BIR Financial Limited

ABN 14 074 009 091

(Formerly: Birrabong Corporation Limited)

Annual Report

for the year ended

30 June 2018

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CORPORATE DIRECTORY

BIR FINANCIAL LIMITED
ABN 14 074 009 091

Directors

Tal Silberman	Non-Executive Chairman
Gregory Starr	Non-Executive Director
Greg Smith	Non-Executive Director
Steven Nicols	Non- Executive Director

Company Secretary

Gregory Starr

Registered Office

Security Transfer Australia Pty Ltd
'Exchange Tower' Suite 913
530 Little Collins Street
Melbourne VIC 3000

Tel: 1300 992 916

Website: www.birfinancial.com.au

Principal Place of Business

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Sydney, NSW, 2000

Ph: (02) 9299,2289

Postal Address

BIR Financial Limited
Level 2 350, Kent Street
Sydney, NSW, 2000

Share Register

Security Transfer Registrars Pty Ltd
Level 9, Suite 913
530 Little Collins Street
Melbourne VIC 3000

Ph: (08) 9315 2333
Fax: (08) 9315 2233

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Securities Exchange Listing

Australian Securities Exchange
(Home Branch – Perth)
ASX Code: BIR

REVIEW OF OPERATIONS

During the Period BIR Financial Limited ("BIR" or "the Company") acquired 100% of the issued capital of Pulse Markets Pty Ltd ("Pulse Markets") for consideration of 15,789,474 fully paid ordinary shares in BIR (Acquisition). It then recommenced re-quotation on the Australian Securities Exchange (ASX) after satisfying the ASX of the re-listing requirements including under Chapter 1, 2 and 11 of the Listing Rules.

Pulse Markets is a diversified financial services business which provides a range of financial services to retail, institutional, corporate and private clients. These services include transacting equities and derivatives on the ASX and raising equity capital. These are provided by a team of experienced industry professionals.

Pulse Markets' core strategy is to offer innovative financial products and investment manager capability to the financial planning market.

Pulse Markets maintains its advantage in the rapidly evolving financial services industry through its independence and leadership which is focussed on strong compliance ethics while monitoring and adapting to new market opportunities which will meet clients' needs.

To complete the acquisition BIR obtained an extension to its relisting date and then all necessary shareholder and regulatory approvals pursuant to the Corporations Act 2001 (Cth) (Corporations Act), the ASX Listing Rules and other third-party approvals.

In order to comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules for admission to the Official List, the Company undertook an underwritten capital raising by way of a general public offer under a prospectus to raise AU$5,000,000 by the issue of 25 million shares at AU$0.20 per share. A prospectus was lodged with ASIC in respect of the Proposed Capital Raising.

Following shareholder approval, the Company also changed its name from Birrabong Corporation Limited to BIR Financial Limited and consolidated the Company's issued shares at a ratio of 3.8 to one.

During the year prior to the acquisition of Pulse Markets, Mr Christopher Anderson and Mr Alexander Harmstorf resigned as non-executive directors and Mr Gregory Starr and Mr Greg Smith were appointed non- executive directors. As a result of the completion of the acquisition of Pulse Markets, Mr Steven Nicols was appointed as a non-executive Director.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Following the end of the period the company recommenced quotation of its shares on the Australian Securities Exchange. Following requotation all unsecured loans were repaid.

DIRECTORS' REPORT

Your Directors submit the annual financial report of BIR Financial Limited ("BIR" or "the Company") for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during the financial year and up to the date of this Report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Appointed
Mr Tal Silberman	31 May 2017
Mr Greg Smith	28 February 2018
Mr Gregory Starr	28 February 2018
Mr Steven Nicols	21 June 2018
Mr Christopher Anderson	31 May 2017 (Resigned 28 February 2018)
Mr Alexander Harmstorf	31 May 2017 (Resigned 28 February 2018)

Information on Directors

Mr. Tal Silberman

Non-Executive Chairman

Appointed 31 May 2017

Mr Silberman is Chairman of the Board and a member of the Company's Audit Committee and Nomination and Remuneration Committee.

Mr Silberman is the founder of Moshav Financial Wholesale and Moshav Financial Group. An entrepreneur in the mortgage industry, he has grown a loan book in excess of A$1 billion. He has a Bachelor of Electrical Engineering (Hons) and holds a Diploma in Financial Services.

In the 3 years immediately before the end of the financial year Mr Silberman held no other listed company directorships.

Mr. Gregory Starr

Non-Executive Director and Company Secretary

Appointed 28 February 2018

Mr Starr is an experienced public company director holding senior board positions in a number of ASX listed companies over 20 years. He has been involved in many M&A and debt and equity financial transactions.

Over the past 3 years Mr Starr has held executive and non-executive board positions on ASX listed companies, Diatreme Resources Limited, KBL Mining Limited and Dongfang Modern Agriculture Holding Group Limited.

Mr Starr brings significant corporate governance and investor relations experience in ASX listed companies to the Board.

Mr Starr is a member of the Company's Audit Committee.

Mr. Greg Smith

Non-Executive Director

Appointed 28 February 2018

Mr Smith has over thirty years' commercial experience as a C-suite professional with a demonstrated track record of value and profit creation across several industries including: banking, broking, financial planning, health insurance, retail, telecommunications, construction and education. His expertise is in marketing, sales, digital and commercial development. This will be a key focus as Pulse Markets develops its new suite of financial product and services.

DIRECTORS' REPORT (Continued)

Mr Smith holds a Bachelor of Economics, RG146 Diploma of Financial Planning and is Graduate of the Australian Institute of Company Directors. He has also held board positions in the Arts and as a customer advisory board member for Australia Post's StarTrack.

In the 3 years immediately before the date of this Notice, Mr Smith held no other listed company directorships.

Mr Smith is a member of the Company's Nomination and Remuneration Committee.

Mr. Steven Nicols

Non-Executive Director

Appointed 21 June 2018

Mr Nicols is the founder of Benelong Capital Partners Pty Ltd, a firm that specialises in re-capitalising ASX listed companies.

Benelong has operated since 2010. Mr Nicols has assisted in 24 re-capitalisations in this time. Several of these companies have re-quoted on the ASX and achieved market capitalisations of over $ 100 million.

Mr Nicols has been a director of many ASX listed companies, and the last directorship being with MOV Corporation Ltd, until December 2014.

Steve is also the founder of Nicols + Brien, an insolvency practice with offices in Sydney and Wollongong. It has 8 highly qualified staff, and was founded 19 years ago. Mr Nicols brings a wealth of experience in managing the growth of junior listed companies. This includes corporate governance matters, as well as transaction structuring and execution.

In the 3 years immediately before the end of the financial year, Mr Nicols held no other listed company directorships.

Mr. Mr Alexander Harmstorf

Non-Executive Director

Appointed 31 May 2017 (Resigned 28 February 2018)

Mr Harmstorf is a non-executive director and a member of the Company's Audit Committee and Nomination and Remuneration Committee.

Mr Harmstorf graduated from the University of Western Sydney with a degree in law and is a practicing lawyer and director of AXL Legal solutions Pty Ltd, which owns a one third interest in AXL Capital Partners Pty Ltd in which he is also a director.

In the 3 years immediately before the end of the financial year Mr Harmstorf held no other listed company directorships.

Mr. Christopher Anderson

Non-Executive Director

Appointed 31 May 2017 (Resigned 28 February 2018)

Mr Anderson is a non-executive director.

Mr Anderson has had an extensive 35 year career in NSW rugby league, playing for Australia. He has many and varied business contacts. In 2009, he founded his business Anderson Recruitment and Training. In 2016 his business announced a marketing business agreement with ASX Listed J C International Ltd (ASX Code: JCI).

In the 3 years immediately before the end of the financial year Mr Anderson held no other listed company directorships.

The interest of each current Director in the shares and options of the Company at the date of this report is as follows:

	Number of options over ordinary shares	Number of fully paid ordinary shares
Mr Tal Silberman	-	7,802,895
Mr Gregory Starr	-	-
Mr Greg Smith	-	-
Mr Steven Nicols	-	3,147,028

DIRECTORS' REPORT (Continued)

At the date of this report there are no unissued ordinary shares of the Company under options.

Other Key Management Personnel

Andrew Braund BEc Syd – Director and Chief Executive Officer (Pulse Markets Pty Ltd)

Mr Braund is the major shareholder and Chief Executive Officer of Pulse Markets. Pulse Markets is an equity and derivative investment specialist operating for private and corporate clients.

