Annual Financial Report and Appendix 4E

Empired Limited and its Controlled Entities
ABN 81 090 503 843

Reporting Period:	Full year ended 30 June 2020
Previous Corresponding Period:	Full year ended 30 June 2019

Results for announcement to the market:

				30-Jun-20 $		30-Jun-19 $
Revenue from ordinary activities	Down	-6%	to	165,549,359		176,014,365
Net profit for the period attributable to members	Up	139%	to	6,145,986		(15,311,847)
Basic earnings per share (cents per share)	Up	139%	to	3.84 c		(9.56) c

Net tangible assets per security:

	30-Jun-20 $		30-Jun-19 $
Net tangible asset backing per security	(0.04)	*	0.06

* The Net Tangible Assets per share has reduced as the right of use assets have been excluded as a tangible asset and the lease liability included.

Dividends:
Nil

Statement of Profit or Loss and Other Comprehensive Income:
Refer to attached Annual Report

Statement of Financial Position:
Refer to attached Annual Report

Statement of Changes in Equity:
Refer to attached Annual Report

Statement of Cash Flows:
Refer to attached Annual Report

Details of associates and joint venture entities:
Not applicable

Commentary on the results for the period:
Refer Chairman & CEO's review and Director's Report included in the attached report.

Audit:
This Appendix 4E is based on the attached financial report. The financial report has been audited and contains an independent audit report.

Empired Limited
And Its Controlled Entities

Annual Financial Report
For the year ended 30 June 2020

ABN 81 090 503 843

Contents

Corporate Directory

Directors
Thomas Stianos (Non-Executive Chairman)
John Bardwell (Non-Executive Director)
Richard Bevan (Non-Executive Director)
Cristiano Nicolli (Non-Executive Director)
Russell Baskerville (Managing Director & CEO)

Registered Office
Level 7
The Quadrant
1 William Street
Perth WA 6000
Telephone No: +618 6333 2200
Fax No: +618 6333 2323

Company Number
A.C.N: 090 503 843

Country of Incorporation
Australia

Company Domicile and Legal Form
Empired Limited is the parent entity
and an Australian Company limited by shares

Principal Places of Business

Perth
Level 7
The Quadrant
1 William Street
Perth WA 6000

Melbourne
Level 14, 360 Elizabeth Street
Melbourne VIC 3000

Auckland
Level 1, 152 Fanshawe St
Auckland 1010

Wellington
Level 4, 80 Willis Street
Wellington 6011

Dunedin
64 Willowbank
Dunedin 9016

Website
www.empired.com

Company Secretary
David Hinton

Auditors
Grant Thornton Audit Pty Ltd
Level 43, 152 -158 St Georges Terrace
Perth WA 6000

Share Register
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

ASX Code
EPD

Adelaide
Level 2, 8 Leigh Street
Adelaide SA 5000

Brisbane
Level 11, 79 Adelaide Street
Brisbane QLD 4000

Sydney
Level 12, 9 Hunter Street
Sydney NSW 2000

Christchurch
Level 2, 165 Gloucester Street
Christchurch 8011

Seattle
2018 156th Ave NE
Suite 108
Bellevue, WA, 98007
USA

Chairman & CEO Review

Dear Fellow Shareholders

On behalf of your Board of Directors, we present the Empired Limited 2020 annual report. The year was heavily disrupted by the COVID-19 pandemic which has resulted in a global health crisis and challenging economic conditions. Against this backdrop we are pleased to report that we have delivered on our FY20 priorities and advanced our strategic objectives that position the company for growth.

For the 2020 financial year Empired Limited delivered revenue of $166m and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of $19.0m. Net Profit After Tax (NPAT) was $6.1m resulting in earnings per share of 3.84 cents. Operating cash flow of $23.8m was excellent and reduced Net debt* by $10m to close at $4.4m at 30 June 2020.

We have delivered on our commitment to improved earnings and cash flow and demonstrated that the business has navigated the economic and operational impacts of the COVID-19 pandemic well.

Responding to these conditions was underpinned by a clear plan and methodical approach to execution. A COVID-19 Response Group was established ensuring a dedicated and clear focus was placed on the rapidly evolving environment, data and government directives in our many different regions of operation. This Group oversaw the policy development and execution of all plans in response to the COVID-19 pandemic. Of the highest priority was the safety of Empired's staff and clients' staff whilst ensuring immediate actions were taken to protect the company's operations and financial performance.

Plans were developed to undertake defensive actions which focused on internal changes to ensure a heightened risk posture and a conservative approach to the management of operations. In parallel, a set of growth initiatives were also undertaken which sought to adapt our business to optimise productivity and capture new market opportunities.

Defensive actions included remuneration reductions from our board though to our "Business Leadership Group", cancellation of the Short Term Incentive Plan for all participating staff, general overhead cost reductions, tight management of credit risk and a strong focus on cash flow and debt. Growth initiatives included the rapid mobilisation of our 1,000 staff working remotely and safely, a targeted marketing campaign focused on assisting clients in a new digital model and cross/upskilling staff in areas of heightened demand to ensure we productively maintained headcount.

The Company also availed itself of government incentives including JobKeeper allowing it to retain all of its staff through a period of significant disruption. This has allowed the company to retain all of its capability and capacity as we enter FY21 with a positive outlook.

As a result of these actions we have delivered sound financial performance, maintained high levels of confidence with our clients and retained almost all of our pre-pandemic workforce ensuring our business retains it's capability and capacity as we emerge to a new post-pandemic way of working.

Whilst not immune to the impacts of COVID-19 our New Zealand operations have performed exceptionally well throughout the year with sector leading revenue growth of 11%. This was underpinned by continued strong performance and growth with the Department of Internal Affairs where we are delivering a large multi-year program of work, a major application modernisation to our RIOD (Realtime Information for Operational Deployment) solution with NZ Police and key new contract wins with NZ telco 2degrees and Sky TV.

We continued our expansion in the Australian East Coast where we invested in key leaders and capability in the pursuit of new clients and larger contracts. Since then we have secured a number of multi-year, multi-million dollar contracts including managed services contracts with Cancer Council NSW, e-Health NSW and two potential multi-million dollar Microsoft Dynamics contracts. All of these contracts will contribute to revenue growth in FY21 and have commenced. We have also seen our East Coast sales pipeline grow greater than 30% giving confidence in sales growth for the coming year.

We worked closely with Microsoft where our relationship continues to expand into new services and strengthened in key client accounts. Microsoft awarded Empired the privilege of inclusion in it's most prestigious global Dynamics partner group the 'Business Applications Inner Circle' in both Australia and New Zealand. This demonstrates the ongoing strength of our relationship and provides a strong reference point for our clients.

Microsoft Dynamics services, provided by our Business Applications practice continued to see strong client demand and remains a central pillar to our strategy. Our New Zealand Business Applications services revenue grew by 6% in FY20 and whilst revenue in our Australian Business Applications practice was impacted by COVID-19 the sales pipeline is up strongly as we enter FY21.

Since Empired's inception a core part of our business model and strategy has been to secure large, multi-year enterprise managed services contracts. This provides a stable and growing base of recurring revenue with an opportunity to continue to expand and grow within these contracts each year.

In November 2019, we announced that we had secured a new 3 year master IT supply contract with Rio Tinto, at the time our largest client. Shortly following this we announced new managed services contracts expected to generate recurring revenue of $5m per annum with the opportunity to generate additional revenue through project services.

*Net debt and the reference to the reduction in debt excludes the lease liability introduced by AAB16 Leases.

Chairman & CEO Review (continued)

In April 2020, the Company announced that it had secure the largest contract in its history with Western Power. The contract will run for up to seven years and will see Empired manage all core IT infrastructure operations for Western Power. Over an initial five year period services revenue from managed services plus the infrastructure asset refresh program is estimated at $60m with an extensive opportunity to secure additional project services revenue. We are excited about working with Western Power and the credibility this contract brings to Empired as we contest new material contracts of this nature.

As we enter FY21 the above strategic wins have underpinned an increase of 55% in recurring revenue providing a solid platform that we will continue to build upon in the coming year as we pursue a number of significant opportunities similar to the Western Power contract.

Disrupted client operations and the overall impact of the COVID-19 pandemic remains uncertain, the company is confident in earnings growth and a strong FY21 financial performance.

Our confidence in FY21 performance is formed through the key points outlined in this letter; the overall company sales pipeline has strengthened, our New Zealand operations have delivered solid growth in FY20 up 11% and move into FY21 producing stable consistent results, our investments in the Australian east coast have led to a number of new client wins and over 30% increase in our Australian east coast sales pipeline. These key measures combined with an increase in recurring revenue of 55%, a strong Microsoft relationship and a number of large strategic deals to contest following the win with Western Power provide for an exciting year ahead for the company.

We would like to acknowledge and sincerely thank all of our staff who have worked tireless and in many cases made personal financial sacrifices to ensure Empired’s ability to protect the company and all of its employees and clients through a challenging and unsettling time.

We have made significant progress toward building a highly respected company that delivers value to all of its stakeholders and thank our partners, clients and shareholders for your support.

Yours faithfully

Russel Baskerville	Thomas Stianos
Managing Director & CEO	Non-Executive Chairman

Directors' Report

The Directors present their report on the consolidated entity comprising Empired Limited ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2020.

The names of the Company's directors in office during the year and until the date of this report are detailed below. Directors were in office for this entire period unless stated otherwise.

Directors

Name	Age	Experience and special responsibilities
Thomas Stianos Non-Executive Chairman	66	Mr Stianos joined the board as a Non-Executive on 29 November 2016 and was appointed Chairman on 1 July 2018. Mr Stianos is widely recognised as one of the most successful and experienced leaders in the IT industry. He is also a member of the Remuneration and Nomination Committee. Mr Stianos was previously the Managing Director of SMS Management & Technology Limited. He has also previously held senior positions with the Department of Premier and Cabinet, Department of Justice, and Department of Treasury & Finance. Mr Stianos holds a Bachelor of Applied Science from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors. Other current directorships of listed entities: - Gale Pacific Limited Previous directorships (last 3 years): - Inabox Group Limited
Russell Baskerville Managing Director & CEO	42	Mr Baskerville is an experienced business professional and has worked in the IT industry for in excess of 15 years. He has extensive knowledge in both the strategic growth and development of technology businesses balanced by strong commercial and corporate skills including strategy development and execution, IPOs, capital raisings, divestments, mergers and acquisitions. Mr Baskerville has been the Managing Director of Empired for fifteen years and has successfully listed the company on ASX and made a number of successful acquisitions. Mr Baskerville was previously a Non Executive Director of BigRedSky Limited, successfully developed and commercialised a SaaS delivered eRecruitment tool prior to the company being acquired by Thomson Reuters. Other current directorships of listed entities: - None Previous directorships (last 3 years): - None
Richard Bevan Non-Executive Director	54	Mr Bevan joined the board as a Non-Executive director on 31 January 2008 with corporate and senior management experience including various directorship's and CEO/MD roles in ASX listed and private companies, and was appointed Chairman on 29 November 2016 to 30 June 2018. Mr Bevan is also a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. Mr Bevan brings experience in the execution and integration of mergers, acquisitions and other major corporate transactions. Mr Bevan has been involved in a number of businesses in areas as diverse as healthcare, construction and engineering, resources and information services. Mr Bevan's roles within these businesses have included strategic operational management, implementing organic growth strategies, business integration and raising capital in both public and private markets. Other current directorships of listed entities: - Cassini Resources Limited Previous directorships (last 3 years): - None

Directors (continued)

Name	Age	Experience and special responsibilities
John Bardwell Non-Executive Director	60	Mr Bardwell has had a long career in the financial services and IT sectors through a variety of senior leadership positions. Mr Bardwell's previous executive experience includes Head of IT Services at Bankwest, Managed Services Director at Unisys West and as the General Manager of Delivery Services at Empired Ltd prior to his appointment to the Board as a non-executive Director on 26 November 2011. Mr Bardwell is Chairman of the Audit and Risk Committee. Mr Bardwell holds a Bachelor of Business and a Graduate Diploma in Applied Finance and Investment. He is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia. Mr Bardwell is a Board Member of Swancare Group, a specialist provider of retirement living and aged-care services, where he is also Chair of the Business Development Committee. Other current directorships of listed entities: - None Previous directorships (last 3 years): - None
Cristiano Nicolli Non-Executive Director	66	Mr Nicolli joined the Board on on 22 October 2018. He is highly regarded as an influential leader and successful businessman across the technology sector, he has corporate and ASX listed company experience and is sought after non-executive director. Mr Nicolli is the Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee. He was the Group Managing Director and CEO of UXC Limited from 2003 to 2016 when UXC Limited was sold to global IT firm CSC. During that time Mr Nicolli was instrumental in leading the growth and development of UXC to delivering revenue of $750m, employing 3,000 staff and is widely recognised as the largest and one of the most respected ASX listed IT companies in Australia. Mr Nicolli is also a non-executive director of ASX/ NZX listed Vista Group International Limited (VGL) a global market leader that provides software solutions across the global film industry. Mr Nicolli is also Treasurer of NFP Charity Kadasig Aid and Development. Mr Nicolli is a Fellow of the Australian Institute of Company Directors (FAICD), a past member of the New Zealand Society of Accountants and holds a Bachelor of Management & Business Studies. Other current directorships of listed entities: - Vista Group International Limited Previous directorships of listed entities (last 3 years): - Otherlevels Holdings Limited

Company Secretary

Name	Age	Experience and special responsibilities
David Hinton CFO & Company Secretary	57	Mr Hinton joined Empired in May 2016. He has had over 10 years experience in the technology sector having previously held the position of CFO and Company Secretary of ASX listed Amcom Telecommunications. Prior to Amcom he held a senior executive role in a large diversified listed company and was also a Manager at Ernst & Young. Mr Hinton holds a Bachelor of Business degree, is a Fellow of the Institute of Chartered Accountants and is a graduate of the Australian Institute of Company Directors and is a member of the Governance Institute of Australia. He is also Finance Director of not for profit Auspire - Australia Day Council WA. Mr Hinton is a non-executive director of ASX listed HeraMEd Limited and a Flag Officer of Royal Perth Yacht Club Inc.

