**
BALANCE AT 30 JUNE 2019	**3,598,262**	**(3,400,476)**	**271,758**	**469,544**
BALANCE AT 1 JULY 2019	**3,598,262**	**(3,400,476)**	**271,758**	**469,544**
Profit/(Loss) for the year	-	**(3,959,691)**	**-**	**(3,959,691)**
Other comprehensive income	-	**-**	**-**	**-**
SUB-TOTAL	**-**	**(3,959,691)**	**-**	**(3,959,691)**
Expired options		**18,833**	**(18,833)**	**-**
Issue of shares as consideration for acquisition	1,825,000	**-**	**-**	**1,825,000**
Share based payment options	-	**-**	**184,146**	**184,146**
Issue of shares to employees	18,061	**-**	**-**	**18,061**
BALANCE AT 30 June 2020	**5,441,323**	**(7,341,334)**	**437,071**	**(1,462,940)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 June 2020

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,228,940	1,071,826
Payments to suppliers and employees		(2,647,175)	(1,797,274)
R&D grant		385,420	369,063
Interest Received		1,746	580
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	20	(1,031,069)	(355,805)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,218)	(9,974)
Acquisition of subsidiary, net of cash acquired		70,595	(212,138)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		63,377	(222,112)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,258,262	353,573
Repayment of borrowings		(207,414)	(307,759)
Repayment of lease liabilities (principal)		(110,382)	-
Proceeds from issue of share capital		-	581,000
Capital raising costs		-	(7,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		940,466	619,814
Net (decrease) / increase in cash held		(22,378)	41,897
Cash at beginning of financial year	7	174,462	132,565
CASH AT END OF FINANCIAL YEAR	7	152,084	174,462

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the financial statements and notes of Complii FinTech Solutions Ltd (**Complii**, **Parent Entity** or **Company**) which is a company limited by shares, incorporated and domiciled in Australia and its controlled entities (**Group**).

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss after tax for the year of $3,959,691 (2019: loss of $832,526) and net cash outflows from operating and investing activities of $962,845 (2019: outflows of $577,917). Included in the loss for the year was share based payments expense of $184,146 (2019: $173,437), impairment of $2,084,454 and depreciation and amortisation of $478,123 (2019: $202,591).

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to generate profit from its activities, raise funds from capital raising and manage cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which has an allowance for further capital to be raised and indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- Subsequent to year end, the company received an R&D tax incentive of $573,916 and a loan of $235,000 to assist with working capital as detailed in note 26;
- The company is in advanced discussions regarding a proposed listing on the Australian Securities Exchange via a reverse takeover. The proposed transaction will require the compliance with Chapters 1 and 2 of the ASX Listing Rules and completion of a proposed capital raising;
- Upon the successful transaction between the listed entity and the Company, the existing loans between Complii and various lenders of approximately $1.2 million will be converted into shares.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Complii Fintech Solutions Ltd) and the subsidiaries (including any structured entities). The subsidiary is an entity the parent controls. The parent controls an entity when it 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 over the entity. Details of the subsidiary is provided in Note 22.

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

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in the subsidiary and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair values of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured in each reporting period to fair value recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of: (i) the consideration transferred; (ii) any non-controlling interest; and (iii) the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value (“full goodwill method”) or at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets (“proportionate interest method”). The Group determines which method to adopt for each acquisition.

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of the subsidiary is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying values of goodwill.

(d) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income). The Company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax consolidation

Complii Fintech Solutions Limited and its wholly owned Australian subsidiary have formed an income tax consolidated Group under tax consolidation legislation. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 18 February 2019.

(e) Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing-value and straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% - 67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Intangibles other than Goodwill

Software Development

Software development costs are capitalised when incurred.

They have a finite life and are carried at cost less any accumulated amortisation & impairment. Software development costs are amortised over 4 years, and are assessed for impairment when an impairment trigger events occurs.

Patents and Trademarks

Patent and trademarks costs are capitalised when incurred. They have a finite life and are carried at cost less any accumulated depreciation. Patents and trademark costs are amortised over 10 years.

(g) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or the remeasurement is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Lessor accounting

When the Company is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Company's net investment in the lease.

(h) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

<u>Determining the stage for impairment</u>

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the consolidated Statement of Profit or Loss and Other comprehensive Income.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are accompanied on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

(iii) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised costs, loss events may include: indications that the debtors (or group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal repayments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of the financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

(i) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the Statement of Profit or Loss & Other Comprehensive Income.

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

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

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of shares option and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a black-scholes or monte-carlo simulation model depending on the type of share-based payment.

Share based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares. Details of share-based payments assumptions are detailed in Note 17.

