

# **StepChange Holdings Limited**

**(Formerly Lagom Holdings Limited)**

**ACN 678 129 756**

**Financial Statements for the period  
from 12 June 2024 to 31 December 2024**

**StepChange Holdings Limited**  
**Corporate directory**  
**31 December 2024**

Directors	Shane Anthony Bransby (Appointment date: 19/08/2024) Geoffrey James Lewis (Appointment date: 26/08/2024) Adam Thomas Simpson (Appointment date: 02/10/2024)
Company secretary	Emma Jane Wates (Appointment date: 26/08/2024)
Registered office	MPH Lawyers, Suite 183 Level 6, 580 Hay Street, Perth WA 6000
Principal place of business	Suite 183 Level 6, 580 Hay Street, Perth WA 6000
Auditor	Elderton Audit Pty Ltd Level 32, 152 St George's Terrace Perth WA 6000
Incorporation	12 June 2024
Website	<a href="http://www.stepchangeholdings.com">www.stepchangeholdings.com</a>

## **StepChange Holdings Limited**

### **Directors' Report**

**31 December 2024**

The directors present their report, together with the financial statements of StepChange Holdings Limited (formerly Lagom Holdings Limited) (referred to hereafter as “StepChange” or the “Company”) for the financial period ended 31 December 2024, in accordance with the requirements of the Corporations Act 2001.

#### **Directors**

The following persons were directors of the Company during the whole period and up to the date of this report, unless otherwise stated;

- Shane Anthony Bransby (Appointment date: 19/08/2024)
- Geoffrey James Lewis (Appointment date: 26/08/2024)
- Adam Thomas Simpson (Appointment date: 02/10/2024)

#### **Principal activities**

StepChange was incorporated on 12 June 2024 as a holding company, with the intention of acquiring an existing Perth based company, StepChange Consultants Pty Ltd, and undertaking an Initial Public Offer on the Australian Securities Exchange (ASX).

#### **Review of operations**

The Loss for the Company for the period from 12 June 2024 to 31 December 2024 after providing for income tax amounted to \$1,772,874.

#### **Meetings of directors**

The Board of Directors did not hold any formal directors meetings during the period ended 31 December 2024.

#### **Indemnity and insurance of officers**

The Company has not indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

#### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

#### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**StepChange Holdings Limited**  
**Directors' Report**  
**31 December 2024**

**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 immediately after this directors' report.

**Auditor**

Elderton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Director

Dated: 1 May 2025

## Auditor's Independence Declaration

To those charged with the governance of StepChange Holdings Limited

As auditor for the review of StepChange Holdings Limited for the period from 12 June 2024 to 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd.

**Elderton Audit Pty Ltd**

Rafay

**Rafay Nabeel**  
Audit Director

1 May 2025

## StepChange Holdings Limited

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### General information

The financial statements cover StepChange as an individual entity. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

### Comparative Information

The Company was incorporated on 12 June 2024, and accordingly, these financial statements cover the period from incorporation to 31 December 2024. As this is the Company's first financial reporting period and covers a period of less than 12 months, no comparative information has been presented.

Its registered office and principal place of business are:

#### Registered office

MPH LAWYERS, Suite 183 Level 6, 580 Hay Street,  
PERTH WA 6000

#### Principal place of business

Suite 183 Level 6, 580 Hay Street, PERTH WA 6000

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 May 2025. The directors have the power to amend and reissue the financial statements.

**StepChange Holdings Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period From 12 June 2024 to 31 December 2024**

		For the Period from 12 June 2024 to 31 December 2024 \$
	Note	
<b>Revenue</b>		
Other income	2	43
Gain on extinguishment of liability	8	375,000
		<u>375,043</u>
<b>General and administration expenses</b>		
Salaries and wages		(42,508)
Directors' fees	9a	(117,640)
Share based payment expense	8 & 9b	(1,008,050)
Travelling		(6,062)
Legal expenses	3	(604,063)
Depreciation	6	(55)
Accounting and taxation fees	3	(306,815)
Consultancy fees		(47,993)
Audit fees	11	(4,273)
Other expenses		(10,458)
<b>Total general and administration expenses</b>		<u>(2,147,917)</u>
<b>Loss before income tax</b>		(1,772,874)
Income tax		-
<b>Loss after income tax for the year attributable to the StepChange</b>		<u>(1,772,874)</u>
Other comprehensive income		-
<b>Total comprehensive loss for the year attributable to the StepChange</b>		<u><u>(1,772,874)</u></u>

