

# **BIR Financial Limited**

**ABN 14 074 009 091**

## **Annual Report**

for the year ended

30 June 2019

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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](http://www.birfinancial.com.au)

### **Principal Place of Business**

Level 2,  
350 Kent Street  
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**

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

### **Securities Exchange Listing**

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

## **PRINCIPAL ACTIVITIES**

During the year ended 30 June 2019 the principal activity of BIR Financial Limited is the ongoing development of Pulse equity capital markets, managed discretionary accounts and brokerage activities.

## **REVIEW OF OPERATIONS**

During the Period BIR Financial Limited ("BIR" or "the Company") completed the acquisition (28 June 2018) of 100% of the issued capital of Pulse Markets Pty Ltd ("Pulse Markets"). During the Period BIR completed 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.

In line with the prospectus associated with the acquisition of Pulse Markets Pty Ltd, key expenditure during the reporting period related to Pulse Markets ongoing development of Pulse equity capital markets, managed discretionary accounts and brokerage activities.

During the financial year ASIC has granted Pulse Markets Pty Ltd a variation to its AFS licence to provide a crowd funding service. Small unlisted companies may offer their shares up to \$5 million in any 12 month period while being exempted from certain disclosure requirements under Chapter 6D of the Corporations Act, subject to providing a CFS offer document with minimum information and a prescribed risk warning. There is an investor cap of \$10,000 per individual company per year for retail investors. A CFS offer may only be offered through CFS platform provider who must hold an AFSL which authorises the offering of CFS services.

## **EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

The directors are in the process of finalising the introduction of a secured mortgage investment instrument product "*mnotes*" (for wholesale clients only). Details of the product are outlined in the April 2018 Prospectus. The Directors are not aware of any other significant events since the end of the period.

## **DIRECTORS' REPORT**

Your Directors submit the annual financial report of BIR Financial Limited ("BIR" or "the Company") for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report is 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

### **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, Diatrene 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.

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.

**DIRECTORS' REPORT (Continued)****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.

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	-	9,004,386
Mr Gregory Starr	-	1,250,000
Mr Greg Smith	-	-
Mr Steven Nicols	-	3,147,028

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.

**DIRECTORS' REPORT (Continued)**

**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 \$2,326,246 (2018 Loss of \$602,372).

**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**

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.

**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.

**DIRECTORS' REPORT (Continued)**

**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 2019. 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)

*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. These amounts were inclusive of superannuation where applicable.

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.



**DIRECTORS' REPORT (Continued)**

The remuneration of individual non-executive Directors for the year ended 30 June 2019 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 2019 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 2019 or 30 June 2018.

*Shares Issued to Key Management Personnel on Exercise of Compensation Options*

No key management personnel exercised options during the years ended 30 June 2019 or 30 June 2018.

*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 2019 and 30 June 2018**

		Short-Term benefits			Post-employment		Equity	Other	Total	
		Salary & Fees	Bonuses	Non-Monetary Benefits	Super-annuation	Prescribed benefits	Options			Performance Related
		\$	\$	\$	\$	\$	\$	\$	\$	%
Mr Tal Silberman	2018	19,971	-	-	NIL	-	-	-	19,971	-
	2019	49,864	-	-	4,736L	-	-	-	54,600	-
Mr Gregory Starr *	2018	NIL	-	-	NIL	-	-	-	NIL	-
	2019	NIL	-	-	NIL	-	-	-	NIL	-
Mr Greg Smith	2018	19,971	-	-	NA	-	-	-	19,971	-
	2019	49,864	-	-	4,736L	-	-	-	54,600	-
Mr Steven Nicols	2018	1,473	-	-	NA	-	-	-	1,473	-
	2019	49,864	-	-	4,736	-	-	-	54,600	-
Mr Andrew Braund**	2018	NIL	-	-	NIL	-	-	-	NIL	-
	2019	302,012	-	-	28,691	-	-	-	330,703	-

Note:

\*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 additional 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 Chief Executive Officer of Pulse Markets Pty Ltd. Mr Braund's employment agreement includes a salary package inclusive of superannuation of \$350,000 p.a