(k) Cash and Cash Equivalents

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

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Judgments

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimate - Impairment

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(p) New Accounting Standards for Application in Current Period

Leases

The Company as lessee

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

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

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

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

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

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

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

The financial impact from the adoption of this standard is disclosed in note 18.

The Company as lessor

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Company's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Company applies AASB 15 to allocate the consideration under the contract to each component.

Based on the assessment by the Company, it was determined there was no impact on the Company. As such, the Company has not recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Company is the lessee.

There has been no significant change from prior year treatment for leases where the Company is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets, where applicable for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease**).**

(q) New Accounting Standards and Interpretations for Adoption in Future Periods

The Company has adopted all standards which became effective for the first time at 30 June 2020, refer to Note (p) for details of the changes due to standards adopted.

2. PARENT INFORMATION

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

BALANCE SHEET

	2020	2019
ASSETS		
Current Assets	1,021,288	294,640
Non-Current Assets	2,666,478	675,865
TOTAL ASSETS	3,687,766	970,505
LIABILITIES		
Current Liabilities	1,761,989	473,297
Non-Current Liabilities	93,287	6,412
TOTAL LIABILITIES	1,855,276	479,709
NET ASSETS	1,832,490	490,796
EQUITY		
Issued Capital	5,441,323	3,598,262
Accumulated Losses	(4,045,904)	(3,379,224)
Option Reserve	437,071	271,758
TOTAL EQUITY	1,832,490	490,796
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss)	(799,883)	(832,526)
Total comprehensive income	(799,883)	(832,526)

3. REVENUE

	2020	2019
SALES REVENUE		
Licence Fees	**1,087,267**	**1,001,439**
Set Up Fees	**15,250**	**7,950**
Additional Work	**8,966**	**17,252**
Other Income	**58,392**	**-**
TOTAL SALES REVENUE	**1,169,875**	**1,026,641**
OTHER REVENUE		
Sundry Income	**74,043**	13,530
TOTAL OTHER REVENUE	**74,043**	**13,530**
TOTAL SALES REVENUE AND OTHER REVENUE	**1,243,918**	**1,040,171**

4. PROFIT/(LOSS) FOR THE YEAR

	Note	2020	2019
EXPENSES			
EMPLOYEE BENEFITS EXPENSE			
Directors fees		206,410	200,000
Leave provisions		59,840	(13,838)
Payroll tax		37,258	12,811
Superannuation		151,763	84,976
Wages and salaries		1,601,584	909,692
TOTAL EMPLOYEE BENEFITS EXPENSE		2,056,855	1,193,641
OTHER EXPENSES			
Advertising		25,253	12,234
Amazon Web Services		-	1,427
Acquisition Costs		-	47,964
Bad debts		11,700	8,000
Bank fees and charges		2,866	2,553
Compliance costs		1,964	1,449
Cleaning		1,712	963
CPD content		132	-
Electricity		2,904	2,955
Foreign currency losses		2,486	413
Freight paid		-	208
Hosting fees		5,579	4,177
Insurance		14,660	8,438
Office supplies		1,511	953
Operating expenses		9,021	-
Other Lease Expenses	18	113,492	-
Patent costs		2,402	84,780
Postage		11	15
Rebate commission payable		13,796	-
Sales promotion		-	11,058
Service fee		999	-
Staff amenities		1,684	2,038
Subscriptions		796	2,196
Sundry expenses		77	-
Telephone		19,960	12,906
Website maintenance		-	218
TOTAL OTHER EXPENSES		233,005	204,945

5. INCOME TAX BENEFIT/(EXPENSE)

	2020	2019
The components of income tax comprise:		
Current	-	-
Deferred	-	-
TOTAL INCOME TAX BENEFIT/(EXPENSE)	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019:27.5%)	-	-
Less: tax effect of non-assessable items	-	-
Add: reversal of carried forward tax losses	-	-
INCOME TAX BENEFIT/(EXPENSE) ATTRIBUTABLE	-	-

6. AUDITOR'S REMUNERATION

	2020	2019
Remuneration of the auditor of the entity for:		
Auditing or reviewing the financial statements	18,000	11,746
TOTAL AUDITOR'S REMUNERATION	18,000	11,746

7. CASH AND CASH EQUIVALENTS

	2020	2019
CASH AT BANK AND IN HAND	152,084	174,462
TOTAL CASH AND CASH EQUIVALENTS	152,084	174,462

8. TRADE AND OTHER RECEIVABLES

	2020	2019
CURRENT		
Trade receivables	32,149	20,021
Provision for Doubtful Debts	(6,820)	-
Other Debtors	7,924	-
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	33,253	20,021

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main sources of credit risk to the Company are considered to relate to the classes of assets described as “trade and other receivables”.