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

**StepChange Holdings Limited**  
**Statement of Financial Position**  
**As at 31 December 2024**

	Note	31 December 2024 \$
<b>Current Assets</b>		
Cash and cash equivalents	4	985,393
Prepayments		110
Other receivables	5	20,564
<b>Total current assets</b>		<b>1,006,067</b>
<b>Non-current assets</b>		
Fixed assets	6	2,030
<b>Total non-current assets</b>		<b>2,030</b>
<b>Total Assets</b>		<b>1,008,097</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	7	287,017
<b>Total current liabilities</b>		<b>287,017</b>
<b>Non-current liabilities</b>		
Provision for employee benefits		903
<b>Total non-current liabilities</b>		<b>903</b>
<b>Total liabilities</b>		<b>287,920</b>
<b>Net assets</b>		<b>720,177</b>
<b>Equity</b>		
Issued capital	8	2,493,051
Accumulated losses		(1,772,874)
<b>Total Equity</b>		<b>720,177</b>

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



**StepChange Holdings Limited**  
**Statement of Changes in Equity**  
**For the Period from 12 June 2024 to 31 December 2024**

	<b>Note</b>	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 12 June 2024		-	-	-
Loss for the period		-	(1,772,874)	(1,772,874)
Total comprehensive loss for the period		-	<b>(1,772,874)</b>	<b>(1,772,874)</b>
Issued capital – incorporation share	<b>8</b>	1	-	1
Issued capital – cash payment	<b>8</b>	3,160,000	-	3,160,000
Issued capital – share-based payment	<b>8</b>	633,050	-	633,050
Share buyback	<b>8</b>	(1,300,000)	-	(1,300,000)
Total share capital issued for the period		<b>2,493,051</b>	-	<b>2,493,051</b>
Balance at 31 December 2024		<b>2,493,051</b>	<b>(1,772,874)</b>	<b>720,177</b>

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

**StepChange Holdings Limited**  
**Statement of cash flows**  
**For the Period from 12 June 2024 to 31 December 2024**

		<b>For the Period from 12 June 2024 to 31 December 2024</b>
	<b>Note</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Salary paid to employees		(85,152)
Interest income		43
Other operating expenses		(787,204)
<b>Net cash used in operating activities</b>	<b>12</b>	<b>(872,313)</b>
<b>Cash flows from investing activities</b>		
Additions to fixed assets		(2,294)
<b>Net cash used in investing activities</b>		<b>(2,294)</b>
<b>Cash flows from financing activities</b>		
Issuance of share capital		3,160,000
Shares buyback	<b>7</b>	(1,300,000)
<b>Net cash generated from financing activities</b>		<b>1,860,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>985,393</b>
Cash and cash equivalents at beginning of period		-
<b>Cash and cash equivalents at end of the period</b>	<b>4</b>	<b>985,393</b>

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information**

The accounting policies that are material to the Company are set out below.

**New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

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

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

**Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Directors. The Directors are responsible for the allocation of resources to operating segments and assessing their performance.

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is StepChange's functional and presentation currency.

*Foreign currency transactions*

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

*Foreign operations*

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Revenue recognition**

The Company recognises revenue as follows:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other sales taxes or duty. The following specific revenue recognition criteria must also be met before revenue is recognised:

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. **Identify the contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. **Identify the performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. **Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where any one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Revenue is recognised in the statement of profit or loss and other comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur and the revenue and costs, if applicable, can be measured reliably.

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised in the profit or loss when significant risk and reward of ownership have been transferred to the customer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and amount of revenue can be measured reliably.

*Interest*

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

*Other revenue*

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

**Income tax**

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

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

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

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Current and non-current classification**

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

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

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Property, plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Computer Equipment	3 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

**Impairment of non-financial assets**

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

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

**Trade and other payables**

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

**Borrowings**

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



**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

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

**Provisions**

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Short-term employee benefits*

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

*Other long-term employee benefits*

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 1. Material accounting policy information (continued)**

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of StepChange, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 2. Critical accounting judgements, estimates and assumptions**

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

*Revenue from contracts with customers involving sale of goods*

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

*Determination of variable consideration*

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the Company where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

*Fair value measurement hierarchy*

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Estimation of useful lives of assets*

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

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Income tax*

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*

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

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset.