He is a Responsible Manager for the Pulse Markets AFSL 220383 and is also on the Investment Committee and Head of the Risk Committee.

Mr Braund has significant level of expertise in financial and equity markets, risk management, compliance and business management. Prior to Pulse Markets, Mr Braund operated successfully as a senior derivatives trader for Australian and international banks in Sydney and Hong Kong.

Following completion of the Acquisition, Mr Braund became the Chief Executive Officer of Pulse Markets, a 100% owned subsidiary of the Company, and owns 19.74% of issued share capital in the Company.

Corporate Structure

BIR Financial Limited is a limited liability Company that is incorporated and domiciled in Australia. BIR Financial Limited has no parent entity.

The Company has a wholly owned subsidiary Pulse Markets Pty Ltd (registered in Australia). Pulse markets has a wholly owned subsidiary Selecta Funds Management Pty Ltd (registered in Australia).

Nature of Operations and Principal Activities

The nature of operations and principal activities of the entities within the Group are contained in the section headed Review of Operations.

Review of Operations

A review of the Company's operations is contained in the section headed Review of Operations.

Operating Results

The Loss of the Company for the financial year after tax was $602,372 (2017 Profit of $2,335,650). The current year loss includes costs of $426,540 associated with completion of the acquisition of Pulse Markets Pty Ltd.

Dividends

No dividends have been paid or declared by the Company since the start of the financial year and up to the date of this report. The Directors do not recommend the payment of a dividend.

Significant Events After Balance Date

Other than the matters below there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the of the group in future financial periods.

- Following the end of the period the Company recommenced quotation of its shares on the Australian Securities Exchange.
- The unsecured loans outlined in in note 10 were repaid subsequent to the balance date.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for Directors and key management personnel ("KMP") of the Company for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The following persons acted as Directors during or since the end of the financial year:

Mr Tal Silberman (Non-Executive Chairman - Current)

Mr Gregory Starr (Non-Executive Director - Current)

Mr Greg Smith (Non-Executive Director - Current)

Mr Steven Nicols (Non-Executive Director - Current)

Mr Alexander Harmstorf (Non-Executive Director – Resigned 28 February 2018)

Mr Christopher Anderson (Non-Executive Director - Resigned 28 February 2018)

Other Key Management Personnel

The term 'KMP is used in this remuneration report refer to the Directors and the following persons. Except as noted, the named person held his current position for the whole of the financial year and since the end of the financial year: Mr Andrew Braund (Pulse Markets Chief Executive Officer)

Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre Directors and employees;
- link executive rewards to shareholder value creation; and
- establish appropriate performance hurdles for variable executive remuneration.

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for reviewing compensation arrangements for the Directors and senior executives and making recommendations to the Board.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions, with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the remuneration structure of non-executive Directors, senior managers and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a General Meeting. The latest determination was at the Annual General Meeting held on 31 October 2012 when shareholders approved an aggregate remuneration of $325,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external sources as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process.

Each non-executive director was entitled to receive a fee for being a director of the Company during the Reporting Period but payment of these fees was temporarily deferred to conserve cash. These amounts were inclusive of superannuation where applicable.

DIRECTORS' REPORT (Continued)

The Board of Directors determined to only commence payment of Directors' fees once the Company had commenced requotation.

Directors do not receive additional fees in respect of Committee responsibilities.

Tearum Advisors Pty Ltd has been engaged by the Company to provide company secretarial and other general corporate services to the company. Mr Starr is employed by Tearum Advisors Pty Ltd and provides the company secretarial services. Mr Starr does not receive directors' fees.

The remuneration of individual non-executive Directors for the year ended 30 June 2018 is detailed in Table 1 below.

Senior Manager and Executive Director Remuneration

The Company has a system of remuneration for its senior management that consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration

In normal circumstances, the Company would implement variable remuneration in the form specified below but as the business of Company is currently being reorganised there is no variable remuneration component currently in place or otherwise planned at this time.

The Company's variable remuneration policy would be structured around short and long-term incentives as follows:

The objective of the short-term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available would be set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

The Company will introduce a long term incentive plan to reward Directors, employees and certain consultants in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Employment Contracts

At 30 June 2018 the following were senior executive employment contracts in place:

Andrew Braund - Chief Executive Officer Pulse Markets – see Table 1 for details

Performance Based Remuneration

There was no performance based remuneration paid to directors during the financial year.

Compensation Options Issued to Key Management Personnel

No options were granted as equity compensation benefits to Key Management Personnel during the years ended 30 June 2018 or 30 June 2017.

Shares Issued to Key Management Personnel on Exercise of Compensation Options

No key management personnel exercised options during the years ended 30 June 2018 or 30 June 2017.

Remuneration structure

In accordance with best practice Corporate Governance, the remuneration structure of non-executive Directors, senior managers and executive remuneration is separate and distinct.

Remuneration of KMP

Table 1: KMP remuneration for the years ended 30 June 2018 and 30 June 2017

		Short-Term benefits			Post-employment		Equity	Other	Total	
		Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Super-annuation $	Prescribed benefits $	Options $	$	$	Performance Related %
Mr Tal Silberman	2017	NIL	-	-	NIL	-	-	-	NIL	-
	2018	19,971	-	-	NIL	-	-	-	19,971	-
Mr Gregory Starr *	2017	NA	-	-	NA	-	-	-	NA	-
	2018	NIL	-	-	NIL	-	-	-	NIL	-
Mr Greg Smith	2017	NA	-	-	NA	-	-	-	NA	-
	2018	19,971	-	-	NIL	-	-	-	19,971	-
Mr Steven Nicols	2017	NA	-	-	NA	-	-	-	NA	-
	2018	1,473	-	-	NIL	-	-	-	1,473	-
Mr Alexander Harmstorf	2017	NIL	-	-	NIL	-	-	-	NIL	-
	2018	NIL	-	-	NIL	-	-	-	NIL	-
Mr Chris Anderson	2017	NIL	-	-	NIL	-	-	-	NIL	-
	2018	NIL	-	-	NIL	-	-	-	NIL	-
Mr Andrew Braund**	2017	NA	-	-	NA	-	-	-	NA	-
	2018	NIL	-	-	NIL	-	-	-	NIL	-

Note: Mr Starr and Mr Smith were appointed on 28 February 2018. Mr Nicols was appointed 21 June 2018

Mr Harmstorf and Mr Anderson resigned on 28 February 2018.

Mr Braund is Chief Executive Officer of Pulse Markets Pty Ltd. His Salary and Fees payments represents a full year although the Company only acquired Pulse on 28 June 2018 (one working day prior to the end of the financial year).

*The Company has agreed to pay each of the Directors (except Mr Gregory Starr) $50,000 per annum. The remuneration will be paid quarterly and is inclusive of all payments for membership of committees and is exclusive of superannuation. Mr Starr will not be paid addition fees for his role as Director as there is an existing services agreement between Tearum Advisors Pty Ltd (an entity controlled by Gregory Starr) and the Company.

The Company has agreed to pay consulting fees in addition to the remuneration outlined above for services performed outside the scope of the ordinary duties of the director.

Mr Braund is CEO of Pulse Markets Pty Ltd a company acquired 25 June 2018. Mr Braund's employment agreement includes a salary package inclusive of superannuation of $350,000 p.a

The amounts outlined in the table were accrued and no payment was made in the 30 June 2018 financial year.

Optionholdings and Shareholdings of KMP

Table 2: Optionholdings of KMP

No KMP held options in the Company in the current or previous financial year.

Table 3: Shareholdings of KMP

30-June-18	Balance 1/07/2017	Effect of 3.8:1 consolidation	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2018
T Silberman[2]	-	-	-	-	7,802,895[1]	7,802,895
G Starr	-	-	-	-	-	-
G Smith	-	-	-	-	-	-
S Nicols[3]	-	-	-	-	3,147,028	3,147,028
A Harmstorf	41,666,667	(30,701,755)	-	-	(10,964,912)*	-
C Anderson	41,666,667	(30,701,755)	-	-	(10,964,912)*	-
A Braund[4]	-	-	-	-	15,789,474	15,789,474

[1] Purchased 29,651,000 during the year. Following a 3.8:1 consolidation this reduced to 7,802,895.
[2] Mr Silberman holds the shares through a 100% owned entity Silberman Holdings Pty Limited.
[3] Mr Nicols holds the shares through a 100% owned entity Sinbad Pty Limited. These shares were held prior to Mr Nicols being appointed as a director on 21 June 2018
[4] Mr Braund received these shares as consideration for selling 100% ownership of Pulse Markets Pty Ltd to the Company.
* Sold (pre-consolidation) during the year. 41,666,667 were sold.