The following table details the Company’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Gross Amount	Past Due & Impaired	Past Due but Not Impaired (Days Overdue) < 30	31-60	>60	Not Past Due
2020						
Trade receivables	**32,149**	**6,820**	**11,249**	**11,000**	**2,200**	**880**
TOTAL	**32,149**	**6,820**	**11,249**	**11,000**	**2,200**	**880**

	Gross Amount	Past Due & Impaired	Past Due but Not Impaired (Days Overdue) < 30	31-60	>60	Not Past Due
2019						
Trade receivables	**20,021**	**-**	**-**	**550**	**3,300**	**16,171**
TOTAL	**20,021**	**-**	**-**	**550**	**3,300**	**16,171**

9. OTHER CURRENT ASSETS

	2020	2019
Prepayments	**29,790**	**8,252**
TOTAL OTHER CURRENT ASSETS	**29,790**	**8,252**

10. INTANGIBLES

	2020	2019
Software development	**1,473,695**	1,472,249
Accumulated amortisation	**(1,435,269)**	(1,309,584)
Other Intellectual Property	**-**	587,659
Accumulated amortisation	**-**	(21,252)
TOTAL INTANGIBLES	**38,426**	**729,072**

a. Movements in carrying amounts

Software development:

Carrying amount at beginning of the reporting period	**162,665**	**331,325**
Additions	**1,445**	**1,165**
Amortisation expense	**(125,686)**	**(169,825)**
Carrying amount at the end of the reporting period	**38,426**	**162,665**

Patents and trademarks:

Carrying amount at beginning of the reporting period	**-**	**81,179**
Additions	**-**	**3,601**
Write off	**-**	**(84,780)**
Carrying amount at the end of the reporting period	**-**	**-**

Other intellectual property:

Carrying amount at beginning of the reporting period	**566,407**	-
Additions	**1,851,364**	**587,659**
Impairment	**(2,084,454)**	**-**
Amortisation	**(333,317)**	**(21,252)**
Carrying amount at the end of the reporting period	**-**	**566,407**

Management has based the value-in-use calculations on budget for the Group. A post-tax discount rate of 21% (2019: 16%) was used and are adjusted to incorporate risks associated with the Group.
As at 30 June 2020, management performed an impairment assessment on intangible assets which resulted in an impairment loss of $2,084,454.

11. PLANT AND EQUIPMENT

	2020	2019
Leasehold Improvements at cost	**5,950**	**11,450**
Accumulated depreciation	**(185)**	**(5,536)**
Plant and Equipment at cost	**58,228**	**42,421**
Accumulated depreciation	**(45,544)**	**(26,575)**
TOTAL PLANT AND EQUIPMENT	**18,449**	**21,760**

a. Movements in carrying amounts

Leasehold improvements:		
Carrying amount at beginning of the reporting period	**5,914**	**1,620**
Additions	**-**	**5,950**
Depreciation expense	**(149)**	**(1,656)**
Carrying amount at the end of the reporting period	**5,765**	**5,914**
Plant and equipment:		
Carrying amount at beginning of the reporting period	**15,846**	**8,081**
Additions	**15,809**	**17,624**
Depreciation expense	**(18,971)**	**(9,859)**
Carrying amount at the end of the reporting period	**12,684**	**15,846**

12. TRADE AND OTHER PAYABLES

	2020	2019
Unsecured liabilities:		
Trade payables	**45,696**	**51,441**
Other creditors	**186,197**	**127,704**
GST payable	**10,354**	**795**
Unearned revenue	**3,500**	**3,500**
Pay as you go withholding tax	**73,875**	**30,185**
Accrued Expenses	**27,405**	**12,000**
TOTAL TRADE AND OTHER PAYABLES	**347,027**	**225,625**

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:		
- Total current	**347,027**	**225,625**
	347,027	**225,625**
Less GST payable	**(10,354)**	**(795)**
Financial liabilities as trade and other payables	**336,673**	**224,830**

13. FINANCIAL LIABILITIES

	2020	2019
CURRENT		
Non-secured liabilities:		
IQumulate Funding	**-**	**6,410**
Attvest Funding	**8,976**	**-**
Loan from Lachemot Super Fund	**116,864**	**103,164**
Loan from C&K Mason Superannuation Fund	**105,351**	**88,121**

Loan from Marshall William Holdings Pty Ltd	**292,318**	-
Loan from Albatross Pass Pty Ltd	**106,137**	-
Loan from Pindari Road	**35,396**	-
Loan from Emery Super Fund	**103,044**	-
Loan from Alison Sarich	**292,561**	-
Loan from Violeta Larmer	**187,896**	-
TOTAL CURRENT FINANCIAL LIABILITIES	**1,248,543**	**197,695**