The 2018 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**

<b>30-June-19</b>					
	<b>Balance 1/07/2018</b>	<b>Received as Remuneration</b>	<b>Options Exercised</b>	<b>Net Change Other</b>	<b>Balance 30/06/2019</b>
T Silberman <sup>1</sup>	7,802,895	-	-	1,201,491	9,004,386
G Starr <sup>2</sup>	-	-	-	1,250,000	1,250,000
G Smith	-	-	-	-	-
S Nicols <sup>3</sup>	3,147,028	-	-	-	3,147,028
A Braund <sup>4</sup>	15,789,474	-	-	-	15,789,474

<sup>1</sup> Mr Silberman holds the shares through a 100% owned entity Silberman Holdings Pty Limited. Mr Silberman acquired 1,201,491 shares in the year ended 30 June 2019

<sup>2</sup> Mr Starr acquired 1,250,000 shares in the year ended 30 June 2019

<sup>3</sup> 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

<sup>4</sup> Mr Braund received these shares as consideration for selling 100% ownership of Pulse Markets Pty Ltd to the Company.

**Table 3: Shareholdings of KMP**

<b>30-June-18</b>						
	<b>Balance 1/07/2017</b>	<b>Effect of 3.8:1 consolidation</b>	<b>Received as Remuneration</b>	<b>Options Exercised</b>	<b>Net Change Other</b>	<b>Balance 30/06/2018</b>
T Silberman <sup>2</sup>	-	-	-	-	7,802,895 <sup>1</sup>	7,802,895
G Starr	-	-	-	-	-	-
G Smith	-	-	-	-	-	-
S Nicols <sup>3</sup>	-	-	-	-	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 <sup>4</sup>	-	-	-	-	15,789,474	15,789,474

<sup>1</sup> Purchased 29,651,000 during the year. Following a 3.8:1 consolidation this reduced to 7,802,895.

<sup>2</sup> Mr Silberman holds the shares through a 100% owned entity Silberman Holdings Pty Limited.

<sup>3</sup> 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

<sup>4</sup> 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.

**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:

	<b>Paid services Fees to related entity</b>	<b>Accrued services Fees to related entity</b>	<b>Loan from related party</b>
T Silberman	30,723	30,723	- <sup>1</sup>
G Smith	-	-	-
S Nicols	-	-	-
G Starr <sup>2</sup>	206,878	20,680 <sup>3</sup>	-
A Braund	-	-	-

<sup>1</sup> 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 (agreed rate was 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.

The loan was fully repaid in the Financial year ended 30 June 2019.

<sup>2</sup> 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.

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:

	<b>Number Attended</b>	<b>Maximum Possible</b>	<b>Audit Committee<sup>1</sup></b>	<b>Nomination &amp; Remuneration Committee<sup>1</sup></b>
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**Number of meetings held:**

Mr T Silberman	9	9	-	-
Mr G Starr	9	9	-	*
Mr G Smith	9	9	*	-
Mr S Nicols	9	9	*	*

\* - Not a member of this committee

<sup>1</sup> – 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, Hall Chadwick, 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 2019.

There were no non-audit services provided by our auditors, Hall Chadwick.

Signed in accordance with a resolution of the Directors.

Tal Silberman  
Chairman  
SYDNEY, New South Wales  
30 August 2019



## **CORPORATE GOVERNANCE STATEMENT**

This statement is current as at 30 August 2019

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 4<sup>th</sup> 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 30 August 2019.

### **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.

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 is available on the Company website.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

*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 are 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.

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:

**CORPORATE GOVERNANCE STATEMENT (Continued)**

- 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.

As the first full year of the recent acquisition ended following the Reporting Period a formal Peer Review of the Board will occur in the subsequent Reporting Period.

*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.

As the first full year of the recent acquisition ended following the Reporting Period Appraisal of senior executives will occur in the subsequent Report Period.



**CORPORATE GOVERNANCE STATEMENT (Continued)****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)

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:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Length of Service</b>	<b>Independence</b>
Mr Tal Silberman	31 May 2017	Current	2 Years 2 Months	Major Shareholder
Mr Gregory Starr	28 February 2018	Current	1 Year 6 Months	Company Secretary
Mr Greg Smith	28 February 2018	Current	1 Year 6 Months	Independent
Mr Steven Nicols	21 June 2018	Current	1 Year 2 Months	Large shareholder

**CORPORATE GOVERNANCE STATEMENT (Continued)**

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.

