The Market Herald Ltd (ASX.TMH)
ACN 611 717 036
Level 11, BGC Building
28 The Esplanade
Perth, Western Australia 6000

ASX Announcement

28 August 2020

ASX: TMH ('The Market Herald' or 'the Company')

2020 Appendix 4E and Annual Report

The Directors of The Market Herald Limited (ASX:TMH) (**The Market Herald** or the **Company**) are pleased to provide the Appendix 4E and audited Annual Report for the year ended 30 June 2020.

Review of the 2020 financial results

The Board is pleased to present the financial results for The Market Herald for the financial year ending 30 June 2020, a year that included managing an unprecedented pandemic while the Company made significant strides forward to progress its strategy. The Company has been agile and adaptive during this challenging time to deliver the Company's best-ever performance since the IPO which saw revenue increasing by 183% to $12,035,029 (30 June 2019: $4,252,107).

Over the past 12 months the Company has focused on defining its strategy, its operations and its pathway to future growth. The Company has successfully delivered on its strategic initiatives as presented at the 2019 Annual General Meeting of Shareholders, held 30th November 2019.

The Market Herald is reporting a 107% increase in cash receipts from customers for the 2020 financial year to $12,135,773 compared to the previous year (30 June 2019: $5,859,221). Cash and cash equivalents on the Balance Sheet is $2,376,193 at year end, representing an increase in cash of $883,824 from the previous year.

The Company added customer contracts to the value of $10,840,397, an increase of 274% from the previous year (30 June 2019: $2,896,086). A significant portion of these contract sales relate to bundled service contracts to listed companies. Of the $10,840,397 sold, $4,853,747 has been deferred to the Balance Sheet as an unearned revenue pending delivery of the service (30 June 2019: $1,431,969).

The Company is reporting a before-tax profit for the year of $2,365,783 representing an increase of 2,384% from previous year (June 2019: $95,236). This includes acquisition related costs of $1,374,735 (30 June 2019: $Nil) attributable to the Stockhouse transaction and non-cash share-based payment expenses of $613,366 (30 June 2019: $373,055).

Additional information supporting the Appendix 4E disclosure can be found in the Annual Report which contains the Directors' Report and the 30 June 2020 Financial Statements and accompanying notes.

This report is based on the consolidated financial statements for the year ended 30 June 2020 which have been audited by RSM Australia.

Appendix 4E: Preliminary Financial Report for the year ended 30 June 2020 as required by ASX listing rule 4.3A

Results for announcement to the market (all comparisons to the year ended 30 June 2018)	Movement	30 June 2020	30 June 2019
Audited Earnings			
Cash receipts from customers	Up 107%	12,135,773	5,859,221
Revenue from ordinary activities	Up 183%	12,035,029	4,252,107
Unearned Revenue	Up 239%	4,853,747	1,431,969
Profit before income tax	Up 2,384%	2,365,783	95,236
Profit/(loss) for the year attributable to ordinary equity holders	Up 3,763%	1,295,813	(35,375)
Appendix 4E Net tangible asset per share			
Financial Assets	Up 911%	13,109,011	1,296,389
Cash and cash equivalents	Up 59%	2,376,193	1,492,369
Net tangible assets	Down 216%	(3,524,258)	3,042,080
Fully paid ordinary shares on issue at Balance Date	Up 77%	188,966,839	106,985,001
Net tangible asset backing per issued ordinary share (cents)	Down 166%	(1.87)	2.84
Audited Earnings per share (EPS)			
Basic earnings/(loss) per share (cents)	Up 2,800%	0.81	(0.03)

Dividends

As the Company continues to progress it's strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2020 financial year (30 June 2019: $Nil). It is the intention of the Board to profitably grow and expand the business, and to ensure shareholders benefit from that growth and expansion through capital growth in valuation of The Market Herald's share price, and availability of returns for distribution. To this end, the Board will continue to update shareholders on its strategic progress and look forward to welcoming those of you who can join us at the 2020 Annual General Meeting, details of which will shortly be announced.

– END –

Investor and media enquiries

Jag Sanger
Managing Director
The Market Herald
investors@themarketherald.com.au

The Market Herald

and its controlled entities

(Formerly HotCopper Holdings Limited)

ACN 611 717 036

Financial report for the year ended 30 June 2020

THE MARKET HERALD LIMITED
ABN 95 611 717 036

Corporate Directory

Directors

Jag Sanger
Alec Christopher Pismiris
Gavin John Argyle
Colin Edward Chenu

Company Secretary

Ben Donovan

Registered and Principal Office

Level 11, BGC Centre
28 The Esplanade,
Perth
WA 6000

Bankers

Westpac Banking Corporation
109 St Georges Terrace,
Perth
WA 6000

Solicitors

Clayton Utz Lawyers
Level 27, QV1 Building,
250 St Georges Terrace,
Perth
WA 6000

Auditor

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade,
Perth
WA 6000

THE MARKET HERALD LIMITED
ABN 95 611 717 036

CONTENTS	Page

The directors submit their report for The Market Herald Limited (formerly HotCopper Holdings Limited) ("The Market Herald" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2020.

Directors

The names of the directors in office at any time during, or since the end of, the year are set out below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Names, qualification, experience and special responsibilities

Mr Jag Sanger

Mr Sanger brings over 25 years of global media, publishing and digital financial services experience and leadership to the Company. Mr Sanger held executive roles in Australia with Fairfax Media as GM Strategy and M&A, and similar roles with NTL/Virgin Media and Vivendi Media in Europe. Mr Sanger's Australian advisory experience includes roles with PricewaterhouseCoopers as a Principal in their national digital practice with responsibility for digital media, payments and wealth management strategy, and with McKinsey & Co, serving technology, media and communications clients and financial sponsors across Europe and North America. Mr Sanger holds a Marketing Masters (MA) from Kingston University Business School in London, UK, with a research focus on online media tracking, and is a Fellow of the Sulzberger news media program at the Columbia University Graduate School of Journalism in New York, USA.