Directors' Meetings

The number of Directors meetings and the number of meetings attended by each Director during the year are:

Name of Director	No. of Directors Meetings held while a Director	No. of Meetings Directors attended as a Director during the year ended 30 June 2020	No. of Audit and Risk Committee meetings held during the year ended 30 June 2020	No. of Audit and Risk Committee meetings attended during the year ended 30 June 2020
Russell Baskerville	13	13	-	-
Thomas Stianos	13	13	-	-
Richard Bevan	13	13	4	4
John Bardwell	13	13	4	4
Cristiano Nicolli	13	13	4	4

Name of Director	No. of Remuneration and Nomination committee meetings held during the year ended 30 June 2020	No. of Remuneration and Nomination Committee meetings attended during the year ended 30 June 2020
Russell Baskerville	-	-
Thomas Stianos	3	3
Richard Bevan	3	3
John Bardwell	-	-
Cristiano Nicolli	3	3

Operating and Financial Review

Review of operations

Empired Limited is an international IT Services Provider with a broad range of capabilities and a reputation for delivering enterprise class IT services and solutions. Established in 1999, Empired is a publicly listed company (ASX: EPD) formed in Western Australia.

With a team of approximately 1,000 people located across Australia, New Zealand and USA, Empired has built a reputation for service quality.

Our flexible service delivery approach has enabled Empired to secure clients that range from medium size entities through to large enterprise and public sector agencies.

The business operates as two segments:

- Australia
- New Zealand - which includes USA

Underlying drivers of performance

Empired generates its revenue from the provision of IT services. The IT consulting services which are billed on a fixed price or time and materials basis. These IT consulting services are deployed to deliver IT projects and for the provision of support services. Empired also generates revenue from the selling of third-party software licenses and Software as a Service revenue from its own proprietary ECM platform, Cohesion.

In May 2019, Empired announced that it was not successful in securing a new contract with Main Roads Western Australia which was estimated to have a revenue impact on FY20 of approximately $10m. This is the main reason why the Australian segment recorded a reduction in revenue in FY20 over FY19.

$m AUD	*1H 20*	2H 20	2020	2019	%
Revenue					
Australia	50.2	47.8	98.0	116.5	-16%
New Zealand	34.2	33.3	67.5	60.9	11%
Inter segment	-	-	-	(1.4)	
	84.4	**81.1**	**165.5**	**176.0**	**-6%**

On 28 April 2020, Empired announced the securing of a material multi-year contract with Western Power which will commence in FY21.

Operating and Financial Review (continued)

COVID-19 impacts
In H2, revenue and profitability was effected by the impacts of the COVID-19 pandemic. In response the company took immediate steps to protect the health and safety of its people and customers.

Steps were taken to reduce operating costs which included cancellation of the FY20 short term incentive plan, reduction in Board and Executive remuneration, enforced annual leave and standing down of employees.

The Company has availed itself of JobKeeper Payments and has included as income $4.1m in FY20 and expects further income in FY21.

To assist with funding and liquidity, bank facilities have been re-negotiated to temporarily increase the limit under the borrowing base facility from $15m to $16m and to relax some of the debtor eligibility criteria under this facility in order to provide additional liquidity.

Minor rent relief was obtained from landlords in FY20 and arrangements are in place to have some rent deferred in FY21.

Results
The profit after tax for the financial year ended was $6.1m compared to a reported loss of $15.3m in the previous year which was impacted by a $25.4m impairment charge.

The results reported for the 2020 financial year are in accordance with AASB 16 Leases. AASB16 was adopted for the first time this year, in order to provide the current year results on a comparable basis to the previous year the results for FY19 have been adjusted as shown in the below table. The key change is to remove the rent expense from EBITDA and include amortisation on the Right of Use Asset and interest on the lease liability. The impact on cash flow and balance sheet is shown further below.

$m AUD	FY20	*Pro forma* FY19*	Reported FY19	%[#] Change
Revenue	165.5	*176.0*	176.0	-6%
Other income	4.2	-	-	
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**19.0**	***19.0***	**13.8**	**0%**
Depreciation & amortisation	(2.8)	*(8.5)*	(8.5)	
Right of use asset amortisation	(5.7)	*(5.2)*	-	
Earnings before interest and tax (EBIT)	**10.5**	***5.3***	**5.3**	**97%**
Interest	(0.7)	*(1.3)*	(1.3)	
Interest on leased liabilities	(0.8)	*(0.8)*	-	
Profit before tax and impairment	9.0	*3.2*	4.0	**181%**
Impairment	-	*(25.4)*	(25.4)	
Tax	(2.9)	*6.2*	6.0	
Profit after tax	**6.1**	***(15.9)***	**(15.3)**	**139%**
EPS (c)	3.84 c	*(9.95) c*	(9.56) c	

* Adjusted for AASB 16 Leases so as to be comparative with FY20 reporting
[#] % change from pro forma

Other income in FY20 includes $4.1m of JobKeeper Payments from the Federal Government's COVID-19 stimulus assistance.

Directors' Report (continued)

Operating and Financial Review (continued)

Cash flow
The following table summarises the cash flow for the financial year ended 30 June 2020:

$m AUD	H1 FY20	H2 FY20	FY20	*Pro Forma*¹ *FY19*	Reported FY19
EBITDA	**7.8**	**11.2**	**19.0**	**19.0**	**13.8**
Tax refunded/(paid)	0.2	0.2	0.4	(0.9)	(0.9)
Non cash items	-	-	-	0.6	0.6
Working capital	3.0	1.4	4.4	(4.3)	(5.1)
Operating cash flow	**11.0**	**12.8**	**23.8**	**14.5**	**8.5**
Purchases of P&E and intangibles	(2.7)	(3.8)	(6.5)	(10.7)	(10.7)
Finance costs (net)	(0.5)	(0.2)	(0.7)	(1.3)	(1.3)
Interest leases	(0.4)	(0.4)	(0.8)	(0.8)	-
Repayment of leases	(3.1)	(3.2)	(6.3)	(5.9)	-
Repayment of bank debt	(7.0)	(2.0)	(9.0)	(3.5)	(3.5)
Share buy-back	(0.1)	-	(0.1)	-	-
Net movement in cash	**(2.8)**	**3.3**	**0.5**	**(7.8)**	**(7.1)**

* Adjusted for AASB 16 Leases so as to be comparative with FY20 reporting

Operating cash flow increased to $23.8m from $14.5m compared to the operating cash flow on a pro forma basis. The increase in Operating cash flow is due to positive movements in working capital and a refund of income tax in the 2020 financial year.

Financial position
The financial position or balance sheet is shown below in summary form.

$m AUD	Jun-20	Dec-19	Jun-19
Cash	6.3	2.7	5.6
Receivables and contract assets	30.1	27.7	35.1
Other	2.5	2.0	2.3
Current assets	**38.9**	**32.5**	**42.9**
Trade and other payables	15.2	13.4	16.7
Borrowings	1.9	1.9	2.0
Lease liabilities (including hire purchase)	5.4	6.2	0.4
Provisions and other	9.0	6.5	8.1
Current liabilities	**31.4**	**28.0**	**27.2**
Current asset surplus	**7.5**	**4.5**	**15.7**
Plant & equipment	5.2	5.6	6.2
Intangibles	56.1	53.8	51.5
Intangible - Right of use assets	17.9	16.7	0.0
Deferred tax assets	5.7	7.8	8.2
Non-current assets	**84.8**	**83.9**	**65.9**
Borrowings	8.6	10.7	17.4
Lease liabilities	14.6	12.7	0.0
Other	0.8	0.9	2.3
Non-current liabilities	**24.0**	**24.3**	**19.7**
Net assets/equity	**68.3**	**64.1**	**61.9**
Net tangible assets (NTA)*	(5.6)	(6.4)	10.4
Net debt (Nd)	24.1	28.8	14.3
Net debt ex. lease liabilities	4.4	10.1	14.3
Gearing (Nd/(Nd+Equity))	26%	31%	19%
Gearing (Nd/(Nd+Equity)) ex. lease liabilities	6%	14%	19%

* Treating all right of use assets as intangible

The major changes in the balance sheet has been due to the introduction of AASB16 Leases. As of 1 July 2019, an intangible asset called Right of Use Assets and a corresponding lease liability representing the net present value of future lease rental payments split between current and non-current was introduced.

Operating and Financial Review (continued)

Financial position (continued)
The introduction of the lease liability for office lease rentals has increased the Net debt to $24.1m and Gearing to 26%. However, if this liability is not included then Net debt has reduced to $4.4m and Gearing to 6%.

The introduction of AASB16 has negatively impacted Net Tangible Assets as the Right of Use Asset is treated as intangible.

Receivables and contract assets have decreased by $5.0m during the financial year.

Bank borrowings comprise a term loan of $6.5m that is repayable by March 2022 and a Borrowing Base drawn down to $4m on a facility of $16m (reducing to $15m on 31 December 2020) due March 2022.

Business strategies and prospects for future financial years
Please refer to the Chairman and CEO report.

Material Business Risks
Empired has identified and continues to assess its material business risks.

The material business risks faced by the company that are likely to have a material effect on the financial prospects of the company, and how the company manages these risks include:

Reduction in demand – the ability to sustain and grow revenue is dependent upon continuing demand for the IT professional services that the company provides, we do not foresee any material decline in demand. However, this is dependent upon stable macro-economic conditions, the actions of competitors and any extended negative impacts of COVID-19 all of which are outside the control of the company.

Ability to deliver services profitably – there are many inputs to the delivery of profitable services to customers. This risk is addressed through the critical assessment, pricing and monitoring of projects.

Ability to attract and retain people with the requisite skills - the ability to grow revenue longer term and deliver repeatable profitable projects is dependent upon attracting and retaining appropriately skilled people. The working from home requirements of COVID-19 has not had a material impact on the productivity of our people. There is the risk that inability of people to travel due to COVID-19 restrictions may impact on productivity and the ability to attract and retain people with the requisite skills.

Dividends
The Directors do not recommend payment of a dividend (2019: nil).

Likely developments
The Company is not aware of any likely developments as at the date of this report.

Performance Rights granted to Directors and Officers
Executive Officers were granted 2,786,667 Performance Rights under the Long Term Incentive Plan. Information relating to the grants is detailed in the notes to the financial statements.

Unissued shares under option
There are no unissued shares under option at the date of this report.

Shares issued during or since the end of the year as a result of exercise

During or since the end of the financial year, the Company issued ordinary shares as a result of the vesting and subsequent exercising of Performance Rights as follows (there were no amounts unpaid on the shares issued):

Date options granted	Issue price of shares ($)	Number of shares issued
28 July 2020	-	286,517

Auditor

The lead auditor's Independence Declaration as required under s307c of the Corporations Act 2001 for the year ended 30 June 2020 has been received and can be found on page 55 of the financial report.

Non-audit services

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor

- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 30 to the financial statements.

Indemnification and insurance of directors and officers

During the year, Empired Limited paid a premium to insure directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has agreed, to the extent permitted by law, to indemnify each Director and Company Secretary of the Company against any and all reasonable liabilities incurred in respect of or arising out of any act in the course of their role as an officer of the Company.