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 be 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;

**CORPORATE GOVERNANCE STATEMENT (Continued)**

- 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 current members of the Audit Committee during the Reporting Period 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.

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 Hall Chadwick, the Company's current external auditor, to rotate engagement partners on listed companies at least every five years.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

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).*

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.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

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 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.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

*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 current members of the Nomination and Remuneration Committee during the Reporting Period 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.

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.

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.

**BIR FINANCIAL LIMITED**  
**ABN 14 074 009 091**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BIR FINANCIAL LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BIR Financial Limited. As the lead audit partner for the audit of the financial report of BIR Financial Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000



**Drew Townsend**  
**Partner**

Dated: 30 August 2019

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# **CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2019**

		Consolidated	
	Notes	2019 \$	2018 \$
<b>Revenue and Other Income</b>			
Revenue	2	851,190	-
Other Income		4,544	-
<b>Expenses</b>			
Operating Expenses	2	(504,573)	-
Salaries and employee benefits expense	2	(1,045,053)	-
Depreciation		(13,447)	-
Corporate and administration costs	2	(1,548,568)	(602,372)
Loss on sale of Plant and Equipment	2	(70,338)	-
<b>Loss before income tax expense</b>	2	(2,326,246)	(602,372)
Income tax expense	3	-	-
<b>Net Loss for the year</b>		(2,326,246)	(602,372)
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		(2,326,246)	(602,372)
Basic earnings (loss) per share (cents per share)	4	(2.86)	(1.50)
Diluted earnings (loss) per share (cents per share)	4	(2.89)	(1.50)

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AS AT 30 JUNE 2019**

		Consolidated	
		2019	2018
	Note	\$	\$
	s		
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	943,251	5,006,971
Trade and other receivables	6	107,304	523,441
Indemnified deferred tax liability	14	80,988	80,988
Financial assets	7	29,827	157,727
Other Assets	8	362,881	-
<b>Total Current Assets</b>		<b>1,524,252</b>	<b>5,769,127</b>
<b>Non-Current Assets</b>			
Indemnified acquisition cost	10	270,000	270,000
Plant and equipment	9	26,411	94,298
Intangible Assets	10	3,836,331	3,326,921
<b>Total Non-Current Assets</b>		<b>4,132,742</b>	<b>3,691,219</b>
<b>Total Assets</b>		<b>5,656,994</b>	<b>9,460,346</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	341,587	2,008,679
Provisions	12	477,000	234,535
Borrowings	13	3,099	280,577
<b>Total Current Liabilities</b>		<b>821,686</b>	<b>2,523,792</b>
<b>Non Current Liabilities</b>			
Indemnified Income tax Liability	14	80,988	80,988
<b>Total Non Current Liabilities</b>		<b>80,988</b>	<b>80,988</b>
<b>Total Liabilities</b>		<b>902,674</b>	<b>2,604,780</b>
<b>Net Assets</b>		<b>4,754,320</b>	<b>6,855,566</b>
<b>Equity</b>			
Issued capital	15	27,888,293	27,663,293
Accumulated losses		(23,133,973)	(20,807,727)
<b>Total Equity</b>		<b>4,754,320</b>	<b>6,855,566</b>

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 30 JUNE 2019**

	Note s	Consolidated	
		2019	2018
		\$	\$
		<i>Inflows/(Outflows)</i>	
<b>Cash flows from operating activities</b>			
Receipts from customers		1,232,994	-
Payments to suppliers and employees		(5,170,112)	(271,074)
Other revenue		180,296	-
Net cash used in operating activities	5	(3,756,822)	(271,074)
<b>Cash flows from investing activities</b>			
Proceeds on disposal of plant & equipment		3,581	-
Purchase of Plant and Equipment		(19,479)	-
Cash on acquisition of subsidiary		-	6,081
Acquisition of investments		(13,520)	
Net cash provided by investing activities		(29,418)	6,081
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities	15	-	5,000,000
Proceeds from borrowings		3,099	270,964
Repayment of borrowings		(280,577)	-
Net cash provided by financing activities		(277,478)	5,270,964
Net increase/(decrease) in cash and cash equivalents		(4,063,720)	5,005,971
Cash and cash equivalents at 1 July		5,006,971	1,000
<b>Cash and cash equivalents at end of year</b>	5	943,251	5,006,971