Other current directorships: none

Former directorships (last 3 years): none

Mr Alec Christopher Pismiris (Chairman)

Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Other current directorships: Agrimin Limited, Frontier Resources Limited, Pacton Gold Inc., Pelican Resources Limited and Victory Mines Limited

Former directorships (last 3 years): Aguia Resources Limited.

Mr Gavin John Argyle

Mr Argyle is an experienced senior executive who has worked in Australian capital markets for more than 25 years. In 2006, Mr Argyle co-founded Capital Investment Partners (CIP), a successful Perth-based investment bank providing capital raising and corporate advisory services to small and mid-capitalised ASX-listed companies. He has been managing director of CIP since 2008.

Mr Argyle holds a Bachelor of Commerce from the University of Western Australia and an MBA from the Wharton School at the University of Pennsylvania.

Other current directorships: none

Former directorships (last 3 years): none

Mr Colin Edward Chenu

Mr Chenu is a graduate of the University of Western Australia, with a Bachelor of Law, and is admitted to practice in the Supreme Court of Western Australia and the High Court of Australia. He has practised law in Western Australia for more than 30 years as a barrister and solicitor, in a wide range of commercial litigious and non litigious work. Mr Chenu has gained extensive experience in the law of corporations, trade practices, contracts, equity and trusts, and defamation.

Other current directorships: Pelican Resources Limited

Former directorships (last 3 years): none

Company Secretary

Mr Ben Donovan

Mr Donovan is a member of the Governance Institute of Australia and provides corporate advisory, IPO and consultancy services to a number of companies. Mr Donovan is currently a company secretary of several ASX listed and public unlisted companies and has gained experience across resources, agritech, biotech, media and technology industries. He has extensive experience in listing rules compliance and corporate governance, having served as a Senior Adviser at the ASX in Perth for nearly 3 years, where he managed the listing of nearly 100 companies on the ASX. In addition, Mr Donovan has experience in the capital markets having raised capital and assisted numerous companies on achieving an initial listing on the ASX, as well as for a period of time, as a private client adviser at a boutique stock broking group.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the Company were:

	Number of ordinary shares	Number of options
J. Sanger	11,538,461	13,538,461*
A. Pismiris	500,000	1,000,000
G. Argyle	8,400,000	-
C. Chenu	225,000	1,000,000

* Include 11,538,461 in-substance option award exercisable

Principal activities

The Market Herald Limited operates a digital business news and investor relations platform across 3 offers as follows:

1) **Digital business news:** The company operates The Market Herald, the fastest growing Australian business digital news masthead. The website reaches over 1 million investors a month across its editorial, communities and video brands. Recently The Market Herald Canada was launched as the stated strategy of the Group.

2) **Digital business communities:** The Company also operates HotCopper, Australia's number one stock market internet discussion forum. HotCopper is the largest internet discussion forum in relation to the Australian stock market and has become a popular source of research and discussion for a wide range of investors. From 7 November 2019, The Market Herald successfully acquired Stockhouse (www.Stockhouse.com). Stockhouse has over 1 million visitors a month and is one of North America's largest investor communities. Stockhouse helps individual investors create and manage their personal wealth by delivering a suite of aggregated news and information, portfolio management and analysis tools, and a forum for capturing and accessing user-generated content.

3) **Digital investor relations and wealth brand consulting:** The Market Herald group serves the most affluent audiences in each of its markets. To help advertisers and listed companies effectively engage with this audience the Group launched Advisir, a digital strategy consulting business. The Advisir platform now serves over 400 listed clients and reaches over 2 million investors a month. The heart of the Advisir offer is a sophisticated digital analytics and data platform that allows listed companies and wealth and luxury brands to engage with affluent consumers.

Operating and financial review

The Board is pleased to present the financial results for The Market Herald for the financial year ending 30 June 2020, a year that included managing an unprecedented pandemic while the Company made significant strides forward to progress its strategy. The Company has been agile and adaptive during this challenging time to deliver the Company's best-ever performance since the IPO which saw revenue increasing by 183% to $12,035,029 (30 June 2019: $4,252,107).

The Market Herald is reporting a 107% increase in cash receipts from customers for the 2020 financial year to $12,135,773 compared to the previous year (30 June 2019: $5,859,221). Cash and cash equivalents on the Balance Sheet is $2,376,193 at year end, representing an increase in cash of $883,824 from the previous year. Shareholders can find further information on the financial results in the "2020 Financial Results" discussion section of this Directors Report.

Over the past 12 months the Company has focused on defining its strategy, its operations and its pathway to future growth. The Company has successfully delivered on its strategic initiatives as presented at the 2019 Annual General Meeting of Shareholders, held 30th November 2019.