The Company has not agreed to indemnify the auditor of the Company, however a controlled entity has provided an indemnity to the auditor of that controlled entity for losses arising from false or misleading information provided or third party claims except to the extent such amounts are determined to have been caused by the auditor's fraud.

Proceedings on behalf of the Company

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

Significant events after the reporting date

There have been no significant events to report subsequent to reporting date.

Remuneration Report (Audited)

The Directors of Empired Limited present the Remuneration Report ("the Report") for the Company and its controlled entities for the year ended 30 June 2020 ("FY20"). This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001* .

Remuneration philosophy
The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract and retain high calibre executives;
- Link executive rewards to shareholder value;
- Have a material portion of certain executive's remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles for variable executive remuneration.

Linking remuneration 'at risk' to Company performance
The Group recorded a net profit after tax of $6.1m for the year ended 30 June 2020 compared to a net loss after tax of $15.3m in the previous financial year. Earnings per share increased to 3.8 cents per share.

Remuneration Structure
In accordance with the best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

A. Non-executive director remuneration
Objective
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.

Structure
The constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 27 November 2014 when shareholders approved an aggregate remuneration of $500,000 per year.

The amount of aggregated remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed from time to time. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

The remuneration of Non-Executive Directors, the Executive Director and other Key Management Personnel for the period ended 30 June 2020 is detailed in the table in Section E.

B. Executive remuneration
Objective
The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company so as to:

- Reward executives for company, business unit and individual performances against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link rewards with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure
In determining the level of remuneration paid to senior executives of the Company, the Board took into account available benchmarks and prior performance.

Remuneration consists of the following key elements:
- Fixed Remuneration
- Variable Remuneration
    - Short Term Incentive (STI); and
    - Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each senior executive by the Remuneration and Nomination Committee and the Board. The table in Section E below details the fixed and variable components of the executives of the company.

Fixed remuneration
Objective
Fixed remuneration is reviewed annually by the Board. The process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internally, and where appropriate, external advice on policies and practices. As noted above, the Board has access to external advice independent of management.

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

The fixed remuneration component of the company executives is detailed in the table in Section E.

Variable remuneration - Short Term Incentive (STI)
Objective
The objective of the STI program is to link the achievement of the Group’s performance and operational targets with the remuneration received by the executives charged with meeting those targets.

Structure
Actual STI paid to the Company executives depend on the extent to which specific operating targets set at the beginning of the financial year are met. The targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as revenue, profitability, customer service, risk management, and leadership/team contribution.

Any STI payments are subject to the approval of the Board. Payments made are delivered as a cash bonus in the following financial year.

Variable pay - Long Term Incentive (LTI)
Objective
The objective of the LTI plan is to reward senior executives in a manner that aligns this element of remuneration with the objective of creating shareholder wealth.

As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Structure
LTI grants to executives are delivered in the form of performance rights.

The table in Sections F and G provide details of performance rights granted and the value of equity instruments granted and lapsed during the year. The performance rights were issued for nil consideration. Each performance right entitles the holder to subscribe for one fully paid ordinary share in the entity based on achieving vesting conditions at a nil exercise price, and up to 1.5 ordinary shares should Stretch Performance Measures be achieved.

During the financial year, 2,786,667 Performance Rights were issued under the Long Term Incentive Plan on terms and conditions determined and approved by the Board of Directors. This is summarised in the table below. The number of Performance Rights offered is based upon the agreed LTI value divided by the share price of the Company at the end of the financial year.

The vesting conditions selected are designed to align remuneration with the objective of creating shareholder value over the long-term. The performance measures that have been chosen are:
- Basic Earnings per Share (EPS) adjusted for any abnormal costs or transaction costs due to its sensitive nature, EPS targets are disclosed retrospectively should the Performance Rights vest.
- Return on Equity (ROE), a measure of the net profit after tax for the financial year ended 30 June 2022 divided by total equity as at 30 June 2022. Due to its sensitive nature, ROE targets are disclosed retrospectively should the Performance Rights vest.
- Absolute Total Shareholder Return is measured over the period 1 July 2019 to 30 June 2022.

Number	Performance Measures	% Vesting (1)	Vesting Dates
1,114,667	**FY 2022 Basic EPS**		1/09/2022
	Below Threshold	0%	
	Threshold achieved	50%	
	Target achieved	100%	
	Stretch achieved	150%	
557,333	**FY 2022 Return on Equity**		1/09/2022
	Below Threshold	0%	
	Threshold achieved	50%	
	Target achieved	100%	
	Stretch achieved	150%	
1,114,667	**Absolute TSR (1 July 2019 - 1 September 2022)**		1/09/2022
	Below - Threshold	0%	
	Threshold achieved	50%	
	Target achieved	100%	
	Stretch achieved	150%	

(1) Vesting to occur on a pro-rata basis

Should an employee leave Empired then Performance Rights are forfeited unless decided otherwise by the Board.

Where Performance Rights vest the holder of the Performance Right has until 1 September 2024 to exercise the Performance Right.

Should the Directors consider that a Change of Control in the company has occurred or is likely to occur then Performance Rights will automatically vest on the basis one fully paid ordinary share for each Performance Right held with Board discretion to provide up to 1.5 fully paid ordinary shares for each Performance Right held.

Consequence of performance on shareholder wealth
In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following metrics in respect of the current financial year and the previous three financial years:

Item	2020	2019	2018	2017	2016
EPS (cents)	3.84	(9.56)	3.06	2.42	(1.47)
Dividends (cents per share)	-	-	-	-	-
Net profit/(loss) ($000)	6,146	(15,312)	4,882	3,161	(1,724)
Share price ($)	0.33	0.27	0.51	0.54	0.34

As a consequence of the FY20 performance and the economic climate, of the Company has not paid any STI to key management personnel.

C. Key Management Personnel

(i) **Directors**

The following persons were directors of Empired Limited during the financial year to date of report:

T Stianos	Non-executive Chairman
R Bevan	Non-executive Director
J Bardwell	Non-executive Director
C Nicolli	Non-executive Director
R Baskerville	Managing Director

(ii) **Other key management personnel**

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

S Bright	Chief Operating Officer
D Hinton	Chief Financial Officer and Company Secretary

(iii) **Remuneration of Key Management Personnel**

Information regarding key management personnel compensation for the year ended 30 June 2020 is provided in table in Section E of this remuneration report.

D. Service Agreements

Russell Baskerville – Managing Director

Terms of Agreement – commenced 1 July 2019, until terminated by either party, with six months notice.
Fees – fixed remuneration $600,000 per annum with an STI and LTI bonus allocation to be determined by the Board.

Thomas Stianos – Non-Executive Chairman

Terms of Agreement – appointed 29 November 2016.
Fee – fixed $120,000 per annum.

Richard Bevan – Non-Executive Director

Terms of Agreement - appointed 31 January 2008.
Fee – fixed $90,000 per annum.

John Bardwell – Non-Executive Director

Terms of Agreement – appointed 26 September 2011.
Fee – fixed $85,000 per annum.

Cristiano Nicolli - Non-Executive Director

Terms of Agreement – appointed 22 October 2018.
Fee – fixed $85,000 per annum.

David Hinton – Chief Financial Officer and Company Secretary

Terms of Agreement – commenced 12 April 2016, until terminated by either party, with three months notice.
Salary – fixed remuneration $433,500 per annum with an additional STI cash bonus target of 25% of base fees and LTI bonus target of 40%[#] of base fees.

Simon Bright – Chief Operating Officer

Terms of Agreement – commenced 1 July 2016, until terminated by either party, with three months notice.
Salary – fixed remuneration NZ$469,200 per annum with an STI cash bonus target of 30% of base fees and LTI bonus target of 40%[#] of base fees.

[#] *As provided by the Empired Long Term Incentive Plan Rules, should stretch targets be achieved then the LTI benefit could be 50% higher.*

E. Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (`KMP') of Empired Limited are shown in the table below:

		Short term benefits			Post Employment				
$	Year	Salary & Fees	Non-cash benefits	Cash STI	Superannuation	Share-based payments (1)	Total	% Performance related	% of STI achieved
Non-Executive Directors									
T. Stianos	2020	107,763	-	-	10,237	-	118,000	-	-
	2019	109,589	-	-	10,411	-	120,000	-	-
R. Bevan	2020	80,822	-	-	3,904	-	84,726	-	-
	2019	82,193	-	-	7,808	-	90,001	-	-
C. Nicolli	2020	71,766	-	-	6,818	-	78,584	-	-
	2019	53,260	-	-	5,060	-	58,320	-	-
C. Ryan	2020	-	-	-	-	-	-	-	-
	2019	31,250	-	-	-	-	31,250	-	-
J. Bardwell	2020	71,766	-	-	6,818	-	78,584	-	-
	2019	68,493	-	-	6,507	-	75,000	-	-
Executive Directors									
R. Baskerville	2020	570,238	11,976	-	21,003	144,566	747,783	19.3%	-
	2019	644,453	9,168	-	-	209,554	863,174	24.3%	-
Key Management									
D. Hinton	2020	389,292	12,771	-	36,983	67,836	506,882	13.4%	-
	2019	413,675	10,200	-	28,207	112,614	564,696	19.9%	-
S. Bright	2020	424,507	17,165	-	12,735	67,483	521,890	12.9%	-
	2019	438,747	17,342	-	13,222	113,956	583,268	19.5%	-

(1) Comprises the share payment expense recognised in the reporting period for performance rights on issue.

F. Directors' and Key Management Personnel Equity Holdings

Shares held in Empired Limited

All equity transactions with directors and executives, other than those arising from the vesting of performance rights and as part of remuneration, have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

	Balance 01-Jul-19	Vesting of Performance Rights	Net Change Other	Balance 30-June-20
Directors				
R. Baskerville	9,125,283	-	-	9,125,283
T. Stianos	143,200	-	100,000	243,200
R. Bevan	79,800	-	-	79,800
C. Nicolli	290,000	-	83,500	373,500
J. Bardwell	4,249,904	-	50,096	4,300,000
Total	13,888,187	-	233,596	14,121,783
Key Management				
D. Hinton	52,093	-	-	52,093
S. Bright	15,877	-	(14,518)	1,359
Total	67,970	-	(14,518)	53,452

Performance Rights held in Empired Limited

Performance rights are issued for nil consideration and do not have an exercise price. The movements and balances of performance rights for the financial year are summarised in the below table.

	Balance 01-Jul-19	Granted as remuneration	Lapsed	Vested	Balance 30-June-20
Directors					
R. Baskerville	2,686,546	1,000,000	(1,124,946)	-	2,561,600
Key Management					
D. Hinton	1,058,878	377,778	(449,878)	-	986,778
S. Bright	1,070,878	388,889	(453,878)	-	1,005,889
Total	4,816,302	1,766,667	(2,028,702)	-	4,554,267

F. Directors' and Key Management Personnel Equity Holdings (continued)

Performance Rights granted to the Executive Team are under the Company's Long Term Incentive Plan. Refer to the notes to the financial statements for more detail regarding the plan.

Performance Rights granted as part of remuneration:

2020		Grant date	Number granted as remuneration	Average Value per right at grant date	Value of rights granted during the year
Non-Executive Directors	T. Stianos	-	-	-	-
	R. Bevan	-	-	-	-
	C. Nicolli	-	-	-	-
	J. Bardwell	-	-	-	-
Executive Directors	R. Baskerville	6/12/2019	1,000,000	$0.15	$ 153,200
Key Management	D. Hinton	3/10/2019	377,778	$0.13	$ 50,169
	S. Bright	3/10/2019	388,889	$0.13	$ 51,644

2019		Grant date	Number granted as remuneration	Average Value per right at grant date	Value of rights granted during the year
Non-Executive Directors	T. Stianos	-	-	-	-
	R. Bevan	-	-	-	-
	C. Nicolli	-	-	-	-
	J. Bardwell	-	-	-	-
Executive Directors	R. Baskerville	11/12/2018	880,000	$0.30	$ 268,243
Key Management	D. Hinton	16/07/2018	353,000	$0.39	$ 138,370
	S. Bright	16/07/2018	353,000	$0.39	$ 138,370

G. Performance Hurdles for Performance Rights vested during the financial year

The Company from time to time grants Performance Rights to executives under the Empired Executive Long Term Incentive Plan. In the case of grants to the Managing Director, shareholder approval is sought at the Annual General Meeting prior to Performance Rights being granted. As stated in the applicable Notice of Meeting, to convene the members meeting to approve the grant of Performance Rights, the details of the performance hurdles are subject to members' approval. Should the performance hurdle be satisfied then the Company will disclose the details in the subsequent Remuneration Report.

