

## 1. Name of Entity

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Schrole Group Ltd (ABN 27 164 440 859)

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## Reporting Period

Previous Corresponding Reporting Period

Half-year ended 30 June 2024

Half-year ended 30 June 2023

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## 2. Results for Announcement to Market

Financial results	Up / Down	Change %	2024 \$	2023 \$
Revenue from ordinary activities	Up	15	3,425,134	2,993,916
(Loss) after tax from ordinary activities attributable to members	Down	89	(136,235)	(1,263,674)
(Loss) attributable to members	Down	89	(136,235)	(1,263,674)
<b>Final and interim dividends</b>	No dividends or distributions are payable.			
Record date for determining entitlements to the dividend	N/A			
Brief explanation of any of the figures reported above	Refer to the review of operations in the Directors' Report which forms part of the attached Interim Financial Report for further explanation regarding the above results.			

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## 3. Net Tangible Asset Backing per Ordinary Share

Cents

Net tangible asset backing per ordinary share – current reporting period	(4.7)
Net tangible asset backing per ordinary share – previous reporting period	(2.6)

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## 4. Control Gained Over Entities

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Details of entities over which control has been gained or lost	N/A
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## 5. Dividends Paid and Payable

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Details of dividends or distribution payments	No dividends or distributions are payable.
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## 6. Dividend Reinvestment Plans

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Details of dividend or distribution reinvestment plans	N/A
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## 7. Details of Associates

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Details of associates and joint venture entities	N/A
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**8. Foreign Entities**

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Foreign entities to disclose which accounting standards are used in compiling the report	N/A
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**9. Review Opinion**

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Details of any audit dispute or qualification	There are no audit disputes or qualifications to the review opinion.
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Matt Adams  
Non-Executive Chairman  
27 August 2024



# Schrole Group Ltd

ABN 27 164 440 859

Interim Financial Report for the  
half year ended 30 June 2024

**Schrole**  
We're with you

## Directors' Report

Your Directors present their report, together with the interim financial report of Schrole Group Ltd ("the Company") and controlled entities ("the Group", "Schrole") for the half year ended 30 June 2024.

### Directors

The names and the particulars of the Directors of the Company during or since the end of the half year and are:

Name	Role	Appointed	Resigned
Matt John Adams	Non-Executive Chairman	20 June 2023	
Robert Graham	Managing Director	5 October 2017	
Matt John Adams	Non-Executive Director	30 May 2023	
Guy Perkins	Non-Executive Director	27 October 2020	
Colm O'Brien	Non-Executive Director	20 October 2021	
Caroline Brokvam	Non-Executive Director	30 May 2023	

### Principal Activities

The principal continuing activities of the Group during the half-year was the provision of software solutions primarily to the education sector, and the provision of training services.

### Review of Operations

Schrole Group Ltd reports revenues of \$3,425,134 (2023: \$2,993,916) and an operating loss of \$136,235 (2023: \$1,263,674 loss) for the half year ended 30 June 2024. The operating loss for the period reflects the Company's continued investment in expanding marketing, sales and account management resources to deliver growth and also reflects the effort the company has put into managing its costs.

Annualised Recurring Revenue from Schrole's HR SaaS products increased to \$4.4 million at the end of June, up from in the PCP \$3.5 million. The increase in ARR was driven by an increase in subscription (SaaS) sales of \$1,697,153 in the half year, an 43% improvement on the PCP 1,181,836. Encouragingly, this included sales across all core markets (Asia, MENA and Europe), with 91% of international subscription sales including both Schrole Connect and Schrole Engage, confirming the demand for our full-cycle product suite. Customer contract renewal rates remained consistent with PCP in Q2 at 69%, with Net Revenue Retention at 81%.

Schrole Develop, the Company's Registered Training Organisation, continues to see high demand for courses from existing and new customers, delivering strong margins.