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Issued Capital \$</b>	<b>Consolidated Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2017</b>	20,151,333	(20,205,355)	(54,022)
Share issue	7,511,960	-	7,511,960
Total comprehensive income	-	(602,372)	(602,372)
<b>Balance at 30 June 2018</b>	<u>27,663,293</u>	<u>(20,807,727)</u>	<u>(6,855,566)</u>
Share issue	225,000	-	225,000
Total comprehensive income	-	(2,326,246)	(2,326,246)
<b>Balance at 30 June 2019</b>	<u>27,888,293</u>	<u>(23,133,973)</u>	<u>4,754,320</u>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 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. The financial statements have been prepared on an accrual basis and are based upon historical costs 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.

#### (b) Going Concern

On 28 June 2018, the company has acquired a cash generating company Pulse Markets Pty Ltd following an equity raise of \$5,000,000. Its shares were re-quoted on the ASX during the half year.

During the year ended 30 June 2019 the company incurred a net loss of \$2,326,246 and had a net operating cash outflow of \$3,754,822. A significant portion of the difference between the net loss and cash outflow related to payment of expenditure related to costs incurred in the acquisition of Pulse, fund raising and re-quotations of the company.

During the year the directors have put measures in place that are expected to result in a positive cashflow for the company in the near term.

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

#### (c) Adoption of new and revised standards

##### Standards and Interpretations applicable to 30 June 2019

In the year ended 30 June 2019, 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.

##### New Accounting Policies Adopted by the Group

###### *Initial application of AASB 9: Financial Instruments*

The Group has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, the Company has changed its financial instruments accounting policies as detailed in this note.

The Standard makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets.

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The application of AASB 9 has had no impact on the classification and measurement of the Company's financial assets and liabilities.

For trade receivables and contract assets under AASB 15, the Company applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component. There is no material change to the impairment allowance for trade receivables at 1 July 2018.

###### *Initial application of AASB 15: Revenue from Contracts with Customers*

The Company has adopted AASB 15: Revenue from Contracts with Customers with a date of initial application of 1 July 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed in this note.

The Company has applied AASB 15 using the cumulative effect method; that is, by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 July 2018. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue.

The Company has conducted an assessment and concluded that there were no significant changes and quantitative impact of those changes following the adoption of AASB 15.

##### New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company/ (Fund) has

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

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

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

### **(d) Statement of Compliance**

The financial report was authorised for issue on 30 August 2019.

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).

### **(e) 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.

### **(f) Revenue recognition**

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

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

### **(g) 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.

### **(h) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019****(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.

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.

**(k) 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 Profit and Loss and other Comprehensive Income.

*(ii) Derecognition and disposal*

An item of 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) Fair Value of Assets and Liabilities**

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

### **(m) Financial Instruments**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

#### **Classification and subsequent measurement**

##### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

##### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### Impairment

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company used the general approach to impairment, as applicable under AASB 9.

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### **Recognition of expected credit losses in financial statement**

At each reporting date, the company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

#### **(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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### (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 probable 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) 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.

### (r) 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.

### (s) 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.

### (t) Basis of consolidation

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 subsidiaries are eliminated to the extent of the Group's interests in the subsidiary. 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.

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 9 'Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### **(u) 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.

### **Goodwill**

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

## **NOTE 2: REVENUE AND EXPENSES**

### **(a) Revenue**

	Consolidated	
	2019	2018
	\$	\$
Brokerage fees	756,776	-
MDA Fees	35,397	-
Equity Capital Market fees	24,684	-
Interest received	1,333	-
Rental Income	33,000	-
	<u>851,190</u>	<u>-</u>

Revenue is recognised at a point in time when the service has been fulfilled and performance obligations have been met

### **(b) Expenses**

#### **Operating Expenses**

	2019	2018
	\$	\$
Commissions paid	426,103	-
IPRESS	49,845	-
MDA	2,625	-
Tradefloor expenses	26,000	-
	<u>504,573</u>	<u>-</u>