2020 Financial Year Results

Financial Performance	30-Jun-20	30-Jun-19	Change	Percentage Change
Income Statement	**$**	**$**	**$**	**%**
Revenue	12,035,029	4,252,107	7,782,922	183%
Other revenue	3,450,615	80,650	3,369,965	4,179%
Movement in other comprehensive income	3,271,069	(229,981)	3,501,050	1,522%
Total revenue and other comprehensive income	**18,756,713**	**4,102,776**	**14,653,937**	**357%**
EBITDA	**3,512,053**	**257,577**	3,254,476	1,263%
Profit before Tax	**2,365,783**	**95,236**	2,270,547	2,384%
Total comprehensive income/(loss)	**4,441,211**	**(265,356)**	4,706,567	1,774%
Balance Sheet	**30-Jun-20**	**30-Jun-19**	**Change**	**Percentage Change**
Cash	2,376,193	1,492,369	883,824	59%
Financial assets	13,109,011	1,296,389	11,812,622	911%
Assets available for sale at cost (cars)	651,113	42,273	608,840	1,440%
Total cash and assets available for sale	**16,136,317**	**2,831,031**	13,305,286	928%

Impact on acquisition cost	30-Jun-20	30-Jun-19	Change	Percentage Change
Net profit before tax	$2,365,783	$95,236	2,270,547	2,384%
Less: Acquisition related costs	$1,374,735	-	1,374,735	100%
Net profit before tax excluding acquisition related costs	$3,740,518	$95,236	3,645,282	3,828%

For the financial year ended 30 June 2020, cash receipts from customers was $12,135,773 for the period, representing growth of 107% from the previous year (30 June 2019: $5,859,221) as customer contracts are generally paid in full at commencement.

The Company added customer contracts to the value of $10,840,397, an increase of 274% from the previous year (30 June 2019: $2,896,086). A significant portion of these contract sales relate to bundled service contracts to listed companies. Typically these contracts are for a 12-month term, the revenue for which under AASB 15 is recognised in line with the timing of the delivery of each product included in the bundled package, measured at the standalone selling price, adjusted for any applicable discount. For customers paying in advance of the provision of services, a liability is presented as unearned revenue in the Consolidated Statement of Financial Position. Of the $10,840,397 sold, $4,853,747 has been deferred to the Balance Sheet as an unearned revenue pending delivery of the service (30 June 2019: $1,431,969).

The Market Herald through Advisir Ventures, a portfolio of Advisir clients, may invest in its clients, through participation in a client capital raise. Due to the significant additions of new client contracts and positive equity performance, the portfolio has increased significantly to $13,109,011. These are typically listed companies from $10m to $500m market capitalisation in many different sectors. These investments are not actively managed, are typically held for an agreed term, and the operational support given to investee companies is the same as non-investee companies. There is no expectation for profit or budgetary target on return on these investments. A target disposal price or return is not the principal purpose for the investments. Shareholders can find further information on these investments in Notes 13 and 23 of these financial accounts, including a breakdown of investments by industry sector.

At 30 June 2020 cash and cash equivalents is $2,376,193, an increase of 59% from the previous year (30 June 2019: $1,492,369).

The Company is reporting a before-tax profit for the year of $2,365,783 representing an increase of 2,384% from previous year (June 2019: $95,236). This includes acquisition related costs of $1,374,735 (30 June 2019: $Nil) to the Stockhouse transaction and non-cash share-based payment expenses of $613,366 (30 June 2019: $373,055).

Dividend

As the Company continues to progress it's strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2020 financial year (30 June 2019: $Nil).

It is the intention of the Board to profitably grow and expand the business, and to ensure shareholders benefit from that growth and expansion through capital growth in valuation of the The Market Herald share price, and availability of returns for distribution. To this end, the Board will continue to update shareholders on its strategic progress and look forward to welcoming those of you who can join us at the 2020 Annual General Meeting, details of which will shortly be announced.

Significant changes in the state of affairs

There have been no other significant changes in the Group's state of affairs during the course of the year ended 30 June 2020.

Review of financial condition

The Company is well capitalised, with cash and cash equivalents of $2,376,193 at 30 June 2020. Cash receipts from customers increased 107% for the financial year to $12,135,773 (30 June 2019: 5,859,221). The Group was in a net current liability position of $6,392,673 at balance date (30 June 2019: Net current asset position of $943,967) driven primarily by the recognition of deferred consideration payable to the vendors of Stockhouse over the next 12 months of $1,888,182 and an increase in unearned revenue to $4,853,747 (30 June 2019: $1,431,969) due to the consolidation of Stockhouse into the Group. This net current liability shortfall will be funded from cashflow generated on the sale of advertising to consumers and provision of corporate investor relations services by the Group. Financial assets of $13,109,011 (30 June 2019: $1,296,389) which have been classified as non-current assets may also be liquidated to fund any net current liability shortfall on an as needs basis.

Significant events after the balance date

No matters or circumstances have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any particular or specific environmental regulation in any of the jurisdictions in which it operates and therefore is not required to present further details in relation to environmental regulation.

Options

As at the date of this report, and at balance date 30 June 2020, there are 11,650,000 unissued ordinary shares under options. Refer to the Remuneration Report for further details of the options outstanding for Key Management Personnel (KMP).

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification and insurance of directors

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of The Market Herald Limited against legal costs incurred in defending conduct other than:

Indemnification and insurance of directors (continued)

a) a wilful breach of duty, and
b) a contravention of section 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums and stamp duties paid for Directors & Officers Insurance for the 2020 financial year was $32,775.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young Australia, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

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

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

Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended, including by phone or video, by each director were as follows:

	Held	Attended
J. Sanger	9	9
A. Pismiris	9	9
G. Argyle	9	9
C. Chenu	9	9

Non-audit services

Details of the amounts paid or payable to the auditors for non-audit services provided during the financial year by the auditors are outlined in note 28.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out in this Annual Report, located immediately following the Independent Auditor's Report.

Auditor

Effective 30 July 2020, the Company changed its auditor to RSM Australia Partners, upon resignation of Ernst & Young Australia.