The Group's cash and cash equivalents as at 30 June 2024 were \$840,248 (31 Dec 2023: \$1,290,499). The decline in balance during the half year reflects the use of funds to:

- continue investment in delivering high quality enhancements and upgrades to the Schrole HR product suite,
- expand the marketing effort; and
- expand the sales and account management team to enable strong customer renewal rates, sales of an expanded product suite to existing customers to grow contract values and make sales to new customers.
- Advisory fees for the Scheme of Arrangement with TES Aus Global Pty Limited

The net assets of the Group as at 30 June 2024 were \$341,681 (31 Dec 2023: \$505,048) with the reduction reflecting the investment of cash into growing the value of the software assets and expanding sales and marketing as described above.

Schrole has invested building out its sales pipeline which places it well for further growth in its key target markets.

Schrole Group implemented sales initiatives which resulted in increased new sales, cross-selling and upselling opportunities, leading to higher revenue growth in both software and training divisions. As a result, performance metrics have continued to improve, and the company is near cash breakeven.

The second half of FY24 and into FY25 will see Schrole evolve into a stronger, more resilient SaaS model. The Company will continue to focus on improving its SaaS retention rates in both B2B and B2C market segments, which will help diversify the business's revenue streams as well as boost growth and margins.

Schrole has created and delivered tailored training and development programs for global mining companies over 1H24, including Rio Tinto and Roy Hill in the Western Australian resources market. The business unit that creates accredited training solutions to meet specific client needs, Schrole Develop, provides these courses for mining companies.

During 1H24, Schrole Develop delivered 47 on-the-job (OTJ) training courses to 248 staff at Rio Tinto's facilities in Western Australia for a total of \$774,880. We also delivered 11 WHS courses to 51 learners for a total of \$116,724. These OTJ courses are consistent with course delivery in the prior corresponding period, and the orders contain the standard business and termination clauses.

Training services within the mining sector is a segment which Schrole believes it has potential to grow strongly. Working with leading miners provides examples of the work the Company is capable of. Schrole is currently pursuing opportunities in Work Health and Safety, and recently added the WHS Statutory Supervisor Course to its course list as this is a government mandated course for all supervisors in the mining industry.

Schrole is experiencing an increased use of Schrole Cover, its staff relief platform, in overseas markets, compared to its usual use in Western Australian schools. Due to this, the Company has start redeveloping the app and will release this in Q4 2024. All of these improvements to Schrole's HR SaaS platform over 1H24, with more to come, further reduce operational costs for the business, open new markets, and create a better user experience for customers and streamline back-office operations.

### ***Proposed Scheme of Arrangement with TES Aus Global***

On 17 June 2024, Schrole announced that it had entered into a Scheme Implementation Deed with TES Aus Global Pty Limited (TES), a subsidiary of TES Global Limited under which it is proposed TES will acquire 100% of Schrole for 48.52 cents per Schrole share by way of a scheme of arrangement (Scheme).

The Scheme is subject to several conditions, including shareholder and Court approval, together with other customary conditions. The Schrole Board unanimously recommends that you vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert continuing to consider the Scheme to be in the best interests of Schrole shareholders. Subject to those qualifications, each of the Schrole directors intends to vote, or cause to be voted, all Schrole shares held by or controlled by them in favour of the Scheme.

After Court approval on 16 August 2024, a Scheme Booklet was provided to Schrole shareholders. The Scheme Booklet contains important information relating to the Scheme, the reasons for the Schrole Board's unanimous recommendation and reasons why shareholders may vote against the Scheme, details of the Scheme meeting as well as an Independent Expert's Report providing an assessment as to whether the Scheme is in the best interests of Schrole shareholders. Schrole shareholders will have the opportunity to vote on the Scheme at a Court-convened Scheme meeting, which will be held on 16 September 2024. When considering how to vote, Schrole shareholders should carefully read the Scheme Booklet in its entirety and take into account the matters set out in the Scheme booklet, including the reasons to vote for and against the Scheme.

The interests of the Schrole Board are detailed in section 9 of the Scheme Booklet. The interests include the aggregate relevant interest of the Schrole Board in 4,460,371 Schrole shares, equating to approximately 12.85% of Schrole shares on a fully diluted basis. In addition, if Schrole shareholders approve the Scheme, a lump sum gross payment of \$321,439 to Mr Rob Graham (comprising 12 months' base salary) will be made in accordance with the terms of Mr Graham's employment agreement (which was agreed on 29 February 2016 and preceded any negotiations in relation to the Scheme). Subject to Mr Graham remaining employed by the Schrole Group until the effective date for the Scheme, 828,000 performance rights will automatically vest and will convert into 828,000 Schrole shares. Schrole shareholders should have regard to these interests when considering how to vote on the Scheme.