During the financial year no Performance Rights vested as performance hurdles were not achieved.

H. Voting and comments made at the company's 2019 Annual General Meeting

The company did not receive any specific feedback at the AGM on its remuneration report.

End of Remuneration Report

Signed in accordance with a resolution of directors.

Russell Baskerville
Managing Director
17 August 2020

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Empired Limited and its Controlled Entities (''the Group'') have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ended 30 June 2020 was approved by the Board on 17 August 2020. The Corporate Governance Statement is available on Empired's website at www.empired.com/Investor-Centre/Corporate-Governance/.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Revenue from contracts with customers	4	165,549,359	176,014,365
Other income	5	4,184,500	-
Cost of licenses		(14,290,247)	(14,678,231)
Employee benefits		(125,121,578)	(128,380,387)
Depreciation and amortisation expense	6A	(8,502,600)	(8,464,003)
Occupancy expenses		(541,000)	(5,821,152)
Impairment expenses	6B	-	(25,352,785)
Other expenses		(10,769,724)	(13,334,058)
Operating profit/(loss)		**10,508,710**	**(20,016,251)**
Finance costs	7	(1,524,197)	(1,394,816)
Finance income		13,997	60,239
Profit/(loss) before income tax		**8,998,510**	**(21,350,828)**
Income tax (expense)/benefit	8	(2,852,524)	6,038,981
Profit/(loss) for the year		**6,145,986**	**(15,311,847)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(135,999)	486,157
Total comprehensive income/(loss) for the year		**6,009,987**	**(14,825,690)**
Earnings per share (cents per share):			
Basic earnings/(loss) per share	9	3.84	(9.56)
Diluted earnings/(loss) per share	9	3.69	(9.56)

This Statement of Profit & Loss should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

AS AT 30 JUNE 2020

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	10	6,316,968	5,551,971
Trade and other receivables	11	21,599,744	22,985,739
Contract assets	4	8,525,275	12,136,933
Other current assets	12	2,496,622	2,273,771
Total current assets		38,938,609	42,948,414
Non-current Assets			
Plant and equipment	13	5,177,190	6,236,263
Intangible assets	14	56,100,583	51,539,561
Deferred tax asset	8	5,651,301	8,160,143
Right of use assets	15	17,871,839	-
Total non-current assets		84,800,913	65,935,967
TOTAL ASSETS		123,739,522	108,884,381
LIABILITIES			
Current liabilities			
Trade and other payables	17	14,883,604	16,685,941
Income tax payable	8	309,555	35,705
Borrowings	18	1,854,671	2,032,726
Lease liabilities	19	5,371,495	376,534
Provisions	20	7,315,073	5,925,436
Contract liabilities	4, 21	1,689,674	2,158,205
Total current liabilities		31,424,072	27,214,547
Non-current Liabilities			
Borrowings	18	8,636,677	17,413,416
Lease liabilities	19	14,568,739	-
Provisions	20	829,947	2,334,927
Total non-current liabilities		24,035,363	19,748,343
TOTAL LIABILITIES		55,459,435	46,962,890
NET ASSETS		68,280,087	61,921,491
EQUITY			
Issued capital	23	54,146,878	54,204,746
Reserves	22	3,696,135	3,425,657
Retained profits		10,437,074	4,291,088
TOTAL EQUITY		68,280,087	61,921,491

This Statement of Financial Position should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		190,569,019	197,638,807
Payments to suppliers and employees		(169,859,814)	(188,288,868)
Government subsidy received		2,731,500	-
Income tax received/(paid)		370,568	(854,150)
Net cash flows from operating activities	10	23,811,273	8,495,789
Cash flows from investing activities			
Purchase of intangibles		(5,906,608)	(9,948,374)
Purchase of plant and equipment		(569,723)	(794,540)
Net cash flows used in investing activities		(6,476,331)	(10,742,914)
Cash flows from financing activities			
Buyback of shares		(57,868)	-
Interest on bank borrowings		(768,511)	(1,397,127)
Interest on leases		(755,686)	-
Interest received		13,997	60,239
Repayment of borrowings		(24,541,607)	(8,779,869)
Repayment of lease liabilities		(6,273,740)	(718,425)
Proceeds from borrowings		15,560,843	5,260,794
Net cash flows used in financing activities		(16,822,572)	(5,574,388)
Net increase/(decrease) in cash and cash equivalents		512,370	(7,821,513)
Effect of exchange rate fluctuations on cash held		252,627	8,805
Cash and cash equivalents at beginning of period		5,551,971	13,364,679
Cash and cash equivalents at end of period	10	6,316,968	5,551,971

This Statement of Cash Flows should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital $	Retained Profits $	Foreign Currency Translation Reserve $	Employee Equity Benefits Reserve $	Total Equity $
Balance at 1 July 2018	54,204,746	19,602,935	(96,676)	2,381,783	76,092,788
Loss for the year	-	(15,311,847)	-	-	(15,311,847)
Other comprehensive gain	-	-	486,157	-	486,157
Share-based payments	-	-	-	654,393	654,393
Balance at 30 June 2019	54,204,746	4,291,088	389,481	3,036,176	61,921,491
Profit for the year	-	6,145,986	-	-	6,145,986
Other comprehensive gain	-	-	(135,999)	-	(135,999)
Share buy back	(57,868)	-	-	-	(57,868)
Share-based payments	-	-	-	406,477	406,477
Balance at 30 June 2020	54,146,878	10,437,074	253,482	3,442,653	68,280,087

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The consolidated financial report of Empired Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 17 August 2020.

Empired Limited, is a for profit entity, whose shares are publicly traded on the Australian Securities Exchange, is a company incorporated in Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of operations
The principal activities of the Group include the provision of IT solutions and product and licensing.

(b) General information and statement of compliance
The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Empired Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis, and is based on historical costs modified where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial report is presented in Australian dollars.

(c) New and revised standards that are effective for these financial statements
The Group has adopted the new accounting pronouncements which have become effective this year, and are as follows:

i) AASB 16 *Leases*
AASB 16 Leases has been applied using the modified retrospective approach. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from AASB 117 and AASB Interpretation 4 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117 and AASB Interpretation 4.

The Group has elected not to include initial direct costs in the measurement of the right of use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019.

At this date, the Group has also elected to measure the right of use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments and lease incentives. The provision for lease incentives previously booked has accordingly been netted of the right of use asset as at 1 July 2019 as the modified retrospective approach was used. Instead of performing an impairment review on the right of use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16. As at the date of adoption there were no leases considered onerous or right of use assets impaired. On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised was 4.1% per annum.

On transition, leases previously accounted as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the accounting policy is to expense on a straight-line basis over the remaining lease term and not recognising a right of use assets continues.

As described above, the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117.

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right of use asset and a lease liability on the Statement of Financial Position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

(c) New and revised standards that are effective for these financial statements (continued)

i) AASB 16 *Leases* (continued)
The Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the lease term. Right of use assets and lease liabilities are shown on the Statement of Financial Position.

The adoption of AASB 16 has also effected the Statement of Cash Flows since 1 July 2019. Previously lease payments, included as a period cost in the Statement of Profit or Loss, where included in Cash flows from Operating activities now these outflows are included in Finance activities split between repayment of lease liabilities and finance costs.

The following is a reconciliation of total leases commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

	$
Lease commitments as at 30 June 2019	22,968,964
Provision recognised	(723,910)
Lease liabilities as at 30 June 2019	390,698
	22,635,752
Future finance charges	(1,810,098)
Lease liabilities as at 1 July 2019	20,825,654

The Group has leases for its office premises and software.

The key impact has been to bring to account a right to use asset and lease liability in respect in the obligations under the lease of the office premises of the Group together with the introduction of an amortisation charge on the right of use asset and the splitting of lease payments between interest and principle reduction of the lease liability.

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- Lease liabilities increased by $20,825,654
- Right of use assets increased by $18,361,110
- Current provisions decreased by $864,223
- Non-current provisions decreased by $1,600,321
- Retained earnings no change as retrospective modified approach was used

ii) AASB Interpretation 23 *Uncertainty over Income Tax Treatment*
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group applied a risk weighted measurement to the tax treatments used in the Group and has determined that there is no change required under AASB Interpretation 23 *Uncertainty over Income Tax Treatments*.

(c) New and revised standards that are effective for these financial statements (continued)

iii) AASB 3 *Business Combinations*
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is

(d) Impact of standards issued but not yet applied

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(e) Basis of consolidation
The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2020. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June 2020.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(f) Property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and impairment losses in value. Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Leasehold Improvements 5 – 20 yrs
Furniture & Fittings 1 – 15 yrs
Computer Hardware 1 – 8 yrs

(g) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

(h) Goodwill
Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets other than goodwill

Initial recognition of other intangible assets
Acquired both separately and from a business combination
Intangible assets acquired separately are capitalised at cost. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably assured.

Internally developed software
Costs incurred in developing software are capitalised where future financial benefits can be reasonably assured. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and the cost of the asset can be measured reliably. These costs include employee costs incurred on development along with appropriate portion of relevant overheads.

Subsequent measurement
All finite-lived intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in 2(i). The following useful lives are applied:

- Software 1 - 7 years
- Customer relationships 3 - 7 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing.

(j) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit’s (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Operating segments

The Group has two operating segments: Australia and New Zealand. In identifying these operating segments, management follows the geographical presence representing the main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

For management, purposes the Group uses the same measurement policies as those used in its financial statements.

(l) Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
• amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:
• the entity's business model for managing the financial asset
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets
(i) Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Impairment
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependant on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')
• financial instruments that have objective evidence of impairment at the reporting date ('Stage 3')

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade and other receivables
The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses using a provision matrix.

The Group asses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 2(l) for a detailed analysis of how the impairment requirements of AASB 9 are applied.

(n) Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade payables and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(o) Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at bank, in hand and short-term deposits with an original maturity of three months or less net of bank overdrafts.

(p) Provisions, contingent assets and liabilities
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situation are disclosed as contingent liabilities unless the outflow of resources is remote.

(q) Employee benefits
(i) Short-term employee benefits

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

(ii) Other long-term employee benefits
The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to the market yields on high quality corporate bonds with terms and currencies that match as closely as possible. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The Group presents employee benefit obligations as current liabilities in the Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

(r) Share-based payment transactions
The Group provides remuneration to certain employees, including Directors, of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is measured using a variation of the binomial option pricing model that takes into account the terms and conditions on which the instruments were granted and the current likelihood of achieving the specified target. Further, the cost of equity-settled transactions is recognised, together with a corresponding increase in the Employee Equity Benefits Reserve, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Leases
As described in Note 2(c), the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117 and IFRIC 4.

Accounting policy applicable from 1 July 2019
For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Leases (continued)

On the statement of financial position, right of use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Short-term leases and leases of low value

Short-term leases (lease term of 12 months or less) and leases of low value assets (under 5,000 USD) are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise office equipment hire.

Accounting policy applicable before 1 July 2019

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the consolidated profit or loss on a straight-line basis over the lease term.

(t) Revenue from contracts with customers

Revenue arises mainly from IT consulting services and product and license revenue.

To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. Revenue which represent income arising in the course of the Groups ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Groups and the customers rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Recognition and measurement

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and/ or implied in the Group's customary business practises. A good or service is distinct if:
(i)The customer can either benefit from the good or service on its own or together with other readily available resources; and
(ii)The good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or significantly modify, or highly interrelate with, other goods or services promised in the contract).

If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. If a standalone selling price is not directly observable, the Group will need to estimate it using adjusted market assessment approach, expected cost plus a margin approach and residual approach.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue from contracts with customers (continued)

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point.

Control over the goods or services are transferred over time and revenue is recognised over time if:

(i) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(ii) The Group's performance creates or enhances a customer-controlled asset; or
(iii) The Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

Revenue for a performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Software as a Service (SaaS)
Revenue is derived from providing customers access to group platforms and is recognised in accordance with the terms of contracts provided in the subscription agreement. The SaaS and related support revenue (if any) is recognised over time, being the subscription period, as the customer simultaneously receives and consumes the benefit of accessing the platform.

Access to the platforms is not considered distinct from other performance obligations, such as set-up and support, as access to any platform alone does not allow the customer to obtain substantially all the benefits of the access, and is therefore accounted for as a single performance obligation.

Product and License Revenue
Revenue from the sale of product and software licenses is recognised when or as the Group transfers control of the assets to the customer.