In October 2019, the Company entered into a loan agreement with Albatross Pass Pty Ltd for the provision of a loan facility of up to $100,000 to the Company. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In November 2019, the Company entered into a loan agreement with Alison Sarich for the provision of a loan facility of up to $250,000 to the Company. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In February 2020, the Company entered into a loan agreement with Violeta Larmer for the provision of a loan facility of up to $180,000 to the Company. The loan facility is fully drawn as at 30 June 2020 The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In March 2020, the Company entered into a loan agreement with Magenta City Pty Ltd as Trustee for Emery Super Fund Ltd for the provision of a loan facility of up to $100,000 to the Company. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In May 2020, the Company entered into a loan agreement with Pindari Road Pty Ltd for the provision of a loan facility of up to $35,000 to the Company. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In June 2020, the Company entered into a loan agreement with Alison Sarich for the provision of a loan facility of up to $55,000 to the Company. $25,000 of the loan facility is drawn as at 30 June 2020. The loan is repayable within two business days following the receipt of the research and development tax incentive for the 2020 financial year.

In March 2019, the Company entered into a loan agreement with Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund, an entity associated with Alison Sarich, for the provision of a loan facility of up to $100,000 for the purposes of funding its working capital. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.

In January 2020, the Company entered into a loan agreement with Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund, an entity associated with Craig Mason, for the provision of a loan facility of up to $100,000 for the purposes of funding its working capital. The loan facility is fully drawn as at 30 June 2020. The loan is repayable within 2 business days following the earlier of receipt of the research and development tax incentive for the 2020 financial year and completion of a capital raising of a minimum of $3,000,000.

Reconciliation of liabilities arising from financing activities

		Cash flows			
	2019	**Inflow**	**Net Outflow**	**Adjustment on adoption of AASB 16**	**2020**
Premium Funding	**6,410**	**31,262**	**(28,698)**	**-**	**8,975**
Loans from Related Parties	**191,285**	**662,000**	**(51,993)**	**-**	**801,292**
Loans from Third Parties	**-**	**565,000**	**(126,723)**	**-**	**438,276**
Lease Liabilities				**108,598**	**108,598**
Total liabilities from financing activities	**197,695**	**1,258,262**	**(207,414)**	**108,598**	**1,357,141**

In July 2019, the Company entered into a loan agreement with Albatross Pass Pty Ltd and agreed to provide loans up to $150,000 to the Company. The loan was fully repaid in September 2019.

In June 2019, the Company entered into a loan agreements with Main Cat Pty Ltd, an entity associated with Craig Mason, a director of the company and provided a loan facility of up to $100,000 for the purposes of funding its working capital. An amount of $88,000 was drawn against the loan facility as at 30 June 2019, a further amount of $12,000 was drawn in July 2019. This loan was fully repaid in September 2019.

Interest is payable on the loans at an interest rate of 12.5% pa, interest is capitalised until such time as the loans and interest are repaid. The loans are unsecured.

Loan Facilities	**Amounts Drawn**	**Amounts Undrawn**	**Facility Available**
Loan from Lachemot Superannuation Fund	**$100,000**	**-**	**$100,000**
Loan from C&K Mason Superannuation Fund	**$100,000**	**-**	**$100,000**
Loan from Albatross Pass Pty Ltd	**$100,000**	**-**	**$100,000**
Loan from Pindari Road Pty Ltd	**$35,000**	**-**	**$35,000**
Loan from Marshall William Holdings Pty Ltd	**$250,000**	**-**	**$250,000**
Loan from Emery Super Fund	**$100,000**	**-**	**$100,000**
Loan from Alison Sarich	**$275,000**	**-**	**$275,000**
Loan from Violeta Larmer	**$180,000**	**-**	**$180,000**

14. PROVISIONS

	2020	2019
CURRENT		
Annual leave employee benefits	**115,334**	**54,290**
TOTAL CURRENT PROVISIONS	**115,334**	**54,290**

	2020	2019
NON-CURRENT		
Long Service Leave employee benefits	**16,082**	**6,413**
TOTAL NON-CURRENT PROVISIONS	**16,082**	**6,413**

15. ISSUED CAPITAL

	2020	2019
	$	$
77,235,255 Fully paid ordinary shares (2019: 65,829,005)	**5,458,848**	3,615,787
Less: Capital raising costs	**(17,525)**	(17,525)
BALANCE AT REPORTING DATE	**5,441,323**	3,598,262