#### ***Significant Events After the Reporting Period***

There were no material events subsequent to the reporting date.

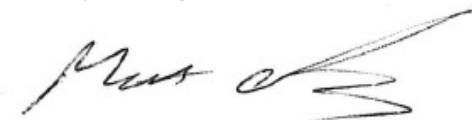
#### ***Dividends***

There were no dividends paid, recommended or declared during the half-year.

#### ***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 at on page 18.

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



**Matt Adams**  
**Non-Executive Chairman**  
27 August 2024

**Schrole Group Ltd**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half Year Ended 30 June 2024**

	Notes	30 Jun 2024 \$	30 Jun 2023 \$
<b>Revenue</b>		3,425,134	2,993,916
<b>Expenses</b>			
Partner fees		(84,167)	(20,576)
Employee benefits expense		(1,947,344)	(2,346,386)
Depreciation & amortisation expense		(543,239)	(459,280)
Share-based payments expense		27,131	(52,850)
Finance costs		(22,404)	(56,295)
Other expenses		(991,347)	(1,322,203)
		<u>(3,561,370)</u>	<u>(4,257,590)</u>
<b>Loss before income tax expense</b>		<u>(136,235)</u>	<u>(1,263,674)</u>
Income tax benefit/(expense)		-	-
<b>Loss after income tax expense for the period attributable to the owners of Schrole Group Ltd</b>		<u>(136,235)</u>	<u>(1,263,674)</u>
<b>Other comprehensive income for the period, net of tax</b>		-	-
Total comprehensive income/(loss) for the period attributable to the owners of Schrole Group Ltd		<u>(136,235)</u>	<u>(1,263,674)</u>
<b>Basic earnings / (loss) per share (cents per share)</b>	11	(0.40)	(3.55)
<b>Diluted earnings / (loss) per share (cents per share)</b>	11	(0.40)	(3.55)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Schrole Group Ltd**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2024**

	Notes	30-Jun-24 \$	31-Dec-23 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		840,248	1,290,499
Trade receivables	3	269,621	357,330
Other receivables	4	348,985	391,485
Total current assets		1,458,854	2,039,314
<b>Non-current assets</b>			
Property, plant and equipment		130,577	133,704
Right-of-use assets	5	75,850	169,848
Intangible assets	6	2,033,482	1,998,482
Total non-current assets		2,239,909	2,302,034
<b>Total assets</b>		3,698,763	4,341,348
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	391,104	345,922
Deferred revenue		2,158,781	2,700,323
Provision for employee benefits		708,509	610,841
Lease liabilities	8	60,578	152,985
Total current liabilities		3,318,972	3,810,071
<b>Non-current liabilities</b>			
Provision for employee benefits		38,109	26,229
Total non-current liabilities		38,109	26,229
<b>Total liabilities</b>		3,357,082	3,836,300
<b>Net assets</b>		341,681	505,048
<b>Equity</b>			
Issued capital	9	23,800,578	23,800,578
Reserves	10	(711,306)	(684,174)
Accumulated losses		(22,747,592)	(22,611,356)
<b>Total equity</b>		341,681	505,048

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



**Schrole Group Ltd**  
**Consolidated Statement of Changes in Equity**  
**For the Half Year Ended 30 June 2024**

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 January 2023	23,601,805	(778,499)	(20,461,692)	2,361,614
Loss after income tax expense for the period	-	-	(1,263,674)	(1,263,674)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,263,674)	(1,263,674)
<i>Transactions with owners in their capacity as owners:</i>				
Costs from prior period share issue	-	-	-	-
Issue of shares to advisors	70,600	-	-	70,600
Options cancelled	-	-	-	-
Options issued	-	-	-	-
Partial Vesting Performance Rights	-	52,850	-	52,850
Balance at 30 June 2023	23,672,405	(725,649)	(21,725,366)	1,221,390