REMUNERATION REPORT (AUDITED)

The Group's remuneration policy is structured for the purpose of motivating executive directors and senior management to pursue the long-term growth and success of the Group and demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.

The Board's sets the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Group's competing interests of attracting and retaining executive directors and senior management and not paying excessive remuneration.

Executive directors' remuneration is structured to reflect short and long-term performance objectives appropriate to the Group's circumstances and goals. Executive directors' and senior management's remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Group's circumstances and goals.

The remuneration structures take into account the capability and experience of the key management personnel and the Group's performance including:

- the successful implementation of new revenue streams for development into operations;
- the Group's earnings;
- the growth in share price and delivering enhancement of shareholder value; and
- the amount of incentives within each key management person's remuneration.

At the 2019 Annual General Meeting of Shareholders held on 29th November 2019, the shareholders of The Market Herald Limited voted to adopt the 2019 Remuneration Report by ordinary resolution passed by way of show of hands.

Executive remuneration

Principles of remuneration

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance-based incentives.

Fixed remuneration

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation funds, as required by law. Remuneration levels are reviewed annually by the Board through a process that considers individual performance and overall performance of the Group.

Performance linked remuneration

Performance linked remuneration includes short-term and long-term incentives and is designed both to reward key management personnel for meeting or exceeding their financial and personal objectives and to keep the Group competitive in the marketplace.

The long-term incentive ('LTI') has been provided as options over ordinary shares of the Company that were issued when the Company completed its listing on the Australian Securities Exchange ('ASX') in September 2016.

Short-term incentive bonus

Short-term incentives are paid to key management personnel at the discretion of the Board based on individual performance for the year. The full Board reviews and confirms the cash incentive to be paid to each individual. Discretionary payments thus provide the Board with flexibility to reward individual performance.

There are no contracts in place that includes a STI.

Long-term incentive

Options are issued at the discretion of the Board and provides for key management personnel to receive varying numbers of options for no consideration. The actual number of options issued depends on the seniority and responsibility of the executive concerned.

For executive options, the performance conditions and vesting periods of the options are set so as to provide a realistic incentive to each executive and to reflect the executive's contribution to the Group and enhancement of value for all shareholders.

During the 2020 financial year, the Managing Director's limited recourse loan facility was varied to increase from $1,000,000 to $1,500,000 following shareholder approval at the Annual General Meeting of the Company on 29 November 2019. The loan was drawn down in full on 27 December 2019 and the Managing Director was issued 11,538,461 shares in the Company. As a result of the modification during the financial year, the fair value of the in-substance option was remeasured at $819,231 at grant date (29 November 2019). With 5,000,000 (estimated) of in-substance options at the value of $300,000 recognised during the prior year ended 30 June 2019, the increase in the number of in-substance options of 6,538,461 and fair value of $519,231 were recognised during the financial year ended 30 June 2020. This award has no vesting conditions as the Board determined the existing conditions of employment were considered commercially reasonable and sufficient. The value of the loan is based on the following assumptions, risk free rate of 0.74%, expected volatility of 50%, and expected dividend of 0%.

For the 2019 financial year the following options were issued:

- 300,000 unlisted options exercisable at $0.25 on or before 12th December 2021 to the Chairman, Mr Alec Pismiris approved at the Company Annual General Meeting of Shareholders held 30th November 2018;
- 1,000,000 unlisted options exercisable at $0.25 on or before 12th December 2021 to Non-executive Director, Mr Colin Chenu approved at the Company Annual General Meeting of Shareholders held 30th November 2018; and
- 2,000,000 unlisted options exercisable at $0.25 on or before 8th February 2022 to Managing Director, Mr Jag Sanger approved at the Company General Meeting of Shareholders held 10th January 2019.
- 5,000,000 (estimated) in-substance option awarded to Managing Director, Mr Jag Sanger in the form of a limited recourse loan approved at the Company General Meeting of Shareholders held 10th January 2019.

Consequences of performance on shareholder wealth

The Board considers that the most effective way to increase shareholder wealth is to increase revenue and profits through existing channels and the development of new revenue streams through website enhancements, product development and possible strategic partnerships.

The Board considers that the Group's LTI schemes incentivise key management personnel to successfully develop new revenue streams by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

The factors that are considered relevant to affect total shareholder returns as required to be disclosed by the Corporations Act are summarised in the following table.

	2020	2019	2018	2017	2016
Revenue ($000's)	12,035	4,252	4,917	3,852	2,747
Net profit/(loss) after tax ($000's)	1,296	(35)	1,177	445	498
Share price at year end ($'s)	0.18	0.175	0.22	0.15	N/A

No dividend was paid during the 2020 financial year.

Directors' and executive officers' remuneration

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2020 are as follows.

	Short-term				Long term benefits	Post-employment	Termination benefits	Share-based payments	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Salary & fees $	Consulting Fees $	Bonus $	Total $	Employee entitlements $	Superannuation benefits $	$	$	$	%	%
Directors											
J Sanger (2)	500,000	-	-	500,000	38,462	21,003	-	552,367	1,111,832	50%	50%
A Pismiris	60,000	-	-	60,000	-	-	-	-	60,000	-	-
G Argyle	36,000	-	-	36,000	-	-	-	-	36,000	-	-
C Chenu	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Total	**632,000**	**-**	**-**	**632,000**	**38,462**	**21,003**	**-**	**552,367**	**1,243,832**	**44%**	**44%**
Other key management personnel											
A Webb Ware – Chief Operating Officer (1)	64,148	-	-	**64,148**	-	5,542	-	-	69,690	-	-
Total	**696,148**	-	-	**696,148**	**38,462**	**26,545**	-	**552,367**	**1,313,522**	**42%**	**42%**

(1) Resigned 15 October 2019

(2) Includes $38,462 accrued annual leave

Directors' and executive officers' remuneration (continued)

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2019 are as follows.