#### **Salaries and employee benefits expense**

Salary and wages	336,259	-
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### (b) Expenses

#### Operating Expenses

	2019	2018
	\$	\$
Superannuation	23,785	-
Consultants	683,906	-
Training	436	-
Workers Compensation insurance	666	-
	<u>1,045,053</u>	<u>-</u>

#### Corporate and administration costs

Professional services	783,347	478,165
Rent	312,170	-
Insurance	59,727	-
Compliance expenses	52,300	79,826
Telephone and internet	25,712	-
Other administrative costs	315,312	44,381
	<u>1,548,568</u>	<u>602,372</u>

#### Loss on sale of Plant and Equipment

70,338 -

### NOTE 3: INCOME TAX

Consolidated

#### Income Tax Expense

2019 2018  
\$ \$

The income tax expense for the year differs from the prima facie tax as follows:

Loss for year	(2,326,246)	(602,372)
Prima facie income tax (benefit) @ 30%	(697,874)	(180,712)
Deferred tax assets not brought to account <sup>+</sup>	697,874	180,712
Prior year losses utilised <sup>#</sup>	-	-
Total income tax expense	<u>-</u>	<u>-</u>

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.

<sup>+</sup> - 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.

<sup>#</sup> - 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 2019

### NOTE 4: EARNINGS/(LOSS) PER SHARE

	Consolidated	
	2019	2018
Basic earnings/(loss) per share (cents per share)	(2.86)	(1.50)
Diluted earnings/(loss) per share	(2.89)	(1.50)
	\$	\$
Earnings – Net profit/(loss) for year	(2,326,246)	(602,372)
Weighted average number of ordinary shares used in the calculation of:	81,250,370	40,216,664
Basic earnings per share		
Diluted earnings per share	81,630,507	40,216,664

### NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated 2019 \$	Company 2018 \$
Cash at bank	943,251	5,006,971
Cash at bank earns interest at floating rate based on daily bank deposit rates.		

### (i) Reconciliation of loss for the year to net cash flow used in operating activities:

	Consolidated	
Loss for the year	(2,326,246)	(602,372)

### Non-Cash items and reclassifications

Accrued Interest	-	9,613
Unrealised loss on option value	141,420	-
Depreciation	13,447	-
Net Loss on disposal of Plant and Equipment	70,338	-
Adjustment to Intangibles	(509,410)	-
Non-Cash Share issue	225,000	-

### Changes in assets and liabilities

Receivables	416,137	-
Payables	(1,667,092)	403,335
GST recoverable	-	(81,650)
Other Assets	(362,881)	-
Provisions	242,465	-
<b>Net cash flows (used in) operating activities</b>	<b>(3,756,822)</b>	<b>(271,074)</b>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

	Consolidated	
	<b>2019</b>	<b>2018</b>
A) <u>Current</u>	<b>\$</b>	<b>\$</b>
Sundry debtors	97,241	304,149
Prepayments	10,063	5,442
Security deposits - rental and other	-	213,850
	<u>107,304</u>	<u>523,441</u>

**B) Allowance for expected credit loss**

The Group applies the general approach to providing for expected credit losses prescribed by AASB 9, where the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses. To measure the expected credit losses, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The loss allowance provision as at 30 June 2019 is determined as follows; the expected credit losses also incorporate forward-looking information.

	<b>Total 2019</b>	<b>Total 2018</b>
Expected loss rate	0%	0%
Gross carrying amount	97,241	304,149
Loss allowing provision	\$0	\$0

**NOTE 7: FINANCIAL ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Options in listed Companies <sup>1</sup>	22,627	157,727
Shares in Listed Companies	7,200	-
	<u>29,827</u>	<u>157,727</u>

<sup>1</sup> 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 8: OTHER ASSETS**

	Consolidated	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rental Bond	190,519	163,850
Other Bonds	162,300	50,000
Prepaid Insurance	10,063	5,442
	<u>362,881</u>	<u>219,292</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 9: PLANT AND EQUIPMENT