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 January 2024	23,800,578	(684,174)	(22,611,357)	505,047
Loss after income tax expense for the period	-	-	(136,235)	(136,235)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(136,235)	(136,235)
Performance rights to be issued	-	(4,649)	-	(4,649)
Partial Vesting Performance Rights	-	17,297	-	17,297
Performance Rights Lapsed	-	(39,779)	-	(39,779)
Balance at 30 June 2024	23,800,578	(711,305)	(22,747,592)	341,681

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Schrole Group Ltd**  
**Consolidated Statement of Cash Flow**  
**For the Half Year Ended 30 June 2024**

	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	3,022,030	2,606,309
Payments to suppliers and employees	(2,962,314)	(3,409,378)
	59,716	(803,069)
Government grants	25,817	230,827
Interest received	30	4,580
Net cash generated from/ used in operating activities	85,563	(567,663)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,268)	(10,637)
Payments for software development costs	(472,445)	(727,780)
Net cash (used in) investing activities	(478,713)	(738,417)
<b>Cash flows from financing activities</b>		
Interest paid	-	(6,193)
Finance lease costs	(92,407)	(110,543)
Net cash (used in) financing activities	(92,407)	(116,736)
Net increase/(decrease) in cash and cash equivalents	(485,556)	(1,422,817)
Cash and cash equivalents at the beginning of the period	1,290,499	2,821,783
Effects of exchange rate changes on cash and cash equivalents	35,305	(35,941)
Cash and cash equivalents at the end of the period	840,248	1,363,026

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

## Schrole Group Ltd

### Notes to the Consolidated Financial Statements

#### Note 1. Reporting Entity

The interim financial report (**Report**) of Schrole Group Ltd (**Company**) and its controlled entities (**Group or Consolidated Entity**) for the half year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 27 August 2024.

Schrole Group Ltd is a listed public company, trading on the Australia Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The Group's principal place of business and registered office is located at First Floor, 142 Hasler Road, Osborne Park WA 6017.

#### Note 2. Basis of Preparation

This Report for the half-year ended 30 June 2024 has been prepared in accordance with the *Corporations Act 2001*, AASB 134 *Interim Financial Reporting* and other applicable accounting standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 '*Interim Financial Reporting*'.

This Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by Schrole Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those adopted and disclosed in the Company's 2023 Annual Report for the year ended 31 December 2023, unless otherwise stated.

#### Going concern

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

Management considers that there are sufficient funds available to continue to meet the Group's working capital requirements and support planned technical and product development and cross selling initiatives, to underpin the Group's future growth. Management considers that there are no events or conditions, individually or collectively, which may cast significant doubt on the entity to continue as a going concern.

#### New, Revised or Amended Accounting Standards and Interpretations Applicable

In the half-year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 January 2024. There was no material impact on the financial statements.

### New, Revised or Amended Accounting Standards and Interpretations Not Yet Mandatory

Any new and revised Standards and Interpretations issued but not yet mandatory, have not been early adopted by the Group for the half-year reporting period 30 June 2024. There are no new or amended Accounting Standards and Interpretations that are relevant to the Group.

### Note 3. Trade Receivables

	30 Jun 2024	31 Dec 2023
	\$	\$
Trade receivables	269,621	366,437
Less allowance for expected credit loss	-	(9,107)
	<u>269,621</u>	<u>357,330</u>

### Note 4. Other Receivables

	30 Jun 2024	31 Dec 2023
	\$	\$
GST receivable	27,484	19,078
Term deposit	60,000	60,000
Prepayments	64,097	114,560
Other	197,404	197,847
	<u>348,985</u>	<u>391,485</u>

### Note 5. Right-of-use Assets

	30 Jun 2024	31 Dec 2023
	\$	\$
Land and buildings - right-of-use	475,111	475,111
Less: Accumulated depreciation	(399,261)	(305,263)
	<u>75,850</u>	<u>169,848</u>

## Note 6. Intangible Assets

	30 Jun 2024	31 Dec 2023
	\$	\$
Developed software in use	5,677,755	4,567,108
Less: Accumulated depreciation	(4,118,546)	(3,681,101)
Software in development	471,752	1,109,955
	2,030,962	1,995,962
Trademark acquired	2,520	2,520
	2,033,482	1,998,482