Professional Services
Revenue from professional services for a fixed fee or time and material is recognised when or as the Group transfers control of the assets to the customer. Invoices for goods or services transferred are due upon receipt by the customer. Revenue is recognised over time as the work is performed. As costs are generally incurred uniformly as the work progresses and are considered to be proportionate to the entity's performance.

(u) Government grants and subsidies

Government grants and subsidies are recognised where there is reasonable assurance that the they will be received and all attached conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants or subsidies of non-monetary assets, the asset and the grant/subsidy are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(v) Foreign currency transactions

The consolidated financial statements are presented in Australian Dollars (‘AUD’), which is also the functional currency of the Parent Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

In the Group’s financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Income tax

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

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

- Except where the deferred income tax liability 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences 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 assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary differences 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; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting 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.

The tax expense recognised in profit or loss compromises the sum of deferred tax and current tax not recognised in other comprehensive income. The calculation of current tax is based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred taxes are calculated using the balance sheet liability method.

Management has applied a risk weighted measurement to the tax treatments used in the Group and has determined that there is no change required under *IFRIC 23 Uncertainty over Income Tax Treatments.*

(x) Other taxes

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

- Where 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 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.

(y) Equity and reserves

Issued capital represents the amounts contributed for shares less issuance costs and consideration paid for share buy-backs.

Other components of equity include the following:

- **Foreign currency translation reserve -** compromises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into AUD.

- **Employee equity benefits reserve -** compromises share-based employee remuneration.

Retained profits includes all current and prior period retained profits.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Significant accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policies.

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 2(z).

(ii) Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is measured by using a variation of the binomial option pricing model that takes into account the terms and conditions on which the instruments were granted and the current likelihood of achieving the specified target. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(iii) Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Group uses the high quality corporate bond rate as the discount rate when measuring its Australian dollar dominated long term employee benefits.

(iv) Estimation of useful lives of assets

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

(v) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(vi) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(vii) Recognition of service contract revenues

As revenue from after-sales maintenance agreements and construction contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied. For after-sales maintenance agreements this requires an estimate of the quantity of the services to be provided, based on historical experience with similar contracts. In a similar way, recognising revenue for construction contracts also requires significant judgment in determining the estimated number of hours required to complete the promised work when applying the hours-to-hours method described in Note 2(t).

(viii) Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see Note 2(i)).

3 SEGMENT REPORTING

Management identifies its operating segments based on the Group's geographical presence, which represent the main products and services provided by the Group. The Group's two operating segments are:

- Australia
- New Zealand

No operating segments have been aggregated to form the above reportable operating segments.

There is no single customer on which the Group's revenue depended during the financial year.

The Chief Executive Officer is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group’s financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated upon consolidation and reflected in the elimination column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

The revenues and profit generated by each of the Group’s operating segments and segment assets are summarised as follows:

	Australia	New Zealand	Elimination	Total
	$	$	$	$
2020				
Revenue				
From external customers	98,020,883	67,528,476	-	165,549,359
From other segment	-	-	-	-
Total	**98,020,883**	**67,528,476**	**-**	**165,549,359**
Segment profit (EBITDA)	10,664,034	8,347,276		19,011,310
Segment assets	73,896,301	49,843,220	-	123,739,521
Segment non-current assets	48,563,549	36,237,364	-	84,800,913
2019				
Revenue				
From external customers	115,504,559	60,509,806	-	176,014,365
From other segment	1,019,631	427,972	(1,447,603)	-
Total	**116,524,190**	**60,937,778**	**(1,447,603)**	**176,014,365**
Segment profit (EBITDA) prior to underlying adjustments	7,325,359	6,475,178		13,800,537
Segment profit (underlying EBITDA)	8,442,350	6,849,935	-	15,292,285
Impairment	17,343,902	8,008,883		25,352,785
Segment assets	74,353,328	34,531,053	-	108,884,381
Segment non-current assets	56,564,601	9,371,367	-	65,935,967

Finance costs and finance income are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes are not allocated to those segments as they are also managed on a group basis.

The Group’s segment operating EBITDA reconciles to the Group’s profit before tax as presented in the financial statements as follows:

	2020	2019
	$	$
Total reporting segment operating underlying EBITDA	19,011,310	15,292,285
Less:		
Finance costs (net)	(1,510,200)	(1,334,577)
Depreciation and amortisation expenses	(8,502,600)	(8,464,003)
One off costs	-	(1,491,748)
Impairment	-	(25,352,785)
Group profit/(loss) before tax	8,998,510	(21,350,828)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020 $	2019 $
Revenue		
Services revenue	150,401,382	159,398,897
Product and license revenue	15,147,977	16,615,468
Total revenue from contracts with customers	165,549,359	176,014,365
Geographical markets		
Australia		
Services revenue	89,001,043	103,879,098
Product and license revenue	9,019,840	11,625,460
New Zealand		
Services revenue	61,400,339	55,519,798
Product and license revenue	6,128,137	4,990,008
Total revenue from contracts with customers	165,549,359	176,014,365
Timing of revenue recognition		
Services revenue		
Transferred at a point in time	93,789,726	88,785,721
Transferred over time	56,611,656	70,613,175
Product and license revenue		
Transferred at a point in time	15,147,977	14,033,939
Transferred over time	-	2,581,530
Total revenue from contracts with customers	165,549,359	176,014,365
Market type		
Government	50,418,729	47,309,151
Non-government	115,130,630	128,705,214
Total revenue from contracts with customers	165,549,359	176,014,365

Customers generally pay for amounts billed on a 30 day basis.

	2020 $	2019 $
Contract balances		
Contract assets	8,525,275	12,136,933
Contract liabilities (Note 21)	1,689,674	2,158,205

During the financial year contract assets reduced by $3,611,658 largely as a result of a major managed service contract coming to an end during the financial year together with a number of projects with on-going multi-year customers naturally concluding in the financial year.

All of the prior year's closing balance contract liabilities are now in revenue and we estimate that all of the current year closing balance will be brought to account as revenue in the financial year ended 30 June 2021.

5 OTHER INCOME

	2020 $	2019 $
Government subsidy	4,084,500	-
Other income	100,000	-
	4,184,500	-

6 EXPENSES

	2020 $	2019 $
6A Depreciation and amortisation		
Depreciation of plant and equipment	1,581,337	4,043,395
Amortisation of intangible assets	1,257,961	4,420,608
Amortisation of right of use assets	5,663,302	-
	8,502,600	8,464,003
6B Impairment expenses		
Plant and equipment (refer Note 13)	-	7,614,851
Intangible assets (refer Note 14)	-	17,029,201
Trade and other receivables	-	708,734
	-	25,352,785

7 FINANCE EXPENSES

	2020 $	2019 $
Interest expenses - bank borrowings	699,166	1,348,805
Interest expenses - leases	825,031	46,011
	1,524,197	1,394,816

8 INCOME TAX
(a) Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Empired Ltd at 30% (2019: 30%) and the reported tax expense in profit or loss are as follows:

	2020 $	2019 $
Current income tax payable	343,625	451
Deferred income tax relating to origination and reversal of temporary differences		
- Origination and reversal of temporary differences	2,507,569	(6,086,495)
- Under provision in respect of prior years	1,330	47,063
Income tax expense/(benefit)	2,852,524	(6,038,981)

(b) Numerical reconciliation between aggregate tax expense recognised in the comprehensive income statement and tax expense calculated per the statutory income tax rate

	200 $	2019 $
Accounting profit/(loss) before income tax	8,998,510	(21,350,828)
Income tax expense to accounting profit		
Domestic tax rate for Empired Ltd (30%)	2,699,553	(6,405,248)
Tax rate differential	(75,506)	58,663
Employee option expense	121,943	196,318
Amortisation of intangibles	927	5,736
Other expenditure not allowed for income tax purposes	104,332	174,591
Foreign exchange differences	(55)	(116,104)
Under provision in respect of prior years	1,330	47,063
Income tax expense/(benefit)	2,852,524	(6,038,981)

8 INCOME TAX (continued)

(c) Recognised deferred tax assets and liabilities

Deferred income tax balances relate to the following:

	Opening Balance	Recognised in Profit and Loss	Exchange Differences	Closing Balance
30 June 2020	**$**	**$**	**$**	**$**
Deferred tax liabilities				
Contract assets	3,140,944	(753,844)	-	2,387,100
Right of use assets	-	2,520,018	-	2,520,018
Trade and other receivables	-	367,908	(6,063)	361,845
Other	36,417	(31,994)	1,275	5,698
Gross deferred tax liabilities	3,177,361	2,102,088	(4,788)	5,274,661
Deferred tax assets				
Provisions	1,038,257	(872,270)	-	165,987
Equity raising costs	106,227	(54,221)	-	52,006
Borrowing costs	1,595	(1,365)	-	230
R&D Tax Offsets carried forward	3,745,620	(779,764)	-	2,965,856
Fixed assets	2,778,802	(1,337,760)	(5,221)	1,435,821
Trade and other receivables	63,882	(63,881)	-	-
Employee obligations	2,159,093	353,442	18,996	2,531,531
Lease liabilities		3,310,980	-	3,310,980
Other	29,543	(2,525)	627	27,645
Tax losses	1,414,485	(959,444)	(19,135)	435,906
Gross deferred tax assets	11,337,504	(406,808)	(4,733)	10,925,962
	8,160,143	(2,508,896)	55	5,651,301
30 June 2019				
Deferred tax liabilities				
Contract assets	2,874,258	266,686	-	3,140,944
Fixed assets	3,030,446	(3,030,447)	-	-
Trade and other receivables	24,495	(24,495)	-	-
Other	24,849	9,235	2,333	36,417
Gross deferred tax liabilities	5,954,048	(2,779,021)	2,333	3,177,361
Deferred tax assets				
Provisions	1,064,225	(25,968)	-	1,038,257
Equity raising costs	193,460	(87,233)	-	106,227
Borrowing costs	3,269	(1,674)	-	1,595
R&D Tax Offsets carried forward	4,100,040	(354,420)	-	3,745,620
Fixed assets	-	2,769,359	9,443	2,778,802
Trade and other receivables	2,482	61,423	(23)	63,882
Employee obligations	2,102,835	30,369	25,889	2,159,093
Other	12,513	13,930	3,100	29,543
Tax losses	479,833	854,625	80,027	1,414,485
Gross deferred tax assets	7,958,657	3,260,411	118,436	11,337,504
	2,004,609	6,039,432	116,103	8,160,143

(d) Tax payable

	2020	2019
	$	$
Income tax payable	309,555	35,705

(e) Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, Empired Limited and its 100% Australian owned subsidiaries formed a tax consolidated group. The head entity of the consolidated group is Empired Limited.

The head entity is responsible for tax liabilities of the group. Intra group transactions are ignored for tax purposes and there is a single return lodged on behalf of the group.

Empired Limited formally notified the Australian Taxation Office of its adoption of the tax consolidation regime upon lodgement of its 30 June 2003 consolidated tax return.

9 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent

The following represents the income and share data used in the basic and diluted earnings per share computations:

	2020	2019
	$	$
Net profit/(loss) attributable to ordinary equity holders of the parent	6,145,986	(15,311,847)

	2020	2019
	'000s	'000s
Weighted average number of ordinary shares for basic earnings per share	159,950	160,127
Effect of Dilution:		
Performance rights	6,427	6,507
Weighted average number of ordinary shares adjusted for the effect of dilution	166,377	166,634

As the Group incurred a loss for the 2019 financial year, the options on issue have an anti-dilutive effect, therefore the diluted EPS is equal to the basic EPS. A total of 2,730,369 performance rights which could potentially dilute EPS in the future have been excluded from the diluted EPS calculation because they are anti-dilutive for the prior year presented.

10 CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash

	2020	2019
	$	$
Cash at bank and in hand:		
-AUD	3,005,416	1,774,768
-NZD	2,476,453	3,265,039
-USD	835,099	508,338
-SGD	-	3,826
	6,316,968	5,551,971

(b) Reconciliation of net cash flows from operating activities to profit after income tax

	2020	2019
	$	$
Profit/(loss) after income tax	6,145,986	(15,311,847)
Finance expenses (net)	1,510,200	1,334,578
Depreciation and amortisation	8,502,600	8,464,003
Impairment losses	-	25,352,785
Share payment expense	406,477	654,393
Changes in assets and liabilities net of effects of purchases and disposals of		
Decrease in receivables	1,385,995	2,545,732
Decrease/(increase) in contract assets	3,611,658	(1,242,767)
Increase in prepayments	39,779	-
Increase/(decrease) in trade creditors and other payables	1,119,965	(6,028,406)
Decrease in contract liabilities	(468,531)	(135,104)
Increase in deferred tax asset	-	(6,155,534)
Increase/(decrease) in provisions	1,557,144	(982,044)
Net cash from operating activities	23,811,273	8,495,789

11 TRADE AND OTHER RECEIVABLES

	2020	2019
	$	$
Current		
Gross trade receivables	20,690,281	23,542,062
Allowance for credit losses (refer Note 26)	(492,856)	(997,876)
Other receivables	1,402,319	441,553
	21,599,744	22,985,739

Trade receivables are non-interest bearing and are generally on 30-day terms.