	2019	2018
	\$	\$
<b>Year ended 30 June 2019 - movement</b>		
At 1 July 2018, net of accumulated depreciation	94,298	-
Cost on Acquisition of Pulse Markets 21 June 2018	-	94,298
Additions	19,480	
Disposals net of accumulated depreciation	(73,920)	-
Depreciation charge for the year	(13,447)	-
At 30 June 2019, net of accumulated depreciation	26,411	94,298

### NOTE 10: INTANGIBLE ASSETS

Consolidated

#### (a) Acquisition of 100% of the issued capital of Pulse Markets Pty Ltd

	2019	2018
	\$	\$
Goodwill	3,836,331	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	3,157,895
Add Net Liabilities of Pulse	172,081	172,081
Less excess indemnified acquisition costs to Pulse claimed acquisition expenses from BIR	(3,055)	(3,055)
Reclassification of acquisition related expenditure	266,945	-
Increase in Settlement fees allocated to goodwill	242,465	-
Total	3,836,331	3,326,921

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 when the shares received from the sale of the company are released from escrow.

#### Impairment test for Goodwill

BIR Financial Limited acquired Pulse Markets Pty Ltd ("Pulse") a specialist financial services, wealth management and advisory business, for total consideration of 15,789,474 Shares to the Vendor valued at \$3,157,895. These shares plus the net liabilities acquired (after post acquisition adjustments) of \$678,436 results in Goodwill of \$3,836,331.

The recoverable amount of Pulse is determined based on value-In-use calculation. Value-In-use is calculated based on the present value of the forecast profit from specialist financial services, wealth management and advisory business operations the MNotes product (as detailed in the April 2018 prospectus) over a 4 year term. No terminal value is assumed. The cash flows are discounted at a 10% discount rate.

Management has based the value-in-use calculations based on the historical performance and future prospects, taking into consideration the appointment of new advisors and the historical performance of the company at that level of advisors.

As a result of the value-in-use calculation, no Impairment of goodwill has been recorded In the Financial Statements.

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

### Key assumptions used In valuation assumptions

The following key assumptions were used in the value-in-use calculations:

#### Existing Operations:

- Existing operatorial performance levels with Advisor performance long term assumptions at pre-acquisition performance levels
- Advisors appointed early 2019 improving as a result of experience and education to agreed levels
- Two two new Equity Capital Market ("ECM") Advisors (nil currently) with performance levels reflecting previous Pulse ECM Advisor performance levels (earning commencing in October and December 2019)

#### MNotes:

- Starting in October 2019
- Initial secured mortgage product sales of \$5M per month increasing to \$15M by Financial Year end
- Net return to Pulse from Introduction, Management and Marketing fees less Advisor commissions.

#### Global:

- Discount rate of 10%
- 4 year term <sup>1</sup>

<sup>1</sup> The value of goodwill was reached well within the 4 Year term.

### NOTE 11: TRADE AND OTHER PAYABLES

#### Current

Trade payables and accruals

Consolidated	
2019	2018
\$	\$
341,587	2,008,679

### NOTE 12: PROVISIONS

#### Current

Provision for settlements and legal fees

Consolidated	
2019	2018
\$	\$
477,000	234,535

The provision relates to an estimate of claims against a company which was an authorised representative of Pulses' Australian Financial Services Licence for activities which occurred in 2014. The claims are being defended by Pulse.

### NOTE 13: BORROWINGS

#### Current

Unsecured loans – Related Parties <sup>1</sup>

Macquarie Premium Financing – Financing insurance premium

Consolidated	
2019	2018
\$	\$
-	280,577
3,099	-
3,099	280,577

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

<sup>1</sup> 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.

The loan balance of \$280,577 was repaid 2 July 2018.

### NOTE 14: INDEMNIFIED DEFERRED INCOME TAX LIABILITY

	Consolidated	
	2019	2018
	\$	\$
Indemnified deferred Income Tax Liability	80,988	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.

### NOTE 15: ISSUED CAPITAL AND RESERVES

	Consolidated	
	2019	2018
	\$	\$
Issued and paid up capital		
Ordinary shares fully paid	27,888,293	27,663,293

(a) Movement in ordinary shares on issue	2019	2019	2018	2018
	Number	\$	Number	\$
Balance at beginning of year	80,000,370	27,663,293	149,000,000	20,151,333
1 for 3.8 Consolidation 31 May 2017	-	-	(109,789,104)	-
Issue of new shares to Director on acquisition of Pulse	1,250,000	225,000	-	-
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	81,250,370	27,888,293	80,000,370	27,663,293

#### (b) Share Options

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### (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 16: RELATED PARTY DISCLOSURES

#### 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.

The amount was repaid in the year ended 30 June 2019.