30-June-17	Balance 1/07/2016	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2017
T Silberman	-	-	-	-	-
A Harmstorf	-	-	-	41,666,667*	41,666,667
C Anderson	-	-	-	41,666,667*	41,666,667
L Szancer	-	-	-	-*	-
G Starr	-	-	-	-	-
BL Manning	169,625	-	-	169,625[1]	-
R Sun	-	-	-	-	-
J Pettigrew	-	-	-	-	-
DJ Bredenkamp	13,425	-	-	13,425[1]	-

* Each KMP purchased 41,666,667 shares as part of shareholder approved share issue 31 May 2017. Mr Szancer resigned as a director on 31 May 2017.

[1] Balance as at time of resignation.

DIRECTORS' REPORT (Continued)

Other transactions and balances with Key Management Personnel

Other than outlined in this report and below there were no other transactions or balances with Key Management Personnel:

	Paid services Fees to related entity	Accrued services Fees to related entity	Loan from related party
T Silberman	-	-	280,577 [1]
G Smith	-	-	-
S Nicols	-	-	-
G Starr[2]	100,213	83,078 [3]	-
A Braund	-	-	-

[1] Loan with Roths Holdings Australia Pty Ltd and Silberman Holdings Pty Limited

The Company entered into a loan facility arrangement with Roths Holdings Australia Pty Ltd (not a related party) and Silberman Holdings Pty Limited (a company related to the Chairman Tal Silberman) on 29 September 2017 ("companies"). Key terms of the Loan facility are as follows:

Interest - Interest shall be at a rate agreed between the parties from time to time (currently 8%).

Repayment of loan and interest - The loan facility has a fixed term of nine years. The borrowers will repay the any outstanding amount of the loan to the company by the end of the term. There is no penalty on repayment prior to the end of the facility terms.

Capitalising interest - The companies may capitalise any interest that has become due but remains unpaid. That interest is then to be treated as having been added to the amount of the loan as from the date it became due.

Companies may require security - The companies may at any time require the borrower to provide reasonable security for the performance of that borrower's obligations under this agreement.

Following the end of the reporting period the loan was repaid.

[2] Engagement Agreement with Tearum Advisors Pty Ltd

The Company entered into an engagement agreement with Tearum Advisors Pty Ltd (ACN 613 247 279) (an entity controlled by Gregory Starr, Director and Company Secretary) (Tearum Advisors) on 20 August 2017 for Tearum Advisors (represented by Mr Starr) to provide corporate services to Company commencing 1 August 2017. Corporate services broadly comprise:

(a) services in relation to the upcoming development and restructuring of the Company via a new public offering;

(b) ongoing regulatory, financial, company secretarial and investor relations services; and

(c) other project commercial activities such as acquisition negotiation, financial modelling.

Under the terms of the engagement, the Company will pay Tearum Advisors $7,500 per month plus GST and an additional 33% of this amount in Shares, for the corporate services. For the Share component of the payment, Shares are to be issued at an issue price of $0.0044 per Share for services provided up until the re-quotation of the Company's Securities; and for services provided after the re-quotation of the Company's Securities, Shares to be issued will be at an issue price of the VWAP of the Shares preceding 12 months periods (Original Payment).

By a variation letter dated 1 February 2018, the parties revised the engagement to include that during the periods of heightened corporate activity where Tearum Advisors is required for a significant period of the month and on call, monthly payment will be $18,800 plus GST and an additional 33% of this amount in Shares. The Share component of the payment is payable in the same manner and at the same issue price as the payment of the Original Payment. In the event that the Company is unable to issues Shares to Tearum Advisors, the Company will pay Tearum Advisors in cash.

The agreement also contains indemnity provided by the Company to Tearum Advisors against any actions or claims against Tearum Advisors or the Company for the provision of the services.

Either party may terminate the agreement with one month's written notice. If termination is initiated by the Company, the current month's unpaid fee is to be paid together with 33% of value of the invoiced amounts since the last issue of Shares to Tearum Advisors.

DIRECTORS' REPORT (Continued)

Shareholders' approval was not sought for this transaction. The Board considers that the loan was provided on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms noting that at the time the original agreement was entered into while Mr Starr was not a Director and he had no reasonable grounds to believe that he was likely to be a Director (and therefore a related party), and the revised engagement agreement is to provide Mr Starr with appropriate remuneration for the period where Mr Starr is required to perform intensive work and Mr Starr will not receive a director fee for being a Director.

The Company will seek approval from the Shareholders prior to issue of any Shares to Tearum Advisors under this agreement.

[3] Subject to shareholder approval, $45,478 of this amount may be paid in shares on terms outlined 2 above.

This concludes the Remuneration Report.

Proceedings on Behalf of the Company

During the Reporting Period, no person 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.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each director were as follows:

	Number Attended	Maximum Possible	Audit Committee[1]	Nomination & Remuneration Committee[1]
Number of meetings held:			-	-
Mr T Silberman	9	9	-	-
Mr G Starr	5	5	-	*
Mr G Smith	5	5	*	-
Mr S Nicols	-	-	*	*
Mr A Harmstorf	5	5	-	-
Mr C Anderson	4	5	*	*

* - Not a member of this committee

[1] – Meetings of subcommittees were not held during the year as:

- Matters were discussed by the full board
- The change in directors resulted in separate meetings not being required

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. This Independence Declaration is set out on page 24 and forms part of this Directors' report for the year ended 30 June 2018.

There were no non-audit services provided by our auditors, HLB Mann Judd.

Signed in accordance with a resolution of the Directors.

Tal Silberman
Chairman
SYDNEY, New South Wales
26 September 2018

CORPORATE GOVERNANCE STATEMENT

This statement is current as at 26 September 2018

Where matters differ from the Corporate Governance Statements in operation during the Reporting Period, this will be specified.

The Corporate Governance policy of BIR Financial Limited ("the Company") has been prepared by the Board of Directors of the Company with reference to the 3rd Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations').

The ASX Principles and Recommendations are a guide for listed public companies rather than a set of prescriptive requirements in order to recognise that each company is different and should properly adopt policy that is appropriate to the organisation.

The Board of Directors of the Company have adopted the best practice recommendations contained in the ASX Principles and Recommendations that are deemed appropriate for the Company, given its scale and nature of operations.

This policy sets out how the Company is to comply with the ASX Principles and Recommendations and where its policy for Corporate Governance differs from the guidance.

The Board of Directors of the Company approved this policy on 26 September 2018.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.

The Board of Directors of the Company are responsible to the shareholder as a whole for the performance of the Company.

The Board of the Company are committed to high standards of Corporate Governance in the performance of their duties.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes the Board's functions and delegated responsibilities.

The Board has determined that its primary function is in:

- Establishing, monitoring and reviewing the strategic direction of the Company;
- Delegating management authorities;
- Ensuring the health, safety and well-being of employees;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring protection of the environment as it pertains to Company operations;
- Evaluating corporate risk and monitoring internal controls;
- Setting the Company's values and standards;
- Setting Corporate Governance policies;
- Approving master budgets and allocating financial resources;
- Reviewing financial performance to budget and amending resourcing where required;
- Approving material transactions, significant management initiatives, investment strategies and major capital purchases or divestments;
- Appointing, remunerating and/or terminating of the Chief Executive Officer and the Company Secretary; and
- Any other matter considered desirable and in the interest of the Company.

CORPORATE GOVERNANCE STATEMENT (Continued)

While the Company determines its next business objectives, day to day operation of the Company is delegated to Mr Tal Silberman and Mr Greg Starr, who are accountable to the Board. The Board also retains certain powers that it does not delegate to management. The delegation of authority and responsibility is clearly defined in writing.

The Board's charter will be available on a new Company website that was under construction at the date of this Report.

Recommendation 1.2 - A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company holds an election of directors each year at its Annual General Meeting ('AGM'). Directors are appointed for a maximum term of three years. Retiring directors are not automatically re-appointed. A director that has been appointed during the year must stand for election at the next AGM.

Comprehensive reference checks are undertaken by the Company prior to appointing a director or putting that person forward at an AGM as a candidate, in order to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director.