12 OTHER CURRENT ASSETS

	2020	2019
	$	$
Prepayments	2,496,622	2,273,771

13 PLANT AND EQUIPMENT

2020	Leased equipment $	Leasehold improvements $	Computer hardware $	Furniture, equipment & fittings $	Total $
Gross carrying amount					
Balance 1 July 2019	-	6,448,009	8,033,429	1,514,152	15,995,591
Additions	-	16,562	542,973	10,188	569,723
Exchange differences	-	(17,066)	92,129	9,111	84,174
Balance 30 June 2020	**-**	**6,447,505**	**8,668,531**	**1,533,451**	**16,649,488**
Depreciation and impairment					
Balance 1 July 2019	-	(2,532,072)	(6,760,388)	(466,867)	(9,759,327)
Depreciation	-	(607,866)	(949,808)	(155,297)	(1,712,971)
Balance 30 June 2020	**-**	**(3,139,938)**	**(7,710,196)**	**(622,164)**	**(11,472,298)**
Carrying amount 30 June 2020	**-**	**3,307,567**	**958,335**	**911,287**	**5,177,190**

2019	Leased equipment $	Leasehold improvements $	Computer hardware $	Furniture, equipment & fittings $	Total $
Gross carrying amount					
Balance 1 July 2018	39,506	6,015,328	21,073,555	2,603,290	29,731,679
Additions	-	520,255	253,138	21,147	794,540
Disposals	(39,506)	(113,982)	(13,357,042)	(1,170,777)	(14,681,307)
Exchange differences	-	26,408	63,778	60,492	150,678
Balance 30 June 2019	**-**	**6,448,009**	**8,033,429**	**1,514,152**	**15,995,590**
Depreciation and impairment					
Balance 1 July 2018	(35,031)	(2,059,565)	(9,599,274)	(1,088,516)	(12,782,386)
Disposals	39,506	106,605	9,245,225	933,327	10,324,663
Impairment losses	-	(75)	(3,238,656)	(19,476)	(3,258,207)
Depreciation	(4,475)	(579,037)	(3,167,683)	(292,202)	(4,043,397)
Balance 30 June 2019	**-**	**(2,532,072)**	**(6,760,388)**	**(466,867)**	**(9,759,327)**
Carrying amount 30 June 2019	**-**	**3,915,937**	**1,273,041**	**1,047,285**	**6,236,263**

During 2019 an impairment charge of $7,614,851 (inclusive of disposed assets) was raised following a review of the year end carrying values and the value in use of the assets. The assessment of value in use considered a number of factors impacting future cash flows including general technological change and obsolescence and strategic direction of the Group. There were no impairment charges reversed during the current or previous financial year in relation to plant and equipment.

14 INTANGIBLE ASSETS

2020	Goodwill $	Software $	Other $	Total $
Gross carrying amount				
Balance 1 July 2019	46,446,049	26,883,054	162,550	73,491,653
Additions	-	5,924,122	-	5,924,122
Exchange differences	-	(111,760)	-	(111,760)
Balance 30 June 2020	46,446,049	32,695,416	162,550	79,304,015
Depreciation and impairment				
Balance 1 July 2019	-	(21,792,633)	(159,459)	(21,952,092)
Amortisation	-	(1,248,249)	(3,091)	(1,251,340)
Balance 30 June 2020	**-**	**(23,040,882)**	**(162,550)**	**(23,203,432)**
Carrying amount 30 June 2020	**46,446,049**	**9,654,534**	**-**	**56,100,583**

Intangible assets, other than goodwill, have finite lives and are required to be amortised over their expected lives. Goodwill has an infinite life. Goodwill assumptions have been detailed below. No impairment was recorded.

2019	Goodwill $	Software $	Other $	Total $
Gross carrying amount				
Balance 1 July 2018	46,446,049	24,486,954	355,462	71,288,465
Additions	-	9,948,374	-	9,948,374
Disposals	-	(7,687,527)	(249,303)	(7,936,830)
Exchange differences	-	135,253	56,391	191,644
Balance 30 June 2019	46,446,049	26,883,054	162,550	73,491,653
Depreciation and impairment				
Balance 1 July 2018	-	(8,291,525)	(284,163)	(8,575,688)
Disposals	-	7,136,002	249,302	7,385,304
Amortisation	-	(4,420,608)	-	(4,420,608)
Impairment losses	-	(16,477,675)	-	(16,477,675)
Exchange differences	-	261,173	(124,598)	136,575
Balance 30 June 2019	**-**	**(21,792,633)**	**(159,459)**	**(21,952,092)**
Carrying amount 30 June 2019	**46,446,049**	**5,090,421**	**3,091**	**51,539,561**

During 2019 an impairment charge of $17,029,201 was raised following a review of the year end carrying values and the value in use of the assets. The assessment considered a number of factors impacting the carrying values including general technological change and obsolescence and strategic direction of the Company. There were no impairment charges reversed during the current or previous financial year in relation to intangible assets.

14 INTANGIBLE ASSETS (continued)

Goodwill
Goodwill acquired through business combinations with indefinite lives are allocated to the Australian and New Zealand cash generating units (CGUs), which are also the operating and reportable segments for impairment testing. The carrying amount of goodwill allocated to each CGU is as follows:

	2020 $	2019 $
Australia	27,105,898	27,105,898
New Zealand	19,340,151	19,340,151
Total carrying amount of goodwill	46,446,049	46,446,049

The Group performed the annual impairment test in June 2020. The Group considers the relationship between its equity market capitalisation and the net assets as shown on the balance sheet, among other factors, when reviewing for indicators of impairment. No indicators of impairment are noted. In considering the carrying value of goodwill, the Directors have adopted a value in use methodology to determine the recoverable amounts of each CGU which confirms that no impairment charge is necessary.

The recoverable amount of each CGU has been determined based on a value in use calculation that uses the cash flow budgets over a one year period, followed by an extrapolation of expected cash flows for the CGUs over a four year period using the growth rates determined by management and the assumptions outlined below. The present value of the expected cash flows and a terminal value for each segment is determined by applying a suitable discount rate.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions
Managements key assumption is that stable economic conditions prevail for the foreseeable future. Cash flow projections reflect stable profit margins previously achieved and that no material deterioration in the cash margin is anticipated. In making this assessment the possible impacts of COVID-19 have been taken into account. The sensitivity analysis undertaken considers each key assumption in isolation and does not take into account any remedial action that may be taken if, for example, margins were to deteriorate.

The calculation of value in use for each CGU is most sensitive to the following assumptions:

Gross profit margins - are based upon FY21 budgets and margins achieved in the current year. Gross profit margins are the most sensitive variable to the value in use calculation. However, a reasonable possible change is not likely to cause a material impairment. If gross profit margins were to reduce by more than 400 basis points in Australia or by more than 500 basis points in New Zealand without any compensating adjustment to cash flows then it is likely that a goodwill impairment charge would occur.

Cost price inflation – has been based upon publicly available inflationary data.

Growth rate estimates – It is acknowledged that technological change, macro-economic factors and action of competitors can have an impact on growth rate assumptions. Growth rates for revenue and costs have been assumed post year 5 at 2%. If terminal growth was to reduce to zero, in real terms, then it is estimated that a goodwill impairment charge is unlikely.

Discount rates – represent the current market risks, taking into consideration the time value of money and specific risks not incorporated in the cash flow forecasts. The discount rate is based upon the weighted average cost of capital (WACC). WACC is assessed taking into account the expected return on investment by investors, the cost of debt servicing plus beta factors for industry risk. The Directors have adopted a WACC of 14% which is applied to the forecast pre-tax cash flows after capital expenditure of each CGU.

15 RIGHT OF USE ASSETS

	2020 $	2019 $
On adoption of AASB 16	18,361,110	-
Additions	5,174,031	-
	23,535,141	-
Amortisation	(5,663,302)	-
Total right of use assets	17,871,839	-

The following describes the nature of the Group's leasing activities by type of right of use asset recognised on the balance sheet:

Right of use asset	Office building
Number of right of use assets leased	10
Range of remaining term	0.5 - 7.7 years
Average remaining lease term	3.1 years
Number of leases with extension options	8
Number of leases with options to purchase	-
Number of leases with variable payments linked to an index	2
Number of leases with termination options	-

16 EMPLOYEE BENEFITS

The total expense relating to equity-settled share-based payment transactions in 2020 was $406,477 (2019: $654,393).

During 2020 certain employees were eligible to participate in the Company's Performance Rights Plan. Each performance right granted under this plan is subject to both a performance criteria and a vesting period. Each performance right is issued for nil consideration, with each performance right converting to one fully paid ordinary share upon vesting except when performance above the target is achieved and then up to 1.5 ordinary shares per performance right is provided. The performance rights are unquoted. There are no voting or dividend rights attaching to the performance rights. Performance rights vest upon a change of control in the Company.

The following summarises the number and movement in performance rights for the reporting periods:

	2020 No.	**2019** No.
Outstanding at the beginning of the year	6,481,636	5,184,166
Granted during the year	2,786,667	2,321,000
Forfeited during the year	(2,841,402)	(974,252)
Vested during the year	-	(49,278)
Outstanding at the end of the year	6,426,901	6,481,636

A summary of the performance criteria and vesting dates is as follows:

Number of Performance Rights	**Number of ordinary shares** (i)	**Vesting date**	**Hurdle description**
377,517*	566,276	30 August 2020	FY20 Basic EPS
763,033*	1,144,550	30 August 2020	Relative Total Shareholder Return
377,517	377,517	30 August 2020	Sustainability measure
872,867*	1,309,301	1 September 2021	FY21 Basic EPS
436,433*	654,650	1 September 2021	FY21 Return on Equity
872,867*	1,309,301	1 September 2021	Absolute TSR
1,090,667*	1,636,001	1 September 2022	FY22 Basic EPS
545,333*	818,000	1 September 2022	FY22 Return on Equity
1,090,667*	1,636,001	1 September 2022	Absolute TSR
6,426,901	9,451,593		

(i) Maximum number of ordinary shares to be provided should stretch performance measures be achieved

* For these Tranches should a change of control of the Company occur in accordance with the Long Term Incentive Plan Rules the Directors have the discretion to issue up to 1.5 ordinary shares per Performance Right.

The fair values of the performance rights is measured using a variation of the binomial option pricing model that takes into account the terms and conditions on which the instruments were granted and the current likelihood of achieving the specified target. The following principal assumptions were used in the valuation of performance rights issued in the financial year:

Grant date	3 October 2019	5 November 2019	6 December 2019
Vesting period ends	1 September 2021	1 September 2021	1 September 2021
Share price at date of grant	$0.29	$0.32	$0.34
Term	3 yrs	3 yrs	3 yrs
Fair value at grant date	$197,430	$42,240	$153,200
Performance rights granted	1,486,667	300,000	1,000,000

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the grant were incorporated into measurement of fair value.

17 TRADE AND OTHER PAYABLES

	2020 $	**2019** $
Trade payables	5,923,794	5,358,019
Other payables	8,959,810	11,327,922
	14,883,604	16,685,941

Trade payables are non-interest bearing and are normally settled on 30-day terms.

18 BORROWINGS

	2020 $	2019 $
Current		
Obligations under bank loan	1,200,000	1,200,000
Obligations under NZ-Dollar bank loan	654,671	669,612
Obligations under premium funding contracts	-	163,114
	1,854,671	2,032,726
Non-current		
Obligations under bank loan	7,000,000	15,069,770
Obligations under NZ-Dollar bank loan	1,636,677	2,343,646
	8,636,677	17,413,416

Summary of facilities
At reporting date, the following financing facilities were available:

	2020 $	2019 $
Bank loans	22,491,348	23,413,259
Facility used at reporting date	(10,491,348)	(19,283,028)
Facility unused at reporting date	12,000,000	4,130,231
Bank guarantees	4,200,000	3,500,000
Facility used at reporting date	(3,338,357)	(2,626,630)
Facility unused at reporting date	861,643	873,370
Bank finance leases	-	4,000,000
Facility used at reporting date	-	-
Facility unused at reporting date	-	4,000,000

Summary of covenants
The bank debt facilities comprise:

- non-revolving term debt of $6,491,348 maturing in March 2022 with quarterly principal repayments;
- borrowing base facility of $16,000,000 (reducing to $15,000,000 on 31 December 2020), drawn to $4,000,000 at 30 June 2020. This facility matures in March 2022; and
- bank guarantee facility of $4,200,000 maturing in March 2022.