	Short-term				Long term benefits	Post-employment	Termination benefits	Share-based payments	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Salary & fees $	Consulting Fees $	Bonus $	Total $	Employee entitlements $	Superannuation benefits $	$	$	$	%	%
Directors											
J Sanger[(1)(2)]	312,500	-	-	312,500	25,641	15,399	-	331,065	684,605	48%	48%
A Pismiris	60,000	-	-	60,000	-	-	-	9,690	69,690	-	-
G Argyle	36,000	-	-	36,000	-	-	-	-	36,000	-	-
C Chenu	36,000	-	-	36,000	-	-	-	32,300	68,300	-	-
Total	**444,500**	-	-	**444,500**	**25,641**	**15,399**	-	**373,055**	**858,595**	**39%**	**43%**
Other key management personnel											
A Webb Ware – Chief Operating Officer [(3)(4)]	184,375	-	4,500	**188,875**	5,405	17,943	-	-	212,223	-	-
Total	**628,875**	**-**	**4,500**	**633,375**	**31,046**	**33,342**	-	**373,055**	**1,070,818**	**31%**	**35%**

(1) Appointed 15 November 2018

(2) Includes $25,641 accrued annual leave

(3) Worked as acting CEO from 1 June 2018 to 16 November 2018 and received a base salary supplement equivalent to $25,000 per year during that period.

(4) Includes $5,405 accrued annual leave

Non-executive directors

Total remuneration for all non-executive directors was set at $400,000 per annum (approved 22 April 2016). The levels of fees set were based on a review involving reference to fees paid to other non-executive directors of comparable companies at the time. Directors' fees are paid monthly in arrears. Members of the board of directors are entitled to performance related remuneration. Directors' fees cover all main board activities. Additional services provided outside of board duties attract a separate daily rate agreed by the full Board. There is no board retirement scheme and there is currently no intention to establish such a scheme.

Annual directors' fees currently agreed to be paid by the Company are $60,000 to the Chairman and $36,000 to the other non-executive directors. Superannuation payments (if applicable) are not included in these amounts.

Analysis of bonuses included in remuneration

No short-term incentive cash bonuses were awarded and paid as remuneration in the year ended 30 June 2020 and 30 June 2019.

Equity instruments

All options refer to options over ordinary shares of The Market Herald Limited, which are exercisable on a one-for-one basis.

Options granted as remuneration

During the 2020 financial year, the Managing Director's limited recourse loan facility was varied to increase from $1,000,000 to $1,500,000 following shareholder approval at the Annual General Meeting of the Company on 29 November 2019. The loan was drawn down in full on 27 December 2019 and the Managing Director was issued 11,538,461 shares in the Company. As a result of the modification during the financial year, the fair value of the in-substance option was remeasured at $819,231 at grant date (29 November 2019). With 5,000,000 (estimated) of in-substance options at the value of $300,000 recognised during the prior year ended 30 June 2019, the increase in the number of in-substance options of 6,538,461 and fair value of $519,231 were recognised during the financial year ended 30 June 2020. This award has no vesting conditions as the Board determined the existing conditions of employment were considered commercially reasonable and sufficient. The value of the loan is based on the following assumptions, risk free rate of 0.74%, expected volatility of 50%, and expected dividend of 0%.

The Company issued the following LTI options during the 2019 financial year:

- 300,000 unlisted options exercisable at $0.25 on or before 12th December 2021 to the Chairman, Mr Alec Pismiris approved at the Company Annual General Meeting of Shareholders held 30th November 2018;
- 1,000,000 unlisted options exercisable at $0.25 on or before 12th December 2021 to Non-executive Director, Mr Colin Chenu approved at the Company Annual General Meeting of Shareholders held 30th November 2018; and
- 2,000,000 unlisted options exercisable at $0.25 on or before 8th February 2022 to Managing Director, Mr Jag Sanger approved at the Company General Meeting of Shareholders held 10th January 2019.
- 5,000,000 (estimated) in-substance options awarded to Managing Director, Mr Jag Sanger in the form of a limited recourse loan approved at the Company General Meeting of Shareholders held 10th January 2019.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions have been altered or modified by the issuing entity during the reporting period other than the above.

Exercise of options granted as remuneration

No shares were issued on the exercise of options granted as remuneration during the reporting period, or since the end of the reporting period.

Analysis of rights over equity instruments granted as remuneration

Options

During the 2020 financial year, no options were issued other than in-substance options issued to the Managing Director. The Managing Director's limited recourse loan facility was varied to increase from $1,000,000 to $1,500,000 following shareholder approval at the Annual General Meeting of the Company on 29 November 2019. The loan was drawn down in full on 27 December 2019 and the Managing Director was issued 11,538,461 shares in the Company. As a result of the modification during the financial year, the fair value of the in-substance option was remeasured at $819,231 at grant date (29 November 2019). With 5,000,000 (estimated) of in-substance options at the value of $300,000 recognised during the prior year ended 30 June 2019, the increase in the number of in-substance options of 6,538,461 and fair value of $519,231 were recognised during the financial year ended 30 June 2020. This award has no vesting conditions as the Board determined the existing conditions of employment were considered commercially reasonable and sufficient. The value of the loan is based on the following assumptions, risk free rate of 0.74%, expected volatility of 50%, and expected dividend of 0%.