#### 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).

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 issue 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 17: PARENT ENTITY INFORMATION

	Parent	
	2019	2018
	\$	\$
Current assets	931,983	5,097,518
Total assets	6,697,330	8,522,358
Current liabilities	(92,211)	(1,666,792)
Total liabilities	(92,211)	(1,666,792)
<b>Net assets</b>	<b>6,605,119</b>	<b>6,855,566</b>
Issued capital	27,888,293	27,663,293
Accumulated losses	(21,283,173)	(20,807,727)
<b>Total equity</b>	<b>6,605,119</b>	<b>6,855,566</b>
Loss of the parent entity after tax	(475,447)	(602,372)
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income/(loss) of the parent entity</b>	<b>(475,447)</b>	<b>(602,372)</b>

#### (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 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	
			2019	2018
Pulse Markets Pty Ltd	Ordinary	Australia	100%	100%
Selecta Funds Management Pty Ltd	Ordinary	Australia	100%*	100%

- 100% owned by Pulse Markets Pty Ltd

#### (c) Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

### NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Details of Key Management Personnel

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### *Executive Directors*

None

### *Non-Executive Directors*

Mr T Silberman

Mr 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)

### (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	
	2019	2018
	\$	\$
(b) KMP Remuneration		
The aggregate compensation paid to KMP is set out below:		
Short-term benefits	494,503	41,415
Post-employment benefits	-	-
Other	-	-
	<u>494,503</u>	<u>41,415</u>

### NOTE 19: 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, being equity capital markets trading. 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 20: 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 13 and equity attributable to equity holders comprising capital, and accumulated losses as disclosed in note 15.

#### 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	
	2019	2018
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents (interest-bearing accounts)	943,251	5,006,971
Net exposure	943,251	5,006,971

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

At 30 June 2019, 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:

	2019	2018
	\$	\$
Judgements of reasonably possible movements:		
<i>Post tax profit/(loss) – higher / (lower)</i>		
1.00%	6,603	35,049
-1.00%	(6,603)	(35,049)
<i>Equity – higher / (lower)</i>		
1.00%	6,603	35,049
-1.00%	(6,603)	(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.

### **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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019****NOTE 21: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

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.

**NOTE 22: AUDITOR'S REMUNERATION**

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor for:		
– auditing or reviewing the financial statements	40,045	26,000

**NOTE 23: COMPANY DETAILS****The registered office of the Company is:**

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

**The principal place of business is:**

Level 2, 350 Kent Street  
Sydney, NSW, 2000



## **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 2019 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, as stated in the face of the Financial Statements, 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 2019.

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

A handwritten signature in dark ink, appearing to read 'Tal Silberman', with a horizontal line drawn underneath it.

**Tal Silberman**

Chairman

SYDNEY, New South Wales

30 August 2019

BIR FINANCIAL LIMITED  
ABN 14 074 009 091

INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
BIR FINANCIAL LIMITED

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**Report on the Financial Report**

**Opinion**

We have audited the financial report of BIR Financial Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, 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 consolidated financial statements, including a summary of significant account policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of BIR Financial Limited and Controlled Entities 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 2019 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. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(b) in the financial report, which indicated that the group incurred a net loss after tax of \$2,326,246 and net operating cash outflows of \$3,756,822 for the year ended 30 June 2019. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**BIR FINANCIAL LIMITED**

**ABN 14 074 009 091**

**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
BIR FINANCIAL LIMITED**

***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 for the year ended 30 June 2019. 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.