The borrowing base and bank guarantee facilities can be drawn in Australian or New Zealand dollars.

The bank facilities are subject to the customary borrowing terms and conditions of a bank facility of this kind. The financial covenants that apply include debt service coverage ratio, leverage ratio and maximum borrowing base utilisation as a percentage of certain trade debtors.

Security arrangements
Security for the above bank facilities has been provided as follows:

- Registered General Security Interest provided by Empired Limited and Intergen Limited;
- Specific Security deed over the shares in the subsidiaries of Empired Limited; and
- Cross guarantee and indemnity provided by each group entity.

19 LEASE LIABILITIES

Lease liabilities are presented in the statement of the financial position as follows:

	2020	2019
	$	$
Current		
Lease liabilities	5,136,514	-
Hire purchase leases	234,981	376,534
	5,371,495	376,534
Non-current		
Lease liabilities	14,568,739	-
	19,940,234	376,534

The Group has leases for its office and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right of use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right of use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Future minimum lease payments at 30 June 2020 were as follows:

	Minimum lease payments due			
	Within one year	*1 - 5 years*	*After 5 years*	*Total*
Lease payments	6,064,821	15,232,584	496,705	21,794,110
Finance charges	(693,326)	(1,144,665)	(15,885)	(1,853,876)
Net present values	5,371,495	14,087,919	480,820	19,940,234

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the short-term lease assets is $50,191.

20 PROVISIONS

	Restoration	Lease incentives*	Annual leave	Long service leave	Total
	$	$	$	$	$
Balance at the beginning of the year	-	2,464,544	4,142,022	1,653,797	8,260,363
Discounting adjustment	-	-	-	-	-
Additional provisions	874,609	-	4,318,413	1,306,583	6,499,605
Amounts used	-	(2,464,544)	(3,722,127)	(428,277)	(6,614,948)
Closing value at 30 June 2020	874,609	-	4,738,308	2,532,103	8,145,020

*The lease incentive was derecognised on adoption of AASB 16.

	2020	2019
Analysis of total provisions:	$	$
Current		
Provision for annual leave	4,738,308	4,142,022
Provision for long service leave	2,316,765	919,191
Provision for restoration	260,000	-
Provision for lease incentives	-	864,223
	7,315,073	5,925,436
Non-current		
Provision for long service leave	215,338	734,606
Provision for restoration	614,609	-
Provision for lease incentives	-	1,600,321
	829,947	2,334,927

21 CONTRACT LIABILITIES

	2020	2019
	$	$
Current		
Deposits for future work	1,689,674	2,158,205
Total contract liabilities (Note 4)	1,689,674	2,158,205

22 RESERVES

	Foreign Currency Translation Reserve	Employee Equity Benefits Reserve	Total Reserves
	$	$	$
Opening balance as at 1 July 2018	(96,676)	2,381,783	2,285,107
Exchange differences arising on translation of foreign operations	486,157		486,157
Share-based payments		654,393	654,393
Closing balance as at 30 June 2019	389,481	3,036,176	3,425,657
Exchange differences arising on translation of foreign operations	(135,999)	-	(135,999)
Share-based payments	-	406,477	406,477
Closing balance as at 30 June 2020	253,482	3,442,653	3,696,135

23 ISSUED CAPITAL

	2020	2019
	$	$
Ordinary shares fully paid	54,146,878	54,204,746

Movement in ordinary shares on issue	**No.**	**Value ($)**
At 1 July 2018	160,077,919	54,204,746
Issue of ordinary shares (net of issue costs)	49,278	
At 30 June 2019	160,127,197	54,204,746
Issue of ordinary shares (net of issue costs)		
Share buy back (net of costs)	(203,119)	(57,868)
At 30 June 2020	159,924,078	54,146,878

Ordinary shares entitle the holder to participate in dividends, and carry one vote per share. These shares have no par value.

During August 2019 the Company purchased on market and cancelled 203,119 ordinary shares in order to return capital to shareholders.

24 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes ordinary share capital and convertible performance rights, supported by financial assets. The primary objective of the Group's capital management is so that the Group can fund its operations, continue as a going concern and enhance shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group's policy is to maintain a sustainable gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

There have been no material changes in the strategy adopted by management to control the capital of the Group since the prior year. The gearing ratios for the years ended 30 June 2020 and 30 June 2019 are as follows:

	Note	2020	2019
		$	$
Total borrowings	18, 19	30,431,582	19,822,676
Less cash and cash equivalents	10	(6,316,968)	(5,551,971)
Net debt including leases		24,114,614	14,270,705
Issued capital		54,146,878	54,204,746
Total capital		78,261,492	68,475,451
Gearing ratio		26%	19%

25 DIVIDENDS

	2020 $	2019 $
Balance of franking account at year end at 30% available to the shareholders of Empired Limited	24,841	24,841

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of bank loans, cash, trade receivables and trade payables.

The main purpose of the financial liabilities is to raise finance for the Group's operations. Financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The Group has a policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Exposure to market interest rates is limited to the Group's cash balances and bank borrowings at variable interest rates. Finance leases and hire purchase agreements entered into are purchased at fixed interest rates. Cash balances are disclosed at Note 10. Refer to Note 27 for detail of the Group's exposure to interest rate risks on financial assets and liabilities.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year		Equity	
	$ +1%	$ -1%	$ +1%	$ -1%
30 June 2020	30,866	(30,866)	30,866	(30,866)
30 June 2019	99,895	(99,895)	99,895	(99,895)

Foreign currency risk

The Group has exposure to foreign currency risk as a result of its New Zealand, USA and Singapore based subsidiaries having trade debtors and trade creditors denominated in a currency other than the functional currency. Trade creditor transactions for Australian subsidiaries may be entered into in foreign currency and fluctuations in these currencies may have a minor impact on the Company's financial results. The exchange rates are closely monitored within the Group.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

	NZD		USD		SGD	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Financial assets	11,718,221	12,177,993	769,615	566,866	-	3,826
Financial liabilities	(14,161,508)	(5,029,652)	(187,010)	(48,005)	-	(1,799)
Net exposure	(2,443,287)	7,148,341	582,605	518,861	-	2,027

The following table illustrates the sensitivity of profit in regards to the Group's financial assets and financial liabilities and the NZD/AUD exchange rate, USD/AUD exchange rate and SGD/AUD exchange rate 'all other things being equal'. It assumes a +/- 10% change of the AUD/NZD exchange rate, a +/- 10% change of the AUD/USD exchange rate, and a +/- 10% change of the AUD/SGD exchange rate (2018: 10%). These percentages have been determined based on the average market volatility in exchange rates in the previous twelve (12) months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. There is no effect on equity.

If the AUD had strengthened against the respective currencies by 10% (2019: 10%) then this would have had the following impact:

	NZD $	USD $	SGD $
30 June 2020	(244,329)	58,261	-
30 June 2019	714,834	51,886	203

If the AUD had weakened against the respective currencies by 10% (2019: 10%) then this would have had the following impact:

	NZD $	USD $	SGD $
30 June 2020	244,329	(58,261)	-
30 June 2019	(714,834)	(51,886)	(203)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity price risk
The Group's exposure to commodity price risk is minimal.

Credit risk
The Group trades only with recognised, creditworthy third parties.

It is the Group policy that customers who wish to trade on credit terms are subject to credit verification procedures. Customers that fail to meet the Group's creditworthiness may transact with the Group only on a prepayment basis.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no material transactions that are not denominated in the measurement currency of the relevant operating unit. The Group does not offer credit terms without the specific approval of the Chief Financial Officer.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and available-for-sale financial assets, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Exposure to credit risk

The Group's maximum exposure to credit risk at the report date was:	2020	2019
	$	$
Cash and cash equivalents (Note 10)	6,316,968	5,551,971
Trade and other receivables (Note 11)	21,599,744	22,985,739
	27,916,712	28,537,710

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2020 and 31 December 2019 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

The aging of the Group's non-impaired trade receivables at reporting date was:

30 June 2020		Trade receivables past due			
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.05%	2.0%	11.0%	65.0%	-
Gross carrying amount	17,676,820	1,780,622	639,679	593,160	20,690,281
Lifetime expected credit loss	6,451	36,264	71,257	378,884	492,856

30 June 2019		Trade receivables past due			
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.05%	1.0%	50.0%	100.0%	-
Gross carrying amount	19,605,487	2,401,939	1,139,548	395,088	23,542,062
Lifetime expected credit loss	7,707	26,895	568,186	395,088	997,876

The closing balance of the trade receivables less allowances at 30 June 2020 reconciles with trade receivables:

	$
Opening balance of provision for doubtful debts as at 1 July 2018	533,183
Receivables written off during the year	(154,300)
Estimated credit losses provided in year	618,993
Opening estimated credit losses 1 July 2019	997,876
Provision written off during the year	(745,098)
Estimated credit losses provided in year	240,078
Expected credit loss at 30 June 2020	492,856

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short and long term debt. The Group manages liquidity risk by forecasting and monitoring cash flows on a continuing basis.

As at 30 June 2020, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised

30 June 2020	0-12 Months $	1 - 5 years $	5+ years $
Bank borrowings	2,056,115	8,884,483	-
Leases and hire purchase	6,064,821	15,232,584	496,705
Trade and other payables	14,883,604	-	-
Income tax payable	309,555	-	-
Total	23,004,540	24,117,067	496,705

This compares to the maturity of the Group's financial liabilities in the previous reporting periods as follows:

30 June 2019	0-12 Months $	1 - 5 years $	5+ years $
Insurance premium funding loan	168,921	-	-
Bank borrowings	1,944,396	19,805,854	-
Leases and hire purchase	390,698	-	-
Trade and other payables	16,685,941	-	-
Total	19,189,956	19,805,854	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

27 FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is considered to approximate their carrying values. The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

Interest rate risk
Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

2020	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Carrying amount as per balance sheet $	Weighted average effective interest rate
Financial assets					
Cash and cash equivalents	6,316,968	-	-	6,316,968	1.25%
Trade and other receivables	-	-	21,599,744	21,599,744	
Total financial assets	6,316,968	-	21,599,744	27,916,712	
Financial liabilities					
Trade and other payables	-	-	14,883,604	14,883,604	
Leases and hire purchase obligations	-	19,940,234	-	19,940,234	4.10%
Bank loans	10,940,598	-	-	10,940,598	3.48%
Income tax payable	-	-	309,555	309,555	
Total financial liabilities	10,940,598	19,940,234	15,193,159	46,073,991	

2019	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Carrying amount as per balance sheet $	Weighted average effective interest rate
Financial assets					
Cash and cash equivalents	5,551,971	-	-	5,551,971	1.25%
Trade and other receivables	-	-	22,985,739	22,985,739	
Total financial assets	5,551,971	-	22,985,739	28,537,710	
Financial liabilities					
Trade and other payables	-	-	16,685,941	16,685,941	
Finance leases and hire purchase obligations	-	376,534	-	376,534	4.84%
Insurance premium funding loan	-	163,114	-	163,114	3.56%
Bank loans	21,750,250	-	-	21,750,250	4.27%
Total financial liabilities	21,750,250	539,648	16,685,941	38,975,839	

28 COMMITMENTS AND CONTINGENCIES

Commitments for expenditure

	2020 $	2019 $
Capital commitments for office fit-out	500,000	-

Operating leases

Office equipment is leased under short term operating leases. Their commitment can be seen below:

	2020 $	2019 $
Minimum lease payments under according to the time expected to elapse to the date of payment:		
Not later than one year	47,127	5,991,355
Later than one year but not later than five years	-	14,094,360
Later than five years	-	2,883,249
Total	47,127	22,968,964

Contingent liabilities	2020 $	2019 $
Bank guarantees		
Bank guarantees outstanding at year end	3,338,357	2,626,630

29 INVESTMENT IN CONTROLLED ENTITY

	Country of	% Equity Interest 2020 %	2019 %
Tusk Technologies Pty Ltd	Australia	100	100
Conducive Pty Ltd	Australia	100	100
OBS Pty Ltd	Australia	100	100
eSavvy Pty Ltd	Australia	100	100
Intergen Business Solutions Pty Ltd	Australia	100	100
Intergen Limited	New Zealand	100	100
Intergen X4 Holdings Limited	New Zealand	-	100
Intergen USA Limited	New Zealand	-	100
Intergen ESS Limited [(a)]	New Zealand	100	100
Empired Singapore Pte Ltd	Singapore	100	100
Intergen North America Limited	USA	100	100