The table below discloses the number of share options granted, vested or lapsed during the 2019 financial year. Options issued during the 2019 financial year are:

Directors	Financial Year	Options granted during the year	Grant date	Fair value of option at award date	Vesting date	Exercise price	No. vested during the year	No. cancelled during the year	Value of options granted during the year
J Sanger	2019	2,000,000	10-Jan-2019	$0.032	-	$0.25	-	-	$64,200
J Sanger*	2019	*5,000,000 (estimated)	10-Jan-2019	$0.06	-	$0.28 (estimated)	5,000,000 (estimated)	-	$300,000
A Pismiris	2019	300,000	12-Dec-2018	$0.032	12 Dec 2018	$0.25	300,000	-	$9,690
C Chenu	2019	1,000,000	12-Dec-2018	$0.032	12 Dec 2018	$0.25	1,000,000	-	$32,300

Options granted to Mr Chenu and Mr Pismiris during the 2019 financial year have an expiry date of 12 December 2021. These options are not subject to any performance conditions on vesting in consideration of length of service already completed by the related recipients.

The 2,000,000 options granted to Mr Sanger during the 2019 financial year have an expiry date of 8 February 2022. The options granted during the prior year have an expiry date of 13 September 2020. These options are subject to a profit before tax performance hurdle for the calendar year ended 31 December 2019. The performance hurdle was selected to align the interests of the recipient further with shareholders and provide meaningful incentive to work towards the Company's success.

There were no options that were forfeited during the 2019 financial year.

In substance option award:

Mr Jag Sanger's has access to a limited recourse loan facility of up to $1,000,000 to fund the acquisition of shares in the Company. The facility has an expiry date of 5 years from the date of the first draw down under the arrangement. Whilst no shares have been acquired under the facility in the 2019 financial year, the in-substance option award has been valued assuming it had been drawn down at the approval date, 10th January 2019. The value of the in-substance option was valued at $300,000. This award has no vesting conditions as the Board determined the existing conditions of employment were considered commercially reasonable and sufficient.

Option and right holdings of Key Management Personnel

2020	Held at 1 July 2019	Granted as remuneration during 2019	Net change other	Held at 30 June 2020	Vested and exercisable
Directors					
J Sanger^	7,000,000	6,538,461	-	13,538,461	11,538,461
A Pismiris	1,000,000	-	-	1,000,000	1,000,000
G Argyle	-	-	-	-	-
C Chenu	1,000,000	-	-	1,000,000	1,000,000
	9,000,000	**6,538,461**	**-**	**15,538,461**	**13,538,461**

^ Mr Sanger's 11,538,461 options are related to the in-substance options issued in relation to the limited recourse loan facility of $1,500,000.

Shareholdings of Key Management Personnel

2020	Held at 1 July 2020	Purchases / other acquisitions	Sales / other disposals	Net change other	Held at 30 June 2020
Directors					
J Sanger	-	11,538,461	-	-	11,538,461
A Pismiris	350,000	150,000	-	-	500,000
G Argyle	5,600,000	2,800,000	-	-	8,400,000
C Chenu	150,000	75,000	-	-	225,000
	6,100,000	**14,563,461**	**-**	**-**	**20,663,461**

Other transactions and balances with KMP and their related parties

Details and terms and conditions of other transactions and balances with KMP and their related parties:

As of 30 June 2020, there is an interest receivable balance of $15,246 (30 June 2019: $Nil) owing from Mr Jag Sanger. This is in relation to the drawdown of the limited recourse loan facility of $1,500,000 on 27 December 2019.

End of Remuneration Report

This directors' report is signed in accordance with a resolution of the directors:

A Pismiris
Director
28 August 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Revenue from contracts with customers	4	12,035,029	4,252,107
Other income	5	3,450,615	80,650
Expenses			
Employee and director benefits expense	6(a)	(4,706,410)	(1,594,079)
Share based payments expense	21	(613,366)	(373,055)
Commission paid		(856,844)	(363,816)
Depreciation and amortisation		(599,293)	(162,341)
Finance cost		(546,977)	-
Other expenses	6(b)	(5,796,971)	(1,744,230)
Profit before income tax		2,365,783	95,236
Income tax expense	7(b)	(1,069,970)	(130,611)
Profit/(loss) for the year attributable to the members of the Company		1,295,813	(35,375)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		3,271,069	(229,981)
Amounts that may be subsequently reclassified to profit and loss (net of tax):			
Foreign currency translation		(125,671)	-
Other comprehensive income/(loss)		3,145,398	(229,981)
Total comprehensive income/(loss) for the year attributable to the members of the Company, net of tax		4,441,211	(265,356)
Earnings/(Loss) per share attributable to members			
Basic earnings/(loss) per share (cents)	19	0.81	(0.03)
Diluted earnings/(loss) per share (cents)	19	0.76	(0.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,376,193	1,492,369
Trade and other receivables	9	1,925,727	981,680
Other current assets	10	310,202	210,435
Current tax assets		-	81,379
TOTAL CURRENT ASSETS		4,612,122	2,765,863
NON-CURRENT ASSETS			
Plant and equipment	11	750,815	158,907
Intangibles	12	21,124,823	356,466
Right-of-use assets	2	696,570	-
Financial assets	13	13,109,011	1,296,389
Deferred tax asset	7	215,410	522,190
Other assets	10	137,086	120,627
TOTAL NON-CURRENT ASSETS		36,033,715	2,454,579
TOTAL ASSETS		40,645,837	5,220,442
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	3,044,472	332,395
Lease liability	2	241,760	-
Provisions	16	236,357	57,532
Unearned revenue	17	4,853,747	1,431,969
Interest bearing liabilities	24	2,130,606	-
Current tax liabilities		497,853	-
TOTAL CURRENT LIABILITIES		11,004,795	1,821,896
NON-CURRENT LIABILITES			
Interest bearing liabilities	24	9,461,090	-
Other payables	15	1,474,905	-
Deferred tax liabilities	7	632,307	-
Lease liability	2	472,179	-
TOTAL NON-CURRENT LIABILITES		12,040,481	-
TOTAL LIABILITIES		23,045,276	1,821,896
NET ASSETS		17,600,561	3,398,546