The Company provides shareholders with relevant information for their consideration about the attributes of candidates in the Notice to the AGM, together with whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Non-executive directors are provided with a letter of appointment which:

- Sets out their key responsibilities at law;
- Provides them with a copy of the Company's Constitution (which covers term of appointment);
- Advises expected time commitments and required committee work and/or special duties;
- Requires disclosure of their relevant interests which may affect independence;
- Provides Company Policies;
- Sets out remuneration entitlements;
- Advises on indemnities; and
- Provides copies of standing Board resolutions.

Executive directors and senior executives and issued employment or service contracts which detail the above matters as well as the normal range of employment rights and responsibilities.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary reports directly to the Board, through the Chairman and is accessible to all directors.

Recommendation 1.5 - A listed entity should (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each Reporting Period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes with respect to the review and appointment of Directors.

All Directors' and employees of the Company are bound by the policies of the Company that support diversity.

CORPORATE GOVERNANCE STATEMENT (Continued)

While the Board will make every effort to support diversity by equitable policies and practices around the recruitment of Directors and the recruitment and/or promotion of employees, the Board does not believe it is feasible or appropriate to adopt Recommendation 1.5 (a), (b) and (c) at this time for the reasons set out below:

- The Company currently has a Board of four members. This makes the setting of quotas impractical at this time; and
- The Company currently has no employees.

The Company was not compliant with Recommendation 1.5 (a), (b) and (c) during the financial year for the reasons specified above. The Company will periodically review its position in regard to these recommendations and adopt changes where appropriate.

The Company will report annually on the diversity of the Board and workforce in general as a further method of highlighting diversity and the importance that the Board places on a diverse workforce.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

The Company's diversity strategies include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing succession plans to ensure that there are no impediments to diversity;
- encouraging female participation across a range of roles in the Company;
- reporting on the relative proportion of women and men in the workforce at all levels of the Company;
- articulating a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- developing programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development.

At the date of this report, the Company has no employees. No women are currently represented on the Board.

No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators need to be disclosed.

Recommendation 1.6 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each Reporting Period, whether a performance evaluation was undertaken in the Reporting Period in accordance with that process.

The Board of Directors conduct an annual formal written Peer Review for each member of the Board to evaluate the performance and contribution of each member, both in respect of their participation on the Board and any relevant Board Committees.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;
- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company's continuous disclosure policy.

A Peer Review of the Board was not undertaken during the Reporting Period due to the changes to the Board made in February 2018 for the then proposed acquisition.

Recommendation 1.7 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each Reporting Period, whether a performance evaluation was undertaken in the Reporting Period in accordance with that process.

The performance of the Senior Executives is evaluated annually through a formal written Performance Appraisal process.

CORPORATE GOVERNANCE STATEMENT (Continued)

As there were no employees during the Reporting Period a Performance Appraisal of all employees was undertaken during the financial year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 - The board of a listed entity should (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each Reporting Period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board operates a combined Remuneration and Nomination committee. Having regard to the number of members currently comprising the Company's Board, only two Board Members are appointed to the Committee being:

Chairman	Mr Tal Silberman (Non-Executive Chairman)
Member	Mr Greg Smith (Non-Executive Director) Mr Harmstorf resigned 28 Feb 2018)

A similar arrangement was in place during the Reporting Period and accordingly, the Company was not in compliance with Recommendation 2.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendations of candidates for any position of new director are made by the directors for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, availability to commit to the Board's activities and the potential for the candidate's skills to augment the existing Board. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Given the size of the Board and the current operations of the Company, the Board does not maintain a formal skills matrix for the Board. Accordingly, the Company was not in compliance with Recommendation 2.2 during the financial year.

However, the individual directors and the Board as a whole, recognise the importance for the Board to have the skills, knowledge, experience and diversity of background and expertise required to effectively guide the Company over time in response to market developments, opportunities and challenges.

The Board recognises certain core skills that are required for the Board to ensure effective stewardship of the Company. These include business and strategic expertise, experience with financial markets, industry knowledge, financial skills, project management experience and ethical management skills.

The current Board members represent individuals that have extensive business and industry experience. The aim, when considering Board member attributes, is to consider whether collectively they can deliver outcomes in accordance with the Company's business objectives and in doing so, deliver value to shareholders.

Recommendation 2.3 - A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Name	Appointed	Resigned	Length of Service	Independence
Mr Tal Silberman	31 May 2017	Current	1 Year 1 Month	Major Shareholder
Mr Gregory Starr	28 February 2018	Current	4 Months	Company Secretary

CORPORATE GOVERNANCE STATEMENT (Continued)

Name	Appointed	Resigned	Length of Service	Independence
Mr Greg Smith	28 February 2018	Current	4 Months	Independent
Mr Steven Nicols	21 June 2018	Current	9 Days	Large shareholder
Mr Alexander Harmstorf	31 May 2017	28 February 2018	9 Months	Major Shareholder
Mr Christopher Anderson	31 May 2017	28 February 2018	9 Months	Major Shareholder

The Board has reviewed the position and associations of each of the directors in office at the date of this report in terms of Recommendation 2.3 and other facts, information and circumstances. At the current time, Mr Silberman and Mr Nicols hold large interests in the Company's securities and are therefore not considered independent.

The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of other directors, as appropriate.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Having regard to Recommendation 2.4 above, is not in compliance in relation to the Board arrangements at the date of this Report. The Board supports the intent of this recommendation and will seek to comply once circumstances permit upon the development of the Company's new business plans.

Recommendation 2.5 - The Chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Having regard to Recommendation 2.5 above, the Company was not in compliance. The Board will monitor compliance with this recommendation as the business of the Company is developed and will advise any necessary changes in the future, if required.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company has a formal induction process for new directors. New directors are provided with copies of Company policy documents, key legal requirements for directors, the Company's Constitution and are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of directors. They are also provided information on insurances, indemnities and the processes for accessing independent legal advice if required. There are also processes of induction for disclosures, key personal information, safety and business procedures and practices.

Directors receive a formal letter of appointment setting out the key terms and conditions relevant to that appointment. Due to the small size of the Company's Board, directors generally undertake their own continuing education.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 - A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

The Company has a Code of Conduct that binds Directors, officers and employees.

The Company also has a published set of Values to provide further guidance to Directors, officers and employees.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

The Company Secretary is responsible for the investigation of any possible breaches of the Company's Code of Conduct with findings presented to the Chairman and/or the Board as appropriate.

The Code of Conduct and Company Values will be available on a new Company website that was under construction at the date of this Report.

CORPORATE GOVERNANCE STATEMENT (Continued)

The Company has adopted a Share Trading Policy which summarises the law relating to insider trading and sets out the policy of the Company on directors, officers, employees and consultants dealing in shares of the Company. The Share Trading Policy will also available on the Company's new website in the future.

The intent of this Trading Policy is to:

- Educate all persons associated with the Company about their obligations when trading in the Securities of the Company;
- To prevent a breach of the Insider Trading provisions of the Act by persons associated with the Company;
- To ensure a proper market for the Company's Securities is maintained that supports shareholder and investor confidence;
- To ensure that persons associated with the Company can continue to support the Company by acquiring Securities in the Company when it is legal to do so, on a fair and equitable basis that is substantively the same as other investors; and
- To comply with the ASX Listing Rules.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 - The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each Reporting Period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Audit Committee

The members of the Audit Committee during the Reporting Period were:

July 17 to February 18	Mr Tal Silberman (Chairman) Mr Alexander Harmstorf

The current members of the Audit Committee from February 18 are:

Mr Tal Silberman (Chairman)
Mr Greg Starr

The Audit Committee has the responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Audit Committee has a Charter to govern its activities that has been approved by the Board of Directors. The number of meetings of the Audit Committee during the financial year are provided in the Directors' Report. The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

Due to the small number of Board members at the date of this Report, the current Audit Committee consists of only two Non-Executive Directors. The Chairman of the current Audit Committee is the Chairman of the Board and so the Company is not currently in compliance with Recommendations 4.1(1) and (2). While the Company supports the intent of Recommendation 4.1, it is impractical to comply in all respects at this time. The Company will monitor changes in the future with the intent of moving toward full compliance with achievable.

Meetings of the Audit Committee are held throughout the year as required and the Committee may meet with the Company's auditors and reports to the full Board as required.

The Audit Committee ensures the integrity of the financial policies of the Company, reviews the integrity of the Company's financial reporting and the independence of the external auditor.