(a) Acts as trustee for the Intergen Limited Employee Share Scheme Trust

30 AUDITORS' REMUNERATION

	2020 $	2019 $
Amounts received or due and receivable by auditors of the parent entity:		
Audit and review of financial statements		
Grant Thornton Australia	256,561	206,359
Overseas Grant Thornton network firms	10,698	47,740
Remuneration for audit and review of financial statements	267,259	254,099
Other services		
Grant Thornton Australia:		
Taxation compliance	38,000	15,763
Overseas Grant Thornton network firms:		
Taxation compliance	10,654	7,005
Total other services remuneration	48,654	22,768
Total auditor's remuneration	315,913	276,866

31 PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2020 the parent entity of the Group was Empired Limited.

	2020	2019
Statement of financial position	**$**	**$**
Current assets	24,832,448	27,036,947
Total assets	74,217,431	64,713,909
Current liabilities	23,306,102	18,783,667
Total liabilities	41,680,577	37,253,803
Issued capital	54,146,877	54,204,744
Employee equity benefits reserve	3,442,652	3,036,176
Accumulated losses	(25,052,675)	(29,780,814)
Total equity	32,536,854	27,460,106
Statement of profit or loss and other comprehensive income		
Profit/(loss) after tax	4,735,451	(12,366,189)
Total comprehensive income/(loss)	4,735,451	(12,366,189)

The Parent Entity has issued the following guarantees in relation to the debts of its subsidiaries:

1. Pursuant to Class Order 98/1418, Empired Limited and OBS Pty Ltd have entered into a deed of cross guarantee on or about 14 November 2013. The effect of the deed is that Empired Limited has guaranteed to pay any deficiency in the event of winding up of OBS Pty Ltd. OBS Pty Ltd has also given a similar guarantee in the event that Empired Limited is wound up. The Closed Group financial information is not disclosed as it is not materially different to the above information for Empired Limited, the Parent Entity.

2. Empired Limited, eSavvy Pty Ltd, Conducive Pty Ltd, OBS Pty Ltd, Tusk Technologies Pty Ltd, Intergen Business Solutions Pty Ltd and Intergen Limited have entered into a cross guarantee and indemnity in favour of the senior lender to the Group in respect to bank facilities provided to the Group by the senior lender.

3. Empired Limited has provided a guarantee to a customer of a wholly owned entity to support the operations of the subsidiary.

32 RELATED PARTY TRANSACTIONS

The Group's related parties includes its subsidiaries and key management. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel
Key management of the Group are the executive members of Empired's Board of Directors and members of the Executive Team. Key management personnel remuneration includes the following expenses:

	2020	2019
	$	**$**
Short-term employee benefits	1,758,066	1,878,371
Post-employment benefits	98,498	71,215
Share-based payment	279,885	436,124
Total compensation paid to key management personnel	2,136,449	2,385,710

33 EVENTS AFTER THE REPORTING DATE

No significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Directors' Declaration

In accordance with a resolution of the directors of Empired Limited, I state that:

1. In the opinion of the directors,

(a) the financial statements and notes of Empired Limited for the financial year ended 30 June 2020 are in accordance with the *Corporations Act 2001* , including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance

(ii) complying with Accounting Standards and the *Corporations Regulations 2001* ;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

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

2. This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

On behalf of the Board

Russell Baskerville
Managing Director

17 August 2020

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Auditor's Independence Declaration

To the Directors of Empired Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Empired Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 17 August 2020

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Independent Auditor's Report

To the Members of Empired Limited

Report on the audit of the financial report

Opinion

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

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Grant Thornton

Key audit matter	How our audit addressed the key audit matter

Revenue recognition – Note 2(t) and Note 4

Key audit matter

For the year ended 30 June 2020, the group recorded $165,549,359 (2019: $176,014,365) in revenue from a combination of fixed price and variable contracts including product sales. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*.

Revenue derived from the delivery of services may be complex and involves significant management judgement due to revenue to being recognised when performance obligations are satisfied. The audit team is required to obtain sufficient audit evidence as to whether the assumptions used by management to recognise revenue are reasonable and accurate in accordance with ASA 540 *Auditing Accounting Estimates*.

This area is a key audit matter due to the complexity associated with service revenue as well as the presumed risk of fraud in revenue.

How our audit addressed the key audit matter

Our procedures included, amongst others:

- Understanding and documenting the design of internal controls and performing test of key controls for their operational effectiveness on revenue recognition for material fixed and variable revenue streams;
- Testing on a sample basis both fixed and variable revenue to supporting documentation to ensure revenue recognition was accurate, recorded in the correct period and compliant with AASB 15;
- Reviewing the progress of fixed price contracts to supporting documentation and recalculating the stage of completion based on hours to date proportionate to forecasted hours or milestones. We tested a sample of progress billings comparing invoices and actual hours to ensure the allocation to contract assets and liabilities was appropriate and consistent to the requirements of AASB 15;
- Assessing the forecasted hours through discussions with project managers and challenged the key assumptions connected to the stage of completion method; and
- Assessing the adequacy of Group's presentation and disclosures in the financial statements.

Carrying value of goodwill – Note 2(h) and Note 14

Key audit matter

The Group has recorded goodwill totalling $46,446,049 (2019: $46,446,049) at 30 June 2020 across two Cash Generating Units (CGU). Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 *Impairment of Assets*.

Management test each CGU for impairment by comparing their carrying amounts against their recoverable amounts determined by either, the greater of its fair value less costs to sell and its value in use.

This area is a key audit matter due to the significant balance carried by the Company that management have assess using estimates and judgement. The Company use the discounting cash flow model (value in use) to determine their recoverable value, in doing so, consider the following key inputs;

- forecasted budgeted financial performance;
- estimated growth rates;
- working capital adjustments;
- estimated capital expenditure;
- discount rate; and
- terminal value.

These estimates and judgements requires specific valuation expertise and analysis.

How our audit addressed the key audit matter

Our procedures included, amongst others:

- Understanding and documenting management's process and controls related to the assessment of impairment, including management's identification of CGUs and the calculation of the recoverable amount for each CGU;
- Evaluating the value-in-use models against the requirements of AASB 136 *Impairment of Assets*, including consultation with our auditor's valuation expert;
- Challenging the appropriateness of management's revenue and cost forecasts by comparing the forecasted cash flows to actual growth rates achieve historically;
- Reviewing management's value-in-use calculations to:
  - Test the mathematical accuracy of the calculations;
  - Test forecast cash inflows and outflows to be derived by the CGUs assets;
  - Comparing estimates and judgements for growth rates to available market and industry data;
  - Agree discount rates applied to forecast future cash flows including consultation with our valuation auditor's expert.
- Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculation; and
- Assessing the adequacy of financial report disclosures.

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 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 20 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Empired Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 17 August 2020

Shareholding Analysis

In accordance with Listing Rule 4.10 of ASX Limited, the Directors provide the following shareholding information which was applicable as at 17 July 2020.

a. Distribution of Shareholding

Size of Shareholding	Number of shareholders	%
1 - 1,000	140	0.03
1,001 - 5,000	448	0.83
5,001 - 10,000	253	1.20
10001 - 100,000	388	8.60
100,001 - max	107	89.34
Total	**1,336**	**100.00**

b. Substantial Shareholders

The following are registered by the Company as substantial shareholders, having declared a relevant interest in the number of voting shares shown adjacent, as at the date of giving the notice.

Shareholder	Number of shares held	%
Tiga Trading Pty Ltd	24,803,548	15.51
National Nominees Ltd ACF Australian Ethical Investment Limited	24,440,404	15.28
Microequities Asset Management Pty Ltd	17,047,292	10.66
Baskerville Investments Pty Ltd	7,450,059	6.21

Relevant interest over the same shares in Empired

c. Twenty Largest Shareholders

Name	Number of shares held	%
NATIONAL NOMINEES LIMITED	33,013,112	20.64
UBS NOMINEES PTY LTD	24,803,548	15.51
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	13,518,594	8.45
ZERO NOMINEES PTY LTD	8,550,000	5.35
BASKERVILLE INVESTMENTS PTY LTD <BASKERVILLE FAMILY A/C>	7,780,000	4.86
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUST SERV LTD DRP>	5,095,474	3.19
MICROEQUITIES ASSET MANAGEMENT PTY LTD <MICROEQUITIES NANOCAP 9 A/C>	3,598,522	2.25
MR JOHN ALEXANDER BARDWELL	3,150,000	1.97
ICE COLD INVESTMENTS PTY LTD	2,499,730	1.56
BNP PARIBAS NOMS (NZ) LTD <DRP>	2,223,000	1.39
GABRIELLA NOMINEES PTY LTD <ERROL WILFRED LEVITT A/C>	1,720,000	1.08
BRANDONS TRUSTEE COMPANY LIMITED <THE PAYNE FAMILY A/C>	1,403,347	0.88
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,397,257	0.87
BASKERVILLE INVESTMENTS PTY LTD <BASKERVILLE FAMILY A/C>	1,288,983	0.81
MR GREGORY DAVID LEACH	1,200,000	0.75
BARDWELL SUPERANNUATION FUND PTY LTD <BARDWELL SUPER FUND A/C>	1,150,000	0.72
MADSTASH TRADING PTY LTD <MADSTASH TRADING A/C>	1,134,921	0.71
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	1,053,276	0.66
MS SARAH LOUISE MCCREADY	970,390	0.61
UNIPLEX CONSTRUCTIONS PTY LTD <WESVILLE SUPER FUND A/C>	965,500	0.60
Total	**116,515,654**	**72.86**

The twenty members holding the largest number of shares together held a total of 72.9% of issued capital.

Shareholding Analysis

d. Issued Capital

(i) Ordinary Shares

The fully paid issued capital of the company consisted of 159,924,078 shares held by 1,336 shareholders.

Each share entitles the holder to one vote.
The number of shareholdings held in less than marketable parcels is 215.

(ii) Unquoted Equity

No options were issued in the year under the company share options plan.
2,786,667 performance rights were issued under the company's LTI plan.
Options and Performance Rights do not have any voting rights.

e. On-Market Buy-Back

Nil

f. Company Secretary

The Company Secretary is Mr David Hinton

g. Registered Office

The registered office of Empired Ltd is:
Level 7, The Quadrant
1 William Street
Perth WA 6000
Telephone +61 8 6333 2200

Other Information for Shareholders

In accordance with Listing Rule 4.10 of the ASX Limited, the Directors provide the following information not elsewhere disclosed in this report.

SHAREHOLDER COMMUNICATIONS

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

– The Annual Report is distributed to shareholders who elect to receive the document. A copy of the full Annual Report is available free of charge, upon request, from the Company. The Board ensures that the Annual Report includes relevant information about the operation of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act;

– The half-year report contains summarised financial information and a review of the operations of the Company during the period. The half-year financial report is prepared in accordance with the requirements of Accounting Standards and the Corporations Act, and is lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange; and

– The Company's internet website at www.empired.com is regularly updated and provides details of recent material announcements by the Company to the stock exchange, Annual Reports and general information on the Company and its business. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

INTERNET ACCESS TO INFORMATION

Empired maintains a comprehensive Investor Relations section on its website at
www.empired.com/Investors/

You can also access comprehensive information about security holdings at the Computershare Investor Centre at
www-au.computershare.com/investor/

By registering with Computershare's free Investor Centre service you can enjoy direct access to a range of functions to manage your personal investment details. You can create and manage your own portfolio of investments, check your security holding details, display the current value of your holdings and amend your details online.

Changes to your shareholder details, such as a change of name or address, or notification of your tax file number or direct credit of dividend advice can be made by printing out the forms you need, filling them in and sending the changes back to the Computershare Investor Centre.

SHARE REGISTRY ENQUIRIES

Shareholders who wish to approach the Company on any matter related to their shareholding should contact the Computershare Investor Centre in Melbourne:

The Registrar
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

Website www-au.computershare.com/investor

Other Information for Shareholders (continued)

ANNUAL GENERAL MEETING

The 2020 Annual General Meeting of Empired Limited will be held at 11AM AWST Friday, 27 November 2020, location to be advised.

Formal notice of the meeting will be circulated to shareholders separate to this report.

SECURITIES EXCHANGE LISTING

Empired Limited shares are listed on the Australian Securities Exchange (ASX:EPD). The home exchange is Perth.

All shares are recorded on the principal share register of Empired Limited, held by Computershare Investor Services Pty Limited at the following street address:

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000