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
EQUITY			
Issued capital	18	20,788,649	11,641,211
Reserves		(5,824,976)	(9,583,740)
Retained earnings		2,636,888	1,341,075
TOTAL EQUITY		17,600,561	3,398,546

THE MARKET HERALD LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Share Capital	Distribution reserve	Share based payments reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Total
		$	$	$	$	$	$	$
Balance at 1 July 2018		**11,641,211**	**(10,184,223)**	**501,890**	**(44,481)**	**-**	**1,911,375**	**3,825,772**
Loss for the year		-	-	-	-	-	(35,375)	(35,375)
Other comprehensive loss		-	-	-	(229,981)	-	-	(229,981)
Total comprehensive loss for the year		-	-	-	(229,981)	-	(35,375)	(265,356)
Dividend paid	20	-	-	-	-	-	(534,925)	(534,925)
Share based payments		-	-	373,055	-	-	-	373,055
Balance at 30 June 2019		11,641,211	(10,184,223)	874,945	(274,462)	-	1,341,075	3,398,546
Balance at 1 July 2019		**11,641,211**	**(10,184,223)**	**874,945**	**(274,462)**	**-**	**1,341,075**	**3,398,546**
Profit for the year		-	-	-	-	-	1,295,813	1,295,813
Other comprehensive loss		-	-	-	3,271,069	-	-	3,271,069
Total comprehensive income for the year		-	-	-	3,271,069	-	1,295,813	4,566,882
Issue of share capital		9,411,902	-	-	-	-	-	9,411,902
Foreign translation reserve		-	-	-	-	(125,671)	-	(125,671)
Share transaction cost	18	(264,464)	-	-	-	-	-	(264,464)
Share based payment	21	-	-	613,366	-	-	-	613,366
Balance at 30 June 2020		**20,788,649**	**(10,184,223)**	**1,488,311**	**2,996,607**	**(125,671)**	**2,636,888**	**17,600,561**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,135,773	5,859,221
Payments to suppliers and employees		(11,283,398)	(4,031,373)
Receipt from government grants		238,000	-
Interest received		-	5,019
Income tax refund/(paid)		293,001	(864,099)
Interest paid		(456,053)	-
Net cash provided by operating activities	8	927,323	968,768
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to unrelated parties		-	(35,000)
Purchase of financial instruments		(8,697,205)	(1,999,937)
Proceeds from sale of financial instruments		5,854,402	306,475
Purchase of plant, equipment, and intangible assets		(774,024)	(154,887)
Payment of security deposit		-	(69,477)
Additions to intangibles		20,000	-
Payment for Stockhouse acquisition, net of cash acquired		(15,333,440)	-
Net cash used in investing activities		(18,930,267)	(1,952,826)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		6,954,026	-
Payment of lease liabilities		(279,948)	-
Proceeds from loan		12,242,457	-
Dividends paid	20	-	(534,925)
Net cash provided by/(used in) financing activities		18,916,535	(534,925)
Net increase/(decrease) in cash held		913,591	(1,518,983)
Net foreign exchange difference		(29,767)	-
Cash and cash equivalents at beginning of financial year		1,492,369	3,011,352
Cash and cash equivalents at end of financial year	8	2,376,193	1,492,369

1. Corporation information

The consolidated financial report of The Market Herald Limited (the “Company”) and its controlled entities (collectively referred to as the “Group”) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 28 August 2020.

The Market Herald Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is principally engaged in the provision of a stock market internet discussion forum, communications and investor relations consultancy services, and a news platform. The Group’s principal place of business is in Perth, Western Australia, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the directors’ report. Information on the Group’s structure is provided in Note 30. Information on other related party relationships of the Group is provided in Note 27.

2. Significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis and is based on historical costs except for certain financial assets measured at fair value.

The financial report is presented in Australian dollars (AUD).

(a) Compliance with International Financial Reporting Standards

The consolidated financial statements of The Market Herald Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group earned a profit of $1,295,813 for the year ended 30 June 2020. As at that date, the Group had net assets of $17,600,561, net current liabilities of $6,392,673 and net cash from operating activities of $927,323.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

1. The unearned revenue from customers of $4,853,747 which is recognised as a current liability as at 30 June 2020 (refer to Note 17 of financial statements) which no cash outflows are expected to be required to settle this liability, other than the cash outflows that will be incurred as a result of providing the services to fulfil the contract liabilities. The contract liabilities will unwind when the services are provided by the Group during the year ended 30 June 2021.

2. The Group has the ability to curtail its activities in order to conserve cash.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Going concern

3. Financial assets of $13,109,011 (refer to Note 13 of financial statements) which are classified as a non-current asset may also be liquidated to fund any net current liabilities shortfall on an as needs basis.