<b>Key Audit Matter</b>	<b>How Our Audit Addressed the Key Audit Matter</b>
<b>Carrying value of Intangible Assets</b>	
Refer to Note 13 "Intangible Assets"	
BIR Financial Limited acquired Pulse Markets Pty Ltd for a consideration of \$3.3 million. This gave rise to a goodwill on acquisition of \$3.836 million.	We evaluated management's goodwill impairment assessment.
A value in use calculation was prepared based on a discounted cash flow over a four-year term to assess carrying value.	We obtained the value in use model and the agreed amounts to a combination of budgets and future plans.
We have focussed on this area as a key audit matter due to amounts involved being material and the inherent subjectivity associated with critical judgements being made in relation to forecast future revenue and costs; discount rates; and terminal growth rates.	Key inputs in the value in use model included forecast revenue, costs, discount rate.
	We involved our valuation specialists to recalculate management's discount rates based on external data where available. The valuation specialists were also involved in assessing the value in use model used for the methodology including the treatment the net present value calculations.
	We conducted sensitivity analysis taking into account the Group's historical forecasting accuracy and we evaluated whether any reasonable foreseeable changes in assumptions could lead to an impairment.
	We assessed BIR Financial Limited's disclosures of the quantitative and qualitative considerations in relation to the carrying value of goodwill.

**BIR FINANCIAL LIMITED****ABN 14 074 009 091****INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
BIR FINANCIAL LIMITED*****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 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Report***

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**BIR FINANCIAL LIMITED**

**ABN 14 074 009 091**

**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
BIR FINANCIAL LIMITED**

- 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.

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.

**BIR FINANCIAL LIMITED**

**ABN 14 074 009 091**

**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
BIR FINANCIAL LIMITED**

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 8 to 13 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of BIR Financial Limited for the year ended 30 June 2019 complies with s 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 s 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.



Hall Chadwick  
Level 40, 2 Park Street  
Sydney, NSW 2000



**DREW TOWNSEND**

Partner

Dated: 30 August 2019

**SUPPLEMENTARY INFORMATION**

The shareholder information set out below was applicable as at 22 August 2019.

**Distribution of Shareholders****Fully Paid  
Ordinary Shares**

Number of Holders	1,045
Holders of less than a marketable parcel (1) Based on a \$0.20 share price	547

Number of holders in the following distribution categories

1 – 1000	547
1,001 – 5000	105
5,001 – 10,000	217
10,001 – 100,000	62
100,001 and over	14

**Twenty Largest Shareholders**

The names of the twenty largest shareholders as at 22 August 2019 were as follows:

Rank	Holder Name	Securities	%
1	Braund Andrew James	15,789,474	19.43%
2	Roths Holdings Australia Pty Limited	14,241,584	17.53%
3	Gorilla Money Pty Limited	11,212,500	13.80%
4	Stealth Angel Pty Limited	11,212,500	13.80%
5	Silberman Holdings Pty Limited	9,024,386	11.11%
6	Mercury Cons Pty Limited	7,664,211	9.43%
7	Sinbad Pty Limited	3,147,028	3.87%
8	Gu Yinghua	1,960,527	2.41%
9	Greg Starr & Associates Pty Limited	1,250,000	1.54%
10	TFA International Pty Limited	862,812	1.06%
11	Luo Chongxing	320,872	0.39%
12	Yaopeng International Trade Pty Limited	189,500	0.23%
13	Manson Andrew Campbell	110,224	0.14%
14	Watson John Stanley	104,185	0.13%
15	De Belle S & Sheehan J	94,300	0.12%
16	Roths Duke Oliver	92,345	0.11%
17	Johnston Graeme & M	88,290	0.11%
18	Sin-Tang Mining Pty Limited	87,464	0.11%
19	Trust 4c	81,579	0.10%
20	Aloizos John & Muriel P	78,722	0.10%
		<b>77,612,503</b>	<b>95.52%</b>

**Substantial Shareholders**

Substantial shareholders in the Company as disclosed in the substantial shareholder notices given to the Company as at 22 August 2019 were:

Holder Name	Securities	%
Braund Andrew James	15,789,474	19.43%
Roths Holdings Australia Pty Limited	14,241,584	17.53%
Gorilla Money Pty Limited	11,212,500	13.80%
Stealth Angel Pty Limited	11,212,500	13.80%
Silberman Holdings Pty Limited	9,024,386	11.11%
Mercury Cons Pty Limited	7,664,211	9.43%

**Options**

There are no options on issue as at 30 June 2019.

**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.