CORPORATE GOVERNANCE STATEMENT (Continued)

The Audit Committee also reviews the audited annual and half-year financial policies and any reports which accompany published financial policies and recommends their approval to the Board.

Appointment of the external auditor and their fees is also the responsibility of the Audit Committee.

Details of the qualifications and experience of the members of the Committee are contained in the 'Information of directors' section of the Directors' Report.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

It is the policy of HLB Mann Judd, the Company's current external auditor, to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services (if any), is provided in the notes to the financial policies in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial policies for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial policies comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company does not currently have any executive staff but intends to comply with this Recommendation 4.2 in future reporting.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

A representative of the Company's external audit firm attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 - A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.

The Chairman, with advice from the Company Secretary where appropriate, is responsible for bringing continuous disclosure matters to the attention of the Board of Directors. To ensure the timely disclosure of pertinent matters, the Company Secretary has the delegated authority to disclose routine matters of fact to the ASX without reference to the Board. The Company Secretary is also delegated to take all reasonable actions to comply with urgent disclosure matters in the event that the Board is unable to meet or communicate in a timely manner, including calling a trading halt if required. These matters of continuous disclosure policy are documented in standing resolutions of the Board.

The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Company maintains information in relation to corporate governance policy, directors and senior executives, Company Policies, Annual Reports, ASX announcements and contact details on the Company's website.

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

CORPORATE GOVERNANCE STATEMENT (Continued)

The Company is committed to promoting effective communications with shareholders by ensuring they and the investment market generally are provided with full and timely disclosure of its activities and providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner. The Company provides shareholders with periodic updates on its business. Shareholders are encouraged to communicate by electronic means and to participate at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the Company's share registry, Share Transfer Registrars.

It is also intended that Shareholders will be able to sign up to an email alert system on the Company's new website once that is completed.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendations 7.1 & 7.2

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each Reporting Period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each Reporting Period, whether such a review has taken place (7.2).

The functions that would be performed by a risk committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly, the Company was not in compliance with Recommendation 7.1 and was not compliant during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Risk is systematically managed through a series of applicable Company systems and policies that address the main areas of risk facing the Company, including financial and accounting controls, insurance of assets, occupational health and safety, environmental management, land access and tenure etc. The Company will also implement a systematic risk assessment program in parallel with the studies into its projects to ensure that as the Company's activities evolve, the appropriate risk management systems are enhanced or added to as required.

The Chairman or the Company Secretary reports all material risk matters to the Board at meetings of the Board and otherwise as required.

The Board reviews risks to the Company at regular Board meetings.

The Company manages material business risks under a series of risk management strategies. There is an ongoing program to identify, monitor and manage compliance issues and material business risks with a view to safeguarding the Company's investments and the integrity of its operations. The Board reviews the identification, management and reporting of risk as part of the annual budget process. More frequent reviews are undertaken as conditions or events dictate.

The Board formally assessed material business risk during the Reporting Period.

Recommendation 7.3 - A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it

CORPORATE GOVERNANCE STATEMENT (Continued)

employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Board has the responsibility for ensuring the effectiveness of risk management and internal compliance and control. As part of the review process the Board considers the extent to which the risk process has been successful in retrospect with regard to the identification and mitigation of risks. This is required at all times and the Board actively promotes a culture of quality and integrity.

The Company does not have an internal audit function due to its size; however the Company's procedures and policies are subject to regular review. The Board also liaises closely with the Company's external auditor to identify potential improvements to the risk management and internal control procedures.

The Board recognises that no cost-effective internal control system will preclude the possibility of errors and irregularities. The Company has insurance policies to cover unexpected or unforeseen events and reduce any adverse consequences.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Given the current transition of the Company's business, the Company does not believe it currently has material exposure to any specific economic, environmental and social sustainability risks, which risks are currently being managed in the normal course of business.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each Reporting Period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Board has established a Nomination and Remuneration Committee. The Chairman of the Committee is an Independent Director. Following the reduction in the number of Board members in December 2015, the function of the Remuneration Committee was combined with the Nomination Committee.

The members of the Remuneration Committee during the Reporting Period were:

July 17 to February 18	Mt Tal Silberman (Chairman) Mr Alexander Harmstorf

The current members of the Nomination and Remuneration Committee from February 18 are:

Mr Tal Silberman (Chairman)
Mr Greg Smith

The Remuneration Committee reviews the remuneration of the Board itself, any Managing Director or Chief Financial Officer appointed. The Remuneration Committee also considers external advice and employment data to ensure the overall remuneration practices of the Company are appropriate.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the company: and
- performance incentives that allow executives to share in the success of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors. The Managing Director, once appointed, will be responsible for the general remuneration policies and practices that apply to the balance of employees within the Company.

CORPORATE GOVERNANCE STATEMENT (Continued)

Details of the qualifications and experience of the members of the Committee are detailed in the 'Information on Directors' section of the Directors' report. The Remuneration Committee has a Charter to govern its activities that has been approved by the Board of Directors. The number of meetings of the Remuneration Committee during the financial year is provided in the Directors' Report.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report.

The level of remuneration reflects the anticipated time commitments and responsibilities of the position having regard to the financial constraints on the Company. Senior executives may be remunerated using combinations of fixed and performance based remuneration. Salaries are set at levels reflecting market rates having regard to the financial constraints on the Company and performance based remuneration, when offered, will be linked to specific performance targets that are aligned to both short and long term objectives.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

The shareholders of the Company approved total fees payable to non-executive Directors of $325,000 per annum at a General Meeting of the Company held on 31 October 2012.

At the date of this Report, the Board has resolved that Directors fees will not be paid while the Company is determining its new course of business. The Company will update this policy accordingly when changes are made to this policy in the future.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a result of attendance at Board meetings and the discharge of other director related duties. Board members are not provided any additional remuneration in respect of any standing Board Committee memberships. There are no termination or retirement benefits for non-executive Directors.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it

The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this must be disclosed.

OTHER GOVERNANCE MATTERS

Skills, Experience and Expertise of each Director

A profile of each Director is contained in the Directors' Report.

Statement on Independent Professional Advice

If requested by a Director, the Company will pay for independent professional advice for a Director in the discharge of their duties provided that the prior approval of the Chairman is obtained.

AUDITOR'S INDEPENDENCE DECLARATION

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of BIR Financial Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
26 September 2018

L Di Giallonardo
Partner

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	2017 $
Revenue	2	-	2,852,025
Salaries and employee benefits expense		-	(302,265)
Depreciation		-	-
Interest and finance costs		-	-
Corporate and administration costs	2	(602,372)	(203,693)
Land access overheads		-	(10,417)
Profit/(Loss) before income tax expense	2	(602,372)	2,335,650
Income tax expense	3	-	-
Net Profit/(Loss) for the year		(602,372)	2,335,650
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		(602,372)	2,335,650
Basic earnings (loss) per share (cents per share)	4	(1.50)	10.35

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	Consolidated 2018 $	Company 2017 $
Assets			
Current Assets			
Cash and cash equivalents	5	5,006,971	1,000
Receivables	6	523,441	-
Indemnified deferred tax liability	11	80,988	-
Financial assets	6	157,727	-
Total Current Assets		5,769,127	1,000
Non-Current Assets			
Indemnified acquisition cost	8	270,000	-
Property, plant and equipment	7	94,298	-
GST Paid		-	14,978
Intangible Assets	8	3,326,921	-
Total Non-Current Assets		3,691,219	14,978
Total Assets		9,460,346	15,978
Liabilities			
Current Liabilities			
Trade and other payables	9	2,243,215	70,000
Borrowings	10	280,577	-
Total Current Liabilities		2,523,792	70,000
Non Current Liabilities			
Deferred Income tax Liability	11	80,988	-
Total Non Current Liabilities		80,988	-
Total Liabilities		2,604,780	70,000
Net Assets/ (Liabilities)		6,855,566	(54,022)
Equity			
Issued capital	12	27,663,293	20,151,333
Accumulated losses		(20,807,727)	(20,205,355)
Total Equity/ (Deficiency)		6,855,566	(54,022)