**Note 2. Other income**

	<b>For the Period from 12 June 2024 to 31 December 2024</b>
	<b>\$</b>
Interest income	<u><b>43</b></u>

**Note 3. Legal and accounting fees**

Legal and accounting fees incurred during the period primarily relate to professional services provided in connection with the proposed acquisition of StepChange Consultants Pty Ltd, as well as advisory and compliance services associated with the Company's proposed Initial Public Offering and planned listing on the Australian Securities Exchange (ASX). These services included due diligence, transaction structuring and regulatory support.

**Note 4. Cash and cash equivalents**

	<b>31 December 2024</b>
	<b>\$</b>
Cash and bank	<u><u><b>985,393</b></u></u>

**Note 5. Other receivables**

	<b>31 December 2024</b>
	<b>\$</b>
Other receivables	<u><u><b>20,564</b></u></u>

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**Note 6. Fixed assets**

	<b>31 December 2024</b>
	<b>\$</b>
Computer equipment - Cost	2,085
Accumulated depreciation	(55)
	<u><b>2,030</b></u>

*Reconciliations:*

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

	<b>31 December 2024</b>
	<b>\$</b>
Balance at 12 June 2024	-
Additions	2,085
Disposals	-
Depreciation expense	(55)
Balance at 31 December 2024	<u><b>2,030</b></u>

**Note 7. Trade and other payables**

	<b>31 December 2024</b>
	<b>\$</b>
Trade creditors	224,511
Accruals	4,450
Superannuation payable	9,960
PAYGW payable	43,610
Employee benefits	4,486
	<u><b>287,017</b></u>

**Note 8. Equity – issued capital**

	<b>31 December 2024</b>
	<b>\$</b>
46,660,321 fully paid ordinary shares	<u><b>2,493,051</b></u>

**(a) Ordinary shares**

	<b>No of Shares</b>	<b>Issue Price</b>	<b>Amount \$</b>
At the beginning of the reporting period	-	-	-
Shares issued - incorporation	1	\$1	1
Shares Issued - cash	63,200,000	0.05	3,160,000
Buyback during the period	(26,000,000)	0.05	(1,300,000)
<b>Net share issued against cash</b>	<u><b>37,200,001</b></u>		<u><b>1,860,001</b></u>

**(b) Share Based Payments:**

Shares issued to Shane Anthony Bransby	10,000,000	0.05	500,000
Shares issued to Geoff Lewis	2,661,000	0.05	133,050
	<u><b>12,661,000</b></u>		<u><b>633,050</b></u>
Impact of consolidation of shares (0.9356:1)	(3,200,680)	-	-
At the end of the reporting period	<u><b>46,660,321</b></u>		<u><b>2,493,051</b></u>

StepChange Holdings Limited

Notes to the financial statements

For the Period from 12 June 2024 to 31 December 2024

Note 8. Equity – issued capital (continued)

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

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

Share based payments:

During the reporting period, the Company entered into an Deal Origination Agreement (“Agreement”) dated 10 July 2024, with Shane Bransby and Geoff Lewis. The Agreement obligated the Company to pay a consideration of \$500,000 to each individual, either in cash or through the issuance of shares, at their election, within seven business days of achieving the First Transaction Milestone (“Milestone”). This Milestone was defined as the execution of a legally binding agreement between the Company and the vendors (StepChange Consultants Pty Ltd and Lagom Group Limited) in relation to the transaction.

Pursuant to this arrangement, the Company issued:

- 10,000,000 fully paid ordinary shares to Shane Bransby at a fair value of \$0.05 per share; and
- 2,500,000 fully paid ordinary shares to Geoff Lewis at a fair value of \$0.05 per share.

At the date of issue, the fair value of the shares was \$0.05 per share. As such, the total fair value of shares issued amounted to \$625,000, in accordance with AASB 2 *Share-based Payment*. The liability to Geoff Lewis of \$500,000 was extinguished by issuing 2,500,000 shares at a fair value of \$0.05 per share, resulting in a gain of \$375,000 being recognised in profit or loss.

Following a share consolidation, the Company issued an additional 161,000 fully paid ordinary shares to Geoff Lewis at a fair value of \$0.05 per share, resulting in a further share-based payment expense of \$8,050.

There were no vesting conditions or performance hurdles attached to these share issues. Accordingly, a total share-based payment expense of \$1,008,050 was recognised for the period, recorded directly in equity through issued capital.