(a) Movements in issued capital

	2020	2019
Fully paid ordinary shares	**No.**	No.
At the beginning of the reporting period	**65,829,005**	59,697,755
Issue of ordinary shares at $0.16 per share	**-**	2,335,924
Issue of bonus shares	**-**	45,326
Issue of shares on acquisition of Shroogle (note 20)	**-**	2,500,000
Issue of shares on acquisition of Think Caddie(note 20)	**10,312,500**	-
Issue of shares on acquisition of Adviser Solutions (note 20)	**1,093,750**	-
Share based payments at $0.12 per shares	**-**	1,250,000
AT THE END OF THE REPORTING PERIOD	**77,235,255**	65,829,005

(b) Movements in unlisted options

	2020	2019
	No.	**No.**
At the beginning of the reporting period	**4,250,000**	**3,950,000**
Issue of options	**2,000,000**	**300,000**
Lapse of Options	**(300,000)**	**-**
AT THE END OF THE REPORTING PERIOD	**5,950,000**	**4,250,000**

(c) Movements in performance rights

	2020	2019
	No.	**No.**
At the beginning of the reporting period	**1,400,000**	**1,400,000**
Vesting of performance rights	**-**	**-**
Lapsing of performance rights	**(1,400,000)**	**-**
AT THE END OF THE REPORTING PERIOD	**-**	**1,400,000**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

(d) Capital management

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company’s debt and capital includes ordinary share capital and financial liabilities, supported by its continued operations. There are no externally imposed capital requirements.

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

The working capital structure at 30 June 2020 and 30 June 2019 is as follows:

	2020	2019
Trade and other payables	347,027	225,625
Provisions	115,334	54,290
Financial liabilities	1,248,543	197,695
Lease Liabilities	108,598	
Less cash and cash equivalents	(152,084)	(174,462)
Net debt	1,667,418	303,148
Total equity	(1,462,941)	469,544
Total capital	204,477	772,692

16. RESERVES

		2020	2019
Opening balance		271,758	248,322
Share based payment expense	17	184,146	23,436
Expired Options		(18,833)	-
Closing balance		437,071	271,758

This reserve records the value of options issued including the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 17 for further details of these grants.

17. SHARE BASED PAYMENTS

	2020	2019
Share based payment expense	184,146	173,437

The following share based payment arrangements existed as at 30 June 2020:

a. Options

Under the terms of an agreement, the Company issued the following options:

Recipient	Class of Share Based Payment	Quantity	Grant date Fair Value	Value recognised during the year	Value to be recognised in future years
Peter Robinson	Unlisted share options	1,000,000	0.0921	92,073	-
Robert Cloughton	Unlisted share options	1,000,000	0.0921	92,073	
				184,146	-

Fair value of options

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the unlisted share options were granted.

A summary of the inputs used the valuation of the options is as follows:

- Exercise price	**0.20**
- Share price at date of issue	**0.16**
- Grant date	**30 October 2018**
- Expected volatility	**100%**
- Expiry date	**30 November 2020**
- Risk free interest rate	**1.73%**
- Value per option	**0.078**
- Number of options	**2,000,000**
- **Total value of options**	**184,146**

b. Performance Rights

During the year ended 30 June 2017, the following performance rights were issued to Mr C Mason in connection with his service agreement.

Class	Grant Date	Vesting Dates	Expiration dates	Number of rights Issued	Undiscounted Value per Right at Grant Date	Total Undiscounted Value $
A	17 January 2017	24 August 2018	17 January 2020	700,000	0.12	84,000
B	17 January 2017	30 October 2017	17 January 2020	700,000	0.12	84,000
C	17 January 2017	12 April 2018	17 January 2020	700,000	0.12	84,000
D	17 January 2017	-	17 January 2020	700,000	0.12	84,000
E	17 January 2017	-	17 January 2020	700,000	0.12	84,000

Performance rights values at grant date were determined using the performance milestones summarised in the table below. Each Performance right will vest as one (1) Share subject to the satisfaction of certain performance criteria ("Performance Milestones") disclosed below.

Class	Performance Milestone
A	Within 3 years of grant date the nominated person brings about or causes the Company to execute agreements with financial planning organisations that have in total at least 120 duly licenced financial planners and by the agreements the organisations contract to use the Complii software system on commercial terms; or a takeover event occurs
B	Within 9 months of grant date the nominated person brings or causes the Company to complete a seed capital raising to investors outside Western Australia of at least $500,000 at a minimum of 12 cents per share; or a takeover event occurs
C	Within 3 years of grant date the nominated person brings about or causes the Company to execute agreements with at least 5 stockbroking organisations each with a minimum of 3 advisers as listed on the financial advisers register and by the agreements the organisations contract to use the Complii

software system on commercial terms; or

a takeover event occurs

D	Within 3 years of grant date the nominated person brings about or causes the Company to enter into a new market for the supply of the Complii software system where revenue from the supply of the Complii software system generates at least $250,000 in any calendar year; or a takeover event occurs
E	Within 3 years of grant date the nominated person brings about or causes the Company to execute an agreement establishing a strategic international alliance for the broadening of the distribution of the Complii software system and which results in at least one Complii user licence being issued as a result of the alliance; or a takeover event occurs

The Performance Rights will vest into ordinary shares in the Company upon the satisfaction of vesting conditions as disclosed above. If the Performance Rights do not convert into ordinary shares within the vesting period they will automatically lapse.