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	2017 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(271,074)	(626,867)
Interest received		-	50
Net cash (used in) operating activities	5	(271,074)	(626,817)
Cash flows from investing activities			
Repayment of rental bonds		-	7,007
Proceeds on disposal of plant & equipment		-	16,676
Payments for deferred exploration expenditure		-	(1,340)
Proceeds of option fees		-	40,000
Cash on acquisition of subsidiary		6,081	-
Net cash provided by investing activities		6,081	62,343
Cash flows from financing activities			
Proceeds from issue of securities	12	5,000,000	451,000
Proceeds from borrowings		270,964	50,000
Net cash provided by financing activities		5,270,964	501,000
Net increase/(decrease) in cash and cash equivalents		5,005,971	(63,474)
Cash and cash equivalents at 1 July		1,000	64,474
Cash and cash equivalents at end of year	5	5,006,971	1,000

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated		
	Issued Capital $	**Accumulated Losses $**	**Total $**
Balance at 1 July 2016	19,700,333	(22,541,005)	(2,840,672)
Share issue	451,000	-	451,000
Total comprehensive income	-	2,335,650	2,335,650
Balance at 30 June 2017	20,151,333	(20,205,355)	(54,022)
Share issue	7,511,960	-	7,511,960
Total comprehensive loss	-	(602,372)	(602,372)
Balance at 30 June 2018	27,663,293	(20,807,727)	6,855,566

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. Up to the date of effectuation of the DOCA (31 May 2017) the financial statements were for the Group consisting of BIR Financial Limited (formally Birrabong Corporation Limited) and its subsidiaries. Following the deregistration and disposal of all subsidiaries, the financial statements represent only the single company, BIR Financial Limited.

The financial statements have been prepared in accordance with the historical cost basis and presented in Australian dollars. Cost is based on the fair values of the consideration given in exchange for assets. The Company is a listed public Company, incorporated in Australia and operating in Australia.

Going Concern

At 30 June 2016, the Company had a working capital deficiency of $2,851,737. On 1 July 2016, the Directors determined to place the Company into Voluntary Administration. Immediately before doing so, the Company executed a Recapitalisation Deed with intermediary company Benelong Capital Limited. The purpose of this Deed was to facilitate the recapitalisation of the Company with new business direction under a new Board of Directors.

Pursuant to the terms of the Recapitalisation Deed, the Administrator of the Company entered into a Deed of Company Arrangement ("DOCA") with Benelong Capital Limited on 17 August 2016. The recapitalisation was completed pursuant to the DOCA on 31 May 2017, following shareholder approval of the proposal. The Deed of Company Arrangement was then effectuated on the same date and the Company returned to the control of the new Board of Directors. As the first stage of the recapitalisation, a small amount of capital was raised to meet the Company's immediate needs. All pre-Administration liabilities of the Company were extinguished by the establishment of a Creditors Trust in accordance with the DOCA. Company liabilities incurred during the DOCA were met by the Deed Administrators from remaining company assets. Upon the Company being returned to the control of the new Board, the Company had extinguished the recapitalisation liabilities.

At the date of this Report, the company has acquired a cash generating company Pulse Markets Pty Ltd and raised $5,000,000 and re-quotation of the Company's shares on the ASX.

The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief, the Directors believe that the Company remains a going concern at the date of this Report.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, 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 current annual Reporting Period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018, in particular AASB 9 Financial Instruments, AASB 15 Revenue from Contracts with Customers, and AASB 16 Leases. As a result of the review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 26 September 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Assets held for sale:

Assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than continuing use. The condition is regarded as being met when the asset is available for immediate sale in its present condition. Management must be committed to the sale which is expected to be completed within one year.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black and Scholes model.

(e) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. 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.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(f) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(i) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the Reporting Period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

(k) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(l) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. If the Group was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(m) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or Company of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(n) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(o) Interest-bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probably that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Reporting Period.

(p) Employee leave benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(q) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of BIR Financial Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

(r) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of BIR Financial Limited.

(u) Basis of consolidation

The Company had no subsidiaries at 30 June 2017. Up to the date of effectuation of the DOCA (31 May 2017), the financial statements of the Group incorporated the assets and liabilities of all subsidiaries of BIR Financial Limited ('Company' or 'parent entity') and the results of all subsidiaries for the period then ended. BIR Financial Limited and its subsidiaries are referred to in this financial report as the Group. Following the reregistration and disposal of all subsidiaries, the financial statements represent only the single company, BIR Financial Limited.

The financial statements of the subsidiaries are prepared for the same Reporting Period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of BIR Financial Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(v) Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Where the Group has not completed its initial accounting for a business combination by the end of the first annual reporting period in which the combination occurs, the group records in its financial statements provisional amounts for the items for which the accounting is incomplete. During the following measurement period, which is no greater than one year from the acquisition date, the Group retrospectively adjusts those provisional amounts recognised at acquisition date to reflect new information obtained about facts and circumstances that existed at acquisition date and, if known, would have affected the measurement of the amounts recognised as at that date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated 2018 $	Consolidated 2017 $
NOTE 2: REVENUE AND EXPENSES		
(a) Revenue		
Interest received	-	50
Other revenue		
- Gain on Debt Forgiveness	-	2,796,796
Net gains on disposal of plant and equipment	-	12,618
Gain on deregistration of subsidiaries	-	6,197
Option fee	-	36,364
	-	2,852,025
(b) Expenses		
Charges to the statement of comprehensive income associated with costs incurred in the acquisition of Pulse	426,540	-
Amounts, received or due and receivable by auditors for:		
· audit or review services	20,000	20,000

NOTE 3: INCOME TAX

Income Tax Expense	Consolidated 2018 $	Consolidated 2017 $
The income tax expense for the year differs from the prima facie tax as follows:		
Profit (Loss) for year	(602,372)	2,335,650
Prima facie income tax (benefit) @ 30%	(180,712)	700,695
Deferred tax assets not brought to account +	180,712	-
Prior year losses utililised#	-	(700,695)
Total income tax expense	-	-

The effect of the Acquisition of Pulse Markets as 28 June 2018 is that the nature and scale of the activities of the Company has changed from a property and infrastructure company to a business involved in the financial services industry.

+ - These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

- The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: EARNINGS/(LOSS) PER SHARE

	Consolidated	
	2018	**2017**
Basic earnings/(loss) per share (cents per share)	(1.50)	10.35
Diluted earnings/(loss) per share	(1.50)	10.35
	$	$
Earnings – Net profit/(loss) for year	(602,372)	2,335,650
Weighted average number of ordinary shares used in the calculation of:	40,216,664	22,563,927
Basic earnings per share		
Diluted earnings per share	40,216,664	22,563,927

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	Company
	2018	**2017**
	$	**$**
Cash at bank	5,006,971	1,000

Cash at bank earns interest at floating rate based on daily bank deposit rates.

(i) Reconciliation of (loss)/profit for the year to net cash flow used in operating activities:	Consolidated	
Profit (Loss) for the year	(602,372)	2,335,650
Non-Cash items and reclassifications		
Accrued Interest	9,613	-
Other revenue – Gain on Debt Forgiveness	-	(2,796,796)
Net gains on disposal of plant and equipment	-	(12,618)
Gain on deregistration of subsidiaries	-	(6,197)
Changes in assets and liabilities		
Receivables	-	-
Payables	403,335	(161,834)
GST recoverable	(81,650)	14,978
Net cash flows (used in) operating activities	(271,074)	(626,817)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: RECEIVABLES AND FINANCIAL ASSETS

	Consolidated	Company
Current	2018	2017
	$	$
Sundry debtors and prepayments [1]	309,591	-
Security deposits - rental and other	213,850	-
	523,441	-
Financial assets [2]	157,727	-
	157,727	-

[1] Includes sundry debtors and receivables amounting to $46,000 which are past due but not impaired.

[2] Unlisted Options in Listed Company (exercisable on 31 August 2018). The fair value of the unlisted financial assets has been estimated using valuation techniques taking into account the terms and conditions of the options. Management believes the estimated fair values resulting from the valuation techniques and recorded in the statement of financial position and the related changes in fair values recorded in profit or loss are reasonable and the most appropriate at the balance date.