Note 9. Related party transactions

The Company's main related parties are as follows:

(a) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that is considered key management personnel.

Disclosures relating to key management personnel is as below:

	For the Period from 12 June 2024 to 31 December 2024
	\$
Director fees	106,923
Superannuation	7,483
Other benefits and allowances	3,234
	<u>117,640</u>

Other benefits include workers compensation and accrued leave entitlements (annual and long service leave).

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

**(a) Key Management Personnel (continued)**

**Share Based Payments:**

Share based payments to director – refer to Note 8

	<b>31 December 2024 \$</b>
Shares issued to Shane Bransby	500,000
Shares issued to Geoff Lewis	508,050
	<b><u>1,008,050</u></b>

The share-based payment to directors for services rendered is described in Note 8. Shareholders' approval was not sought for these share-based payments, as management believes the shares were issued either at fair value (the value at which shares were issued to other seed investors – Level 2) or below fair value, in accordance with Section 210 of the Corporations Act. This position was confirmed by the entity's legal advisor. The liability to Geoff Lewis of \$500,000 was extinguished by issuing 2,500,000 shares at a fair value of \$0.05 per share, resulting in a gain of \$375,000 being recognised in profit or loss.

**(d) Transactions with related parties**

The following transactions occurred with related parties:

*Payment for goods and services:*

Payment for services from associate	-
Payment for services from director-related entities	-
	<u>-</u>

*Receivable from and payable to related parties:*

Trade payables to associate	-
Trade payables to director-related entities	-
	<u>-</u>

**Loans to/from related parties:**

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

**Note 10. Financial Instruments**

*Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral. The Company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Company based on recent sales experience, historical collection rates and forward-looking information that is available. Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**StepChange Holdings Limited**  
**Notes to the financial statements**  
**For the Period from 12 June 2024 to 31 December 2024**

*Liquidity risk*

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

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

		<b>31 December 2024</b>
	<b>Note</b>	<b>\$</b>
<b>Financial assets</b>		
<b>Current</b>		
Cash and cash equivalents	<b>3</b>	985,393
		<b>985,393</b>
<b>Financial liabilities</b>		
Trade and other payables	<b>6</b>	287,017
		<b>287,017</b>

**Note 11. Auditor's Remuneration**

During the period from 12 June 2024 to 31 December 2024 the following fees were paid or payable for services provided by Elderton Audit Pty Limited, the auditor of the Company, its network firms and unrelated firms:

	<b>31 December 2024</b>
	<b>\$</b>
Fee payable to auditor for:	
Review of financial statements	4,273
	<b>4,273</b>

**Note 12. Reconciliation of loss after income tax to net cash from operating activities**

	<b>31 December 2024</b>
	<b>\$</b>
<b>Cash flows from operating activities</b>	
Loss before income tax	(1,772,874)
Share-based payment	1,008,050
Gain on extinguishment of liability	(375,000)
Depreciation	55
<b>Adjustments for:</b>	
Decrease/(increase) prepayments	(110)
Decrease/(increase) other receivables	(20,354)
Increase/(decrease) in trade and other payables	287,017
Increase/(decrease) in Provisions	903
<b>Net cash used in operating activities</b>	<b>(872,313)</b>

**Note 13. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Note 14. Contingent liabilities**

There are no contingent and commitments as at 31 December 2024.



## **StepChange Holdings Limited**

### **Directors' declaration**

**For the Period from 12 June 2024 to 31 December 2024**

In the directors' opinion:

- the attached half year 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 half year financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the financial period ended on that date; and

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

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

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

On behalf of the directors



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Director

Dated: 1 May 2025

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of StepChange Holdings Pty Limited

### **Report on the Financial Report**

#### *Conclusion*

We have reviewed the financial report of StepChange Holdings Limited (the 'Company'), which comprises the Statement of financial position as at 31 December 2024, the Statement of profit and loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the period from 12 June 2024 to 31 December 2024, a summary of significant accounting policies 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 financial report of the Company does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards 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 our 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 in the same terms if given to the directors as at the time of this auditor's review report.

#### *Responsibility of Management 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.

#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the 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 financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the period from 12 June 2024 to 31 December 2024, and complying with Australian Accounting Standard and the *Corporations Regulations 2001*.

A review of a 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.

*Elderton Audit Pty Ltd.*

**Elderton Audit Pty Ltd**

*Rafay*

**Rafay Nabeel**

Audit Director

1 May 2025

Perth