At 30 June 2020, Performance Rights on issue were as follows:

Class	Number Issued	Date Vested/ Lapsed/Expired	Number Vested	Number Lapsed	Balance as at 30 June 2020
A	700,000	17 January 2017	(700,000)	-	-
B	700,000	30 October 2017	(427,001)	(272,999)	-
C	700,000	12 April 2018	(700,000)	-	-
D	700,000	17 January 2020	-	(700,000)	-
E	700,000	17 January 2020	-	(700,000)	-
				Total	-

18. LEASES

	30 June 2020 $	30 June 2019 $
a. **Right of use assets**		
Right of use assets	177,846	-
	177,846	-
b. **Lease liabilities**		
Lease Liabilities	108,598	-
	108,598	-

Effects of Adoption of AASB 16 Leases

This note explains the impact of the adoption of AASB 16 Leases on the Company's financial statements and discloses the new accounting policies that have been applied from 1 July 2019. The Company has adopted AASB 16 retrospectively from 1 July 2019, but has not restated comparatives for the 30 June 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

a. **Adjustments recognised on adoption of AASB 16**

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5%.

	$
Operating lease commitments disclosed as at 30 June 2019	316,082
Discounted using the lessee's incremental borrowing rate of at the date of initial application	279,472
Lease liability recognised as at 1 July 2019	279,472

The Company adopted the modified retrospective approach, and as such the comparative financial statements for the year ended 30 June 2019 have not been restated.

Rights of use assets on inception of the standard were measured at the amount equal to the lease liability as at 1 July 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	1 July 2019 $
Right of use assets	279,472
Total Right of use assets	279,472

Terms and conditions of leases

The building lease is for the corporate office, has 2 years remaining and has no renewal option. The rentals are subject to a fixed increase of 4% each anniversary of the commencing date.

Right-of-use assets	**$ Building**	**$ Total**
Year ended 30 June 2020		
Balance at beginning of year	**-**	**-**
Change due to adoption of AASB 16	**279,472**	**279,472**
Depreciation charge	**(101,626)**	**(101,626)**
Balance at end of year	**177,846**	**177,846**

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<1 year	**1 – 5 years**	**>5 years**	**Total undiscounted lease liabilities**	**Lease liabilities included in this Statement of Financial Position**
2020					
Lease Liabilities	**108,598**	**77,205**	**-**	**185,803**	**185,803**
TOTAL	**108,598**	**77,205**	**-**	**185,803**	**185,803**

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

Interest expense on lease liabilities	**11,866**
Depreciation of right-of-use assets	**101,626**
	118,517
Total cash outflow for leases	**110,382**

Statement of Cash Flows

19. CAPITAL AND LEASING COMMITMENTS

	2020	2019
(a) Operating lease commitments		
Payable — minimum lease payments		
- not later than 12 months	**-**	**114,939**
- between 12 months and 5 years	**-**	**201,143**
- greater than 5 years	**-**	**-**
Minimum lease payments	**-**	**316,082**
Future finance charges	**-**	**-**
Present value of minimum lease payments	**-**	**316,082**

The property lease for the Sydney office King Street office was terminated during the year and a new lease at premises 56 Pitt Street Sydney was entered into for a term of 3 years commencing 1 April 2019.

The increase in rent was effective 1 April 2020.

20. CASH FLOW INFORMATION

a) Reconciliation of cash flow from operations with profit after income tax

	2020	2019
PROFIT / (LOSS) AFTER INCOME TAX	(3,959,691)	(832,526)
NON-CASH FLOWS IN PROFIT		
- Depreciation and amortisation	478,123	202,591
- Impairment	2,084,454	-
- Bad Debts	-	8,000
- Share based payments	202,207	173,437
- Transactions with non-controlling interests	(82,995)	20,043
- Right of use assets	113,492	-
- Patent costs written off	-	84,780
CHANGES IN ASSETS AND LIABILITIES		
- (Increase)/decrease in trade and other receivables	(13,232)	(11,809)
- (Increase)/decrease in prepayments	(21,538)	3,185
- Increase/(decrease) in trade payables and accruals	97,552	(44,968)
- Increase/(decrease) in provisions	70,560	41,462
CASH FLOW FROM OPERATIONS	(1,031,069)	(355,805)

21. ACQUISITION OF ENTITIES

On 31 October 2019, Complii FinTech Solutions Ltd acquired ThinkCaddie Pty Ltd for $1,650,000 via shares issued. 10,312,500 shares were valued at $0.16 based on the latest capital raising share price. The acquisition has been provisionally accounted for and determined as a business combination.