The financial assets are measured at fair value at the end of the reporting period based on Level 2 inputs in the fair value hierarchy. The fair value of the options are determined using a Black Scholes pricing method.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2018	2017
	$	$
Year ended 30 June 2018 - movement		
At 1 July 2017, net of accumulated depreciation	-	-
Cost on Acquisition of Pulse Markets 21 June 2018	94,298	-
Disposals net of accumulated deprecation	-	-
Depreciation charge for the year	-	-
At 30 June 2018, net of accumulated depreciation	94,298	-

NOTE 8: INTANGIBLE ASSETS

	Consolidated	Company
(a) Acquisition of 100% of the issued capital of Pulse Markets Pty Ltd		
	2018	2017
	$	$
Excess consideration paid over net liabilities acquired	3,326,921	-
Consideration of 15,789,474 fully paid ordinary shares for the acquisition of 100% of Pulse Markets Pty Ltd	3,157,895	-
Add Net Liabilities of Pulse	172,081	-
Less excess indemnified acquisition costs to Pulse claimed acquisition expenses from BIR	(3,055)	-
Total	3,326,921	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

There were $253,369 of costs associated with the sale of the company to BIR Financial Limited. This is $168,369 in excess of the agreed amount under the Share Sale Agreement. As a result of this excess expenditure and other matters, the vendor of Pulse Markets has entered into an agreement with BIR Financial Limited to reimburse BIR Financial Limited $270,000 once the shares received from the sale of the company are released from escrow.
The acquisition of Pulse Markets Pty Ltd has been provisionally accounted for in accordance with AASB3 Business Combinations. The Company is currently finalising the allocation of the initial excess consideration noted above. This allocation will be finalised when the 30 June 2019 financial report is prepared and the provisional amounts noted above will be adjusted accordingly. The Company believes that it obtained control of Pulse Markets on 25 June 2018, however for the sake of simplicity, Pulse Markets has been brought into the Group effective as at 30 June 2018. As a result, the results of Pulse Markets will be included in the Group results from 1 July 2018.

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated	Company
Current	**2018**	**2017**
	$	**$**
Trade payables and accruals	2,243,215	20,000
Other	-	50,000
	2,243,215	70,000

Trade Payables and accruals include:

- $1,026,997 of costs primarily associated with the acquisition of Pulse.
- $253,369 of costs associated with the sale of the company to BIR Financial Limited. This is $168,369 in excess of the agreed amount under the Share Sale Agreement. As a result of this excess expenditure and other matters, the vendor of Pulse Markets has entered into an agreement with BIR Financial Limited to reimburse BIR Financial Limited $270,000 once the shares received from the sale of the company are released from escrow.
- An estimate of Claims of $234,535 against a company which was an authorised representative of Pulse's Australian Financial Services Licence for activities which occurred in 2014.
- Included in the above are amounts owing to related parties as follows:

T Silberman	19,971
G Smith	19,971
S Nicols	1,473
G Starr (via Tearum Advisors Pty Ltd)	83,078
	124,493

NOTE 10: BORROWINGS

	Consolidated	Company
	2018	**2017**
	$	**$**
Current		
Unsecured loans – Related Parties	280,577	-
	280,577	-

The Company entered into a loan facility arrangement with Roths Holdings Australia Pty Ltd (not a related party) and Silberman Holdings Pty Limited (a company related to the Chairman Tal Silberman) on 29 September 2017 ("companies"). Key terms of the Loan facility are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Interest - Interest shall be at a rate agreed between the parties from time to time (currently 8%).

Repayment of loan and interest - The loan facility has a fixed term of nine years. The borrowers will repay the any outstanding amount of the loan to the company by the end of the term. There is no penalty on repayment prior to the end of the facility terms.

Capitalising interest - The companies may capitalise any interest that has become due but remains unpaid. That interest is then to be treated as having been added to the amount of the loan as from the date it became due.

Companies may require security - The companies may at any time require the borrower to provide reasonable security for the performance of that borrower's obligations under this agreement.

Following the end of the reporting period the loan was repaid.

NOTE 11: INDEMNIFIED DEFERRED INCOME TAX LIABILITY

	Consolidated **2018** **$**	Company **2017** **$**
Indemnified deferred Income Tax Liability	80,988	-

This amount represents an indemnity provided by the vendor of Pulse Markets Pty Ltd in favour of the Company from potential income tax liability arising from the transaction

NOTE 12: ISSUED CAPITAL AND RESERVES

	Consolidated **2018** **$**	Company **2017** **$**
Issued and paid up capital		
Ordinary shares fully paid	27,663,293	20,151,333

(a) **Movement in ordinary shares on issue**	**2018** **Number**	**2018** **$**	**2017** **Number**	**2017** **$**
Balance at beginning of year	149,000,000	20,151,333	5,620,647	19,700,333
Consolidation of capital 1 for 40 - December 2015			-	-
1 for 1 Bonus Issue 31 May 2017	-	-	5,620,647	-
Issue of new shares 31 May 2017	-	-	137,758,706	451,000
1 for 3.8 Consolidation 31 May 2017	(109,789,104)	-	-	-
Issue of new shares 21 June 2018 under general Offer	25,000,000	5,000,000	-	-
Issue of new shares 21 June 2018 to acquire Pulse Markets Pty Ltd	15,789,474	3,157,895	-	-
Share issue costs	-	(645,935)	-	-
Balance at end of year	80,000,370	27,663,293	149,000,000	20,151,333

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

(b) **Share Options**

At the end of the year there were no options over unissued ordinary shares outstanding.

(c) **Terms and conditions of contributed equity**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTE 13: CONTINGENT LIABILITY

	Consolidated **2018** **$**	Company **2017** **$**
Contingent Liability [1]	21,404	-

[1] This relates to advised claims against a company which was an authorised representative of Pulse's Australian Financial Services Licence for activities which occurred in 2014. The settlement of these claims is still subject to negotiation.

NOTE 14: RELATED PARTY DISCLOSURE

Loan with Roths Holdings Australia Pty Ltd and Silberman Holdings Pty Limited

The Company entered into a loan facility arrangement with Roths Holdings Australia Pty Ltd (not a related party) and Silberman Holdings Pty Limited on (a company related to the Chairman Tal Silberman) 29 September 2017 ("companies"). Key terms of the Loan facility are as follows:

Interest - Interest shall be at a rate agreed between the parties from time to time (currently 8%).

Repayment of loan and interest - The loan facility has a fixed term of nine years. The borrowers will repay the any outstanding amount of the loan to the company by the end of the term. There is no penalty on repayment prior to the end of the facility terms.

Capitalising interest - The companies may capitalise any interest that has become due but remains unpaid. That interest is then to be treated as having been added to the amount of the loan as from the date it became due.

Companies may require security - The companies may at any time require the borrower to provide reasonable security for the performance of that borrower's obligations under this agreement.

Following the end of the reporting period the loan was repaid.

Engagement Agreement with Tearum Advisors Pty Ltd

The Company entered into an engagement agreement with Tearum Advisors Pty Ltd (ACN 613 247 279) (an entity controlled by Gregory Starr, Director and Company Secretary) (Tearum Advisors) on 20 August 2017 for Tearum Advisors (represented by Mr Starr) to provide corporate services to the Company commencing 1 August 2017. Corporate services broadly comprise:

(a) services in relation to the upcoming development and restructuring of the Company via a new public offering;

(b) ongoing regulatory, financial, company secretarial and investor relations services; and

(c) other project commercial activities such as acquisition negotiation, financial modelling.

Under the terms of the engagement, the Company will pay Tearum Advisors $7,500 per month plus GST and an additional 33% of this amount in Shares, for the corporate services. For the Share component of the payment, Shares are to be issued at an issue price of $0.0044 per Share for services provided up until the re-quotation of the Company's Securities; and for services provided after the re-quotation of the Company's Securities, Shares to be issued will be at an issue price of the VWAP of the Shares preceding 12 months periods (Original Payment).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

By a variation letter dated 1 February 2018, the parties revised the engagement to include that during the periods of heightened corporate activity where Tearum Advisors is required for a significant period of the month and on call, monthly payment will be $18,800 plus GST and an additional 33% of this amount in Shares. The Share component of the payment is payable in the same manner and at the same issue price as the payment of the Original Payment. In the event that the Company is unable to issues Shares to Tearum Advisors, the Company will pay Tearum Advisors in cash.

The agreement also contains indemnity provided by the Company to Tearum Advisors against any actions or claims against Tearum Advisors or the Company for the provision of the services.

Either party may terminate the agreement with one month's written notice. If termination is initiated by the Company, the current month's unpaid fee is to be paid together with 33% of value of the invoiced amounts since the last issue of Shares to Tearum Advisors.

Shareholders' approval was not sought for this transaction. The Board considers that the loan was provided on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms noting that at the time the original agreement was entered into while Mr Starr was not a Director and he had no reasonable grounds to believe that he was likely to be a Director (and therefore a related party), and the revised engagement agreement is to provide Mr Starr with appropriate remuneration for the period where Mr Starr is required to perform intensive work and Mr Starr will not receive a director fee for being a Director.