## Note 7. Trade and Other Payables

	30 Jun 2024	31 Dec 2023
	\$	\$
Trade payables	185,991	118,005
Provisions and accruals	203,804	228,137
Other	1,309	(220)
	391,104	345,922

## Note 8. Financial Liabilities

	30 Jun 2024	31 Dec 2023
	\$	\$
<b>Current Liabilities</b>		
Lease liability - 142 Hasler Road, Osborne Park	37,357	129,764
Lease liability - 18A Baden Street, Osborne Park	23,221	23,221
	60,578	152,985
<b>Non-Current Liabilities</b>		
Lease liability - 142 Hasler Road, Osborne Park	-	-
Lease liability - 18A Baden Street, Osborne Park	-	-
	-	-

Note:

Current lease at 142 Hasler Street ending 30 November 2024

## Note 9. Issued Capital

	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	35,955,048	35,955,048	23,800,578	23,800,578

### *Movements in ordinary share capital*

Details	Note	Date	Shares	\$
Balance		31/12/2023	35,955,048	23,800,578
Balance		30/06/2024	35,955,048	23,800,578

## Note 10. Reserves

	Note	30 Jun 2024	31 Dec 2023
		\$	\$
Acquisition reserve		(1,387,793)	(1,387,793)
Options reserve	10a	192,850	192,850
Share based payment reserve	10b	483,637	510,768
		(711,305)	(684,174)

## Options

### a) Options reserve

	Date	No.	\$
Balance	31/12/2023	360,000	192,850
Options Cancelled	27/05/2024	(360,000)	-
Balance	30/06/2024	-	192,850

### b) Share based payment reserve

	Date	No.	\$
Balance	31/12/2023	6,674,732	510,768
Share on Issue Transaction Costs (Tranche H)	14/03/2024	-	(4,649)
Cancellation of performance rights B	27/05/2024	(720,000)	-
Cancellation of performance rights D	27/05/2024	(264,000)	-
Cancellation of Performance Rights E	27/05/2024	(264,000)	-
Cancellation of Performance Rights G	27/05/2024	(102,008)	(37,042)
Cancellation of Performance Rights H	27/05/2024	(14,037)	(2,737)
Partial Vesting of Performance Rights F	30/06/2024	-	17,297
Balance	30/06/2024	5,310,687	483,637

The total of the fair value of the securities will be allocated over the applicable vesting periods, with an expense of (\$27,131) recognised for the half year ended 30 June 2024.

During the period 1,248,000 performance rights were cancelled due to the conditions not being met, with another 116,045 performance rights cancelled relating to employee departure and non-entitlement.

	30 Jun 2024	30 Jun 2023
<b>Expenses arising from share based payments</b>		
Options	-	9,253
Performance rights	(27,131)	43,597
Advisory expenses (i)	-	70,600
	<u>(27,131)</u>	<u>123,450</u>

Note:

(i) Issue of shares to advisors as compensation for services delivered value based on service agreements. The expenses are within the line item "Other expenses" in Statement of profit and loss

## Note 11. Earnings per Share

	30 Jun 2024 \$	30 Jun 2023 \$
Profit/(loss) after income tax attributable to the owners of Schrole Group Ltd	<u>(136,235)</u>	<u>(1,263,674)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>34,027,684</u>	<u>35,955,995</u>
Adjustments for calculation of diluted earnings per share:		
- In-the-money options	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>34,027,684</u>	<u>35,955,995</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.40)	(3.55)
Diluted earnings per share	(0.40)	(3.55)



## Note 12. Dividends

The Company did not pay or propose any dividends in the half year to 30 June 2024.

## Note 13. Related Party Transactions

During the half-year ended 30 June 2024, there is no material changes to the Group's related party transactions to those disclosed in the 31 December 2023 Annual Report.