	2020
Acquisition of Entities	
In the 2020 year a 100% ownership interest in ThinkCaddie Pty Ltd was acquired. Details of the transaction are:	
Purchase consideration	1,650,000
Consisting of:	
Cash consideration	-
Share consideration	1,650,000
	1,650,000
Net Cash inflow	69,047
Asset and liabilities acquired were as follows:	
Cash	69,047

Intangible assets: intellectual property	**1,687,875**
Annual Leave Provision	**(10,872)**
Payables	**(13,055)**
Net asset acquired	**1,732,995**
Bargain Purchase:	**(82,995)**

On 12 May 2020, Complii FinTech Solutions Ltd acquired Adviser Solutions Group Pty Ltd for $175,000 via shares issued. 1,093,750 shares were valued at $0.16 based on the latest capital raising share price. The acquisition has been provisionally accounted for and determined as an asset acquisition.

	2020
Acquisition of Entities	
In the 2020 year a 100% ownership interest in Adviser Solutions Group Pty Ltd was acquired. Details of the transaction are:	
Purchase consideration	**175,000**
Consisting of:	
Cash consideration	-
Share consideration	**175,000**
	175,000
Net Cash inflow	**1,548**
Asset and liabilities acquired were as follows:	
Cash	**1,548**
Payables	**(74)**
Net asset acquired	**1,474**
Excess on acquisition: acquired as intellectual property	**173,526**

As at 30 June 2020, management assessed the intangible assets for impairment. Refer to note 10 for details.

22. CONTROLLED ENTITY

a. **Information about Principal Subsidiary**

The subsidiary listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary has been consolidated on a line-by-line basis in the consolidated financial statements of the Group. The subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Percentage Owned (%)*	
		2020	2019
Subsidiary of Complii FinTech Solutions Limited:			
Shroogle Pty Ltd	Australia	100%	100%
ThinkCaddie Pty Ltd	Australia	100%	-
Adviser Solutions Group Pty Ltd	Australia	100%	-

* Percentage of voting power in proportion to ownership

23. RELATED PARTY TRANSACTIONS

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

	2020	2019
(a) Key management personnel compensation		
Short-term employee benefits	413,376	402,790
Post-employment benefits	20,321	18,799
Other long-term benefits	6,920	3,576
TOTAL COMPENSATION	440,617	425,165

(b) Other key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

	Transactions value for the year		Balance outstanding at 30 June	
	2020	2019	**2020**	2019
Sales Revenue:				
Licence fee[1]	**(96,000)**	**(96,000)**	-	-
Additional work[1]	**(2,315)**	**(640)**	-	-
TOTAL REVENUE FROM DIRECTOR-RELATED ENTITIES	**(98,315)**	**(96,640)**	-	-
Goods and services provided by related entities on commercial terms:				
Interest payable[2]	**50,997**	**4,929**	**48,127**	**3,733**
Office expenses[1]	**-**	**-**	-	-
TOTAL COSTS OF SERVICES PROVIDED BY DIRECTOR-RELATED ENTITIES	**50,997**	**4,929**	**48,127**	**3,733**
Loans provided by related entities on commercial terms:				
Unsecured loan from Marshall William Holdings Pty Ltd[3]	250,000	50,000	250,000	-
Unsecured loan from Alison Sarich[4]	275,000	107,500	275,000	-
Unsecured loan from Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund[5]	100,000	100,000	100,000	100,000
Unsecured loan from Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund[6]	100,000	100,000	100,000	88,000
TOTAL LOANS PROVIDED BY DIRECTOR-RELATED ENTITIES	725,000	357,500	725,000	188,000

Notes in relation to the table of other key management personnel transactions

1. CPS Capital Pty Ltd, a company associated with Mr Robinson, licenses software from the Group.
2. The unsecured loans provided by director-related entities are provided at an interest rate of 12.5% per annum. Refer to Note 13 for further details of the unsecured loans.
3. Marshall William Holdings Pty Ltd, an entity associated with Mr Mason agreed to provide loans of up to:
    a. $250,000 to the Company in the 2020 financial year.
4. Mrs Sarich agreed to provide loans of up to
    a. $275,000 to the Company in the 2020 financial year
5. Lachemot Super Pty Ltd as trustee for the Lachemot Superannuation Fund, an entity associated with Mrs Sarich agreed to provide a loan facility of up to $100,000 to the Company. The loan is repayable within two business days following completion of a capital raising of a minimum of $3,000,000.
6. Main Cat Pty Ltd as trustee for C&K Mason Superannuation Fund, an entity associated with Mr Mason agreed to provide a loan facility of up to $100,000 to the Company. An amount of $100,000 was drawn against the loan as at 30 June 2020. The loan is repayable within two business days following the earlier of receipt of the research and development tax incentive for the 2019 financial year and completion of a capital raising of a minimum of $3,000,000.