The Company will seek approval from the Shareholders prior to issue of any Shares to Tearum Advisors under this agreement.

NOTE 15: PARENT ENTITY INFORMATION

	Parent	
	2018	**2017**
	$	**$**
Current assets	5,097,518	1,000
Total assets	8,522,358	15,798
Current liabilities	(1,666,792)	(70,000)
Total liabilities	(1,666,792)	(70,000)
Net assets	6,855,566	(54,202)
Issued capital	27,663,293	20,151,333
Accumulated losses	(20,807,727)	(20,205,355)
Total equity	6,855,566	(54,022)
Loss of the parent entity after tax	(602,372)	2,329,453
Other comprehensive income, net of tax	-	-
Total comprehensive income/(loss) of the parent entity	(602,372)	2,329,453

(a) Parent entity

The ultimate parent entity within the Group is BIR Financial Limited.

(b) Subsidiary

Pulse Markets Pty Ltd is a wholly owned subsidiary of the Company.

Pulse Markets, as the Company's subsidiary will continue its business operations.

Pulse Markets has a wholly owned subsidiary Selecta Funds Management Pty Ltd (ACN 100 257 869) (Selecta Funds Management). This entity is not an operating entity but is a special purpose entity established to specifically own options or performance rights which may be acquired in companies as part of the consideration for Pulse Markets providing ECM services (including corporate advisory services). Currently, Selecta Funds Management's sole asset is a certain number of escrowed options in Sheffield Resources Limited, which were acquired as part of the terms of a corporate advisory / ECM mandate related to this company. Selecta Funds Management will remain as a wholly owned subsidiary of Pulse Markets (with the Company being the ultimate parent company).

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
			2017	2017
Pulse Markets Pty Ltd	Ordinary	Australia	100%	0%
Selecta Funds Management Pty Ltd	Ordinary	Australia	0%*	0%

- 100% owned by Pulse Markets Pty Ltd

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors in office during the financial year were:

Executive Directors

None

Non-Executive Directors

Mr T Silberman

Mt Greg Smith (appointed 28 February 2018)

Mr Gregory Starr (appointed 28 February 2018). Mr Starr is also Company Secretary.

Mr Steven Nicols (appointed 21 June 2018)

Mr A Harmstorf (resigned 28 February 2018)

Mr C Anderson (resigned 28 February 2018)

(ii) Executives:

Andrew Braund – Director and Chief Executive Officer (Pulse Markets Pty Ltd)

(a) KMP Remuneration

The aggregate compensation paid to KMP is set out below:

	Consolidated	
	2018	**2017**
	$	**$**
(b) KMP Remuneration		
The aggregate compensation paid to KMP is set out below:		
Short-term benefits	-	-
Post-employment benefits	-	-
Other	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for BIR Financial Limited reviews internal reports prepared and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 18: FINANCIAL INSTRUMENTS

Capital risk management

Prudent capital risk management implies maintaining sufficient cash and marketable securities to be able to conduct the Company's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will when appropriate consider the need for raising additional equity capital.

The capital structure of the Company consists of debt, which includes borrowings disclosed in note 10 and equity attributable to equity holders comprising capital, and accumulated losses as disclosed in note 11.

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no variable interest bearing loans its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

At balance date, the following table details the Company's expected maturity for its non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities on the financial instruments including interest that will be earned on these instruments.

	Consolidated **2018** **$**	Company **2017** **$**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	5,006,971	1,000
Net exposure	5,006,971	1,000

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

At 30 June 2018, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit/loss and equity relating to financial assets of the Company would have been affected as follows:

Judgements of reasonably possible movements:	**2018** **$**	**2017** **$**
Post tax profit/(loss) – higher / (lower)		
1.00%	35,049	-
-1.00%	(35,049)	-
Equity – higher / (lower)		
1.00%	35,049	-
-1.00%	(35,049)	-

Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Company does not speculate in the trading of derivative instruments. The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Liquidity risk

The Company manages interest rate and liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest rate risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Net fair value

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based on upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

NOTE 19: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Other than the matters below there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the of the group in future financial periods.

- Following the end of the period the company recommenced quotation of its shares on the Australian Securities Exchange.
- The unsecured loans outlined in in note 10 were repaid subsequent to the balance date.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of BIR Financial Limited ("the Company"):

   a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001*, including:

      i) giving a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the year then ended; and

      ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

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

   c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

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

Tal Silberman
Chairman
SYDNEY, New South Wales
26 September 2018

INDEPENDENT AUDITORS REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report

To the Members of BIR Financial Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of BIR Financial Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of 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, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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.

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HLB Mann Judd

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Pulse Markets Pty Ltd Note 8 of the financial report	
During the year the Group acquired 100% of the issued capital of Pulse Markets Pty Ltd for consideration of 15,789,474 fully paid ordinary shares in BIR Financial Limited. This was considered a significant purchase for the Group. Accounting for this transaction is a complex and judgemental exercise, requiring management to determine the fair value of acquired assets and liabilities, in particular determining the allocation of purchase consideration to goodwill. It is due to the size of the acquisition and the estimation process involved in accounting for it that this is a key area of audit focus.	Our procedures included, but were not limited to the following: • We read the Share Sale Agreement giving effect to the acquisition to understand the key terms and conditions of the acquisition; • We agreed the fair value of the consideration paid to supporting information; • We obtained audit evidence that the acquisition-date assets and liabilities of Pulse Markets Pty Ltd were fairly stated; • We considered the accounting for the excess of the consideration paid over the identifiable net assets acquired, having regard to the Group's application of provisional accounting concepts in accordance with AASB3 *Business Combinations*; and • We assessed the adequacy of the Group's disclosures in the financial report in respect of the business combination.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, 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.

HLB Mann Judd

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group'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 Group'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 Group 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

HLB Mann Judd

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.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of BIR Financial Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth
26 September 2018

SUPPLEMENTARY INFORMATION

The shareholder information set out below was applicable as at 28 August 2018.

Distribution of Shareholders	**Fully Paid Ordinary Shares**
Number of Holders	1,045
Holders of less than a marketable parcel	577
(1) Based on a $0.20 share price	

Number of holders in the following distribution categories	
1 – 1000	571
1,001 – 5000	114
5,001 – 10,000	250
10,001 – 100,000	96
100,001 and over	14

Twenty Largest Shareholders

The names of the twenty largest shareholders as at 28 August 2018 were as follows:

Rank	Holder Name	Securities	%
1	Braund Andrew James	15,789,474	19.74%
2	Gorilla Money Pl	11,212,500	14.02%
3	Stealth Angel Pl	11,212,500	14.02%
4	Silberman Hldgs Pl	8,733,893	10.92%
5	Mercury Cons Pl	7,664,211	9.58%
6	Roths Hldgs Aust Pl	7,192,895	8.99%
7	Galaxing Pl	6,639,211	8.30%
8	Sinbad Pl	3,147,028	3.93%
9	Gu Yinghua	1,960,527	2.45%
10	TFA Intnl Pl	862,812	1.08%
11	Resnick A + Solomons D +	210,527	0.26%
12	Roths Duke Oliver	177,000	0.22%
13	Transocean Sec Pl	125,000	0.16%
14	John Watson Hldgs Pl	104,185	0.13%
15	De Belle S + Sheehan J	94,300	0.12%
16	Johnston Graeme + M	88,290	0.11%
17	Sin-Tang Mining Pl	87,464	0.11%
18	Trust 4c	81,579	0.10%
19	Bruijnzeel Matthew David	73,685	0.09%
20	Evers Philip James	62,709	0.08%
		75,519,790	**94.41%**

Substantial Shareholders

Substantial shareholders in the Company as disclosed in the substantial shareholder notices given to the Company as at 30 August 2018 were:

Holder Name	Securities	%
Braund Andrew James	15,789,474	19.73%
Gorilla Money Pl	11,212,500	14.02%
Stealth Angel Pl	11,212,500	14.02%
Silberman Hldgs Pl	8,733,893	10.92%
Mercury Cons Pl	7,664,211	9.58%
Roths Hldgs Aust Pl	7,192,895	8.99%
Galaxing Pl	6,639,211	8.30%

Options

There are no options on issue as at 30 June 2018.

Restricted Securities

Andrew James Braund's shares have been escrowed until 2 July 2020.

Voting Rights

Shares

On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid share of which he is a holder.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.