## Note 14. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are Software and Training:

<b>30 June 2024</b>	<b>Software</b>	<b>Training</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment income</b>				
Sales revenue	2,252,061	1,155,186	-	3,407,247
Other revenue	3,264	14,047	576	17,887
	<u>2,255,325</u>	<u>1,169,233</u>	<u>576</u>	<u>3,425,134</u>
<b>Segment expenses</b>				
Partner fees	(84,167)	-	-	(84,167)
Employee benefits expense	(728,493)	(438,301)	(780,550)	(1,947,344)
Depreciation and amortisation	(424,902)	-	(118,337)	(543,239)
Share-based payments	11,912	2,737	12,482	27,131
Finance costs	(2,046)	(816)	(19,542)	(22,404)
Other expenses	(328,417)	(165,048)	(497,882)	(991,347)
	<u>(1,556,113)</u>	<u>(601,427)</u>	<u>(1,403,829)</u>	<u>(3,561,370)</u>
<b>Profit/(loss) before income tax</b>	<b>699,212</b>	<b>567,805</b>	<b>(1,403,253)</b>	<b>(136,235)</b>

## 30 June 2024

### Segment assets and liabilities

Cash	545,905	117,274	177,070	840,248
Trade and other receivables	122,389	197,336	298,882	618,606
Plant and equipment	-	-	130,577	130,577
Right-of-use assets	-	-	75,850	75,850
Intangibles	1,932,621	-	100,861	2,033,482
Trade and other creditors	(344,848)	(112,645)	(680,230)	(1,137,722)
Lease liabilities	-	-	(60,578)	(60,578)
Deferred revenue	(2,085,091)	(73,690)	-	(2,158,781)
<b>Net assets/(liabilities)</b>	<b>170,975</b>	<b>128,275</b>	<b>42,341</b>	<b>341,681</b>

<b>30 June 2023</b>	<b>Software</b>	<b>Training</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment income</b>				
Sales revenue	1,902,486	1,058,893	-	2,961,379
Other revenue	1,463	752	30,322	32,537
	1,903,949	1,059,645	30,322	2,993,916
<b>Segment expenses</b>				
Partner fees	(206,483)	(128,520)	-	(335,003)
Employee benefits expense	(1,002,213)	(412,411)	(931,762)	(2,346,386)
Depreciation and amortisation	(346,658)	-	(112,622)	(459,280)
Share-based payments	-	-	(52,850)	(52,850)
Finance costs	12,919	(1,807)	(48,136)	(63,042)
Other expenses	(206,033)	(42,739)	(752,257)	(1,001,029)
	(1,774,306)	(585,477)	(1,891,807)	(4,257,590)
<b>Profit/(loss) before income tax</b>	<b>129,643</b>	<b>474,168</b>	<b>(1,867,485)</b>	<b>(1,263,674)</b>

### 30 June 2023

#### Segment assets and liabilities

Cash	7,571	80,463	1,274,993	1,363,027
Trade and other receivables	343,438	122,838	283,651	749,927
Plant and equipment	-	-	138,223	138,223
Right-of-use assets	-	-	270,766	270,766
Intangibles	1,990,121	-	126,120	2,116,241
Trade and other creditors	(343,785)	(120,170)	(763,462)	(1,227,417)
Lease liabilities	-	-	(262,624)	(262,624)
Deferred revenue	(1,858,463)	(68,290)	-	(1,926,753)
<b>Net assets/(liabilities)</b>	<b>138,882</b>	<b>14,841</b>	<b>1,067,667</b>	<b>1,221,390</b>

#### Information about major customers

Revenue from one customer in the Groups Training segment represented approximately \$922,000 of the company's total revenue as at 30 June 2024.

**Note 15. Significant Events After the Reporting Period**

There were no material events subsequent to the reporting date.

**Note 16. Contingent Assets or Liabilities**

The Directors are not aware of any contingent liabilities that may arise from the Group's operations as at 30 June 2024.

## Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.



**Matt Adams**  
**Non-Executive Chairman**  
27 August 2024



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## DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF SCHROLE GROUP LTD

As lead auditor for the review of Schrole Group Ltd for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Schrole Group Ltd and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light blue horizontal line.

**Ashleigh Woodley**  
**Director**

**BDO Audit Pty Ltd**  
Perth  
27 August 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Schrole Group Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Schrole Group Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.



#### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

A handwritten signature in black ink. The signature starts with the letters 'BDO' in a stylized, blocky font. Below this, there is a cursive signature that appears to read 'Ashleigh Woodley'.

**Ashleigh Woodley**

**Director**

Perth, 27 August 2024