All transactions with related parties are on commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated.

There were no other key management personnel transactions during the 2020 or 2019 financial years.

Transactions with subsidiary

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Details of transactions between the Group and its subsidiary are disclosed below:

Loans are made by the Company, Complii FinTech Solutions Limited, to its wholly owned subsidiary for capital purchases and working capital purposes. The loans outstanding between the Parent Entity and its subsidiary have no fixed date of repayment and are non-interest bearing. Details of the Parent Entity's interest in its subsidiary are set out in Note 22.

	2020	2019
Non-Current		
Loans to subsidiaries	**817,539**	93,597

No dividends were received from the subsidiary in the 2020 financial year (2019: Nil).

24. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks; local money market instruments; investments in term deposits, accounts receivable and payable and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies, are as follows:

		2020	2019
FINANCIAL ASSETS			
Cash and cash equivalents	7	**152,084**	174,462
Trade and other receivables	8	**33,253**	20,021
TOTAL FINANCIAL ASSETS		**185,337**	194,483
FINANCIAL LIABILITIES			
Trade and other payables	12	**347,026**	225,625
Lease Liabilities	18	**108,598**	-
Borrowings	13	**1,248,543**	197,695
TOTAL CURRENT LIABILITIES		**1,704,167**	423,320

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables and any collateral held are provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2020	2019
Cash and cash equivalents		
AA rated	**152,084**	174,462
TOTAL CASH AND CASH EQUIVALENTS	**152,084**	174,462

b. Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Financial liabilities due								
Trade and other payables	**347,027**	**225,625**	**-**	**-**	**-**	**-**	**347,027**	**225,625**
Lease Liabilities	**108,598**	**-**	**108,598**	**-**	**-**	**-**	**108,598**	**-**
Loans	**1,248,543**	**197,695**	**-**	**-**	**-**	**-**	**1,248,543**	**197,695**
Total expected outflows	**1,704,168**	**423,320**	**108,598**	**-**	**-**	**-**	**1,704,168**	**423,320**
Financial assets realisable								
Cash and cash equivalents	**152,084**	**174,462**	**-**	**-**	**-**	**-**	**152,084**	**174,462**
Trade and other receivables	**33,253**	**20,021**	**-**	**-**	**-**	**-**	**33,253**	**20,021**
Total expected inflows	**185,337**	**194,483**	**-**	**-**	**-**	**-**	**185,337**	**194,483**

25. CONTINGENT LIABILITIES

There were no contingent liabilities to report for the financial period.

26. SUBSEQUENT EVENTS

Subsequent to balance date:

1. On 1 July 2020, the Company entered into a loan agreement with Prosser Enterprises Pty Ltd as Trustee for the Prosser Family trust, for the provision of a loan facility of up to $75,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
2. On 13 July 2020, the Company entered into a loan agreement with Alison Sarich for the provision of a loan facility of up to $55,000. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
3. On the 30 July 2020, the company entered into a loan agreement with Marshall William Holdings Pty for the provision of a loan facility of up to $105,000. The facility was drawn down for $30,000 on the 30 July 2020. The facility is unsecured, attracts an interest rate of 12.5% per annum and is repayable within 2 business days of receipt of the R&D tax incentive rebate for the 2020 financial year.
4. On 20 August 2020, the Company received an R&D tax incentive of $573,916.
5. On 20 August 2020, the Company repaid loans of $75,000 to Prosser Enterprises, $25,000 to Alison Sarich, $35,000 to Pindari Road Pty Ltd, and 30,000 to Marshall William Holdings.

The financial effect of the above transactions has not been brought to account in the financial statements for the year.

27. COMPANY DETAILS

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 1
56 Pitt Street
SYDNEY NSW 2000

DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 42 in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

    b. give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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

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

Craig Mason
Director

Dated: 18 September 2020

Independent Auditor's Report

To the Members of Complii FinTech Solutions Ltd

Bentleys
THINKING AHEAD

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Complii FinTech Solutions Ltd ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of $3,959,691 during the year ended 30 June 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

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

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 18th day of September 2020