(c) New or amended accounting standards adopted

The Group applied all new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that were relevant to its operations and effective for annual periods beginning on 1 July 2019. Adoption of these Standards and Interpretations did not have a significant impact on the financial position or performance of the Group. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

Since 1 July 2019, the Group has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or before 1 July 2019. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards and interpretations as of 1 July 2019. The Group adopted AASB 16 Leases ("AASB 16") and AASB Interpretation 23 Uncertainty Over Income Tax Treatments ("Interpretation 23") with the date of initial application of 1 July 2019. The impact of these are disclosed in more detail below.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Group is the lessor.

Nature of the effect of adoption of AASB 16

The Group applied the modified retrospective transition method to adopt AASB 16 and thus prior comparatives were not restated. Under this method, the cumulative effect of initially applying the standard is recognised directly as an adjustment to equity at the date of initial application of the standard, 1 July 2019. The Group elected to use the recognition exemptions for lease contracts that have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Group has a lease contract for office space. Prior to the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Prior to the date of initial application of AASB 16, the Group did not have any finance leases recognised and leased property was classified as operating lease. Operating leases were not capitalised and the lease payments were recognised as rent expense in the profit or loss on a straight-line basis over the lease term.

On adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases, except leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New or amended accounting standards adopted

The Group recognised right-of-use asset and lease liability for the lease previously classified as operating leases, except for leases of low-value assets. The Group has elected to present right-of-use asset and lease liability separately in the statement of financial position. On transition, the right-of-use asset was recognised based on an amount equal to the lease liability. Lease liability was recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The incremental borrowing rate was determined for property lease taking into consideration factors such as the remaining lease term, the nature of the asset, credit risk and economic environment in which the asset was located (which included the currency in which the lease was denominated). The weighted-average discount rate applied was 5.82%.

The Group also applied the available practical expedients wherein it excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The effect of adopting AASB 16 as at 1 July 2019 is, as follows:

	$
Assets	
Non-current: Right-of-use assets	993,670
Total assets	993,670
Liabilities	
Current: Lease liabilities	422,229
Non-current: Lease liabilities	577,253
Total liabilities	999,482

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New or amended accounting standards adopted (continued)

Reconciliation of operating lease commitments

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019 as follows:

	$
Operating lease commitments as at 30 June 2019	1,112,126
Weighted average incremental borrowing rate as at 1 July 2019	5.82 %
Discounted operating lease commitments as at 1 July 2019	
Less:	
Commitments relating to short-term leases	-
Commitments relating to variable leases	-
Commitments relating to leases of low-value assets	-
Lease liabilities as at 1 July 2019	999,482

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use asset and lease liability and the movements during the year:

Right-of-use Asset – Property	**$**
Recognised at 1 July 2019 on adoption of AASB 16	993,670
Depreciation expense	(297,100)
Right-of-use asset as at 30 June 2020	**696,570**

Lease Liability

Recognised at 1 July 2019 on adoption of AASB 16	999,482
Interest expense	(46,847)
Payments	(238,696)
Lease liabilities as at 30 June 2020	**713,939**

Presented in the statement of financial position as follows:	
Current	241,760
Non-current	472,179
Lease liabilities as at 30 June 2020	**713,939**

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New or amended accounting standards adopted (continued)

Below are the new accounting policies of the Group upon adoption of AASB 16 which have been applied from the date of initial application:

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Property lease 5 years

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

c) Leases of low-value assets

The lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) 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 IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, 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.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed. 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 considered whether it had any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions and the taxation authorities may challenge those tax treatments. The interpretation did not have an impact on the consolidated financial statements of the Group.

(e) Other accounting policies adopted by the Group

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(e) Other accounting policies adopted by the Group (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

2.2 Basis of consolidation and accounting policies applied

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(a) Foreign currency translation

Functional and presentation currency

The functional currency of each entity in the Group is determined with reference to the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Australian dollars, which is also the Company’s functional currency.

Transactions and balances

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

2.2 Basis of consolidation and accounting policies applied (continued)

(b) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

	Method	**Depreciation rate**
Plant and equipment	Reducing Balance	7%-50%
Leasehold improvements	Reducing Balance	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(c) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs of disposal) and value in use.

For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less; that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2 Basis of consolidation and accounting policies applied (continued)

(e) Trade and other receivables

The Group classifies receivables as financial assets at amortised cost if both of the following conditions are met: -

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Trade receivables that do not contain significant financing component are initially recognised at the transaction price determined under the revenue policy. Other receivables are initially measured at fair value less transaction costs.

Receivables at amortised cost are subsequently measured using the effective interest (EIR) method, less an allowance for expected credit losses. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The Group considered a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in fill before taking into account any credit enhancement held by the Group. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flow.

(f) Intangible assets - software development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

(a) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
(b) its intention to complete and its ability and intention to use or sell the asset;
(c) how the asset will generate future economic benefits;
(d) the availability of resources to complete the asset; and
(e) the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of website development cost is based on a straight-line method over a 3-10 year period and matched to the future economic benefits over the useful life of the project. The amortisation period and amortisation method of intangible assets are reviewed at least at each balance date.

(g) Provisions

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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.

2.2 Basis of consolidation and accounting policies applied (continued)

(h) Revenue from contracts with customers

The Group is in the business of providing advertising services which includes a range of product offerings including the corporate spotlight, video content production, display advertising, email communication services. and other investor relations services. The total fixed consideration in the contract is allocated to the distinct services in the contract based on the list prices that the Group sells the services to customers on a standalone basis.

Revenue recognised over the service period to which the obligation is satisfied include:

- Corporate spotlight offers a dedicated space above a company's HotCopper sub-forum to display company information, videos and publications. Revenue is derived by providing these services over a contracted period. Consideration is recorded as deferred when it is received which is at the time of sale and revenue is recognised over time as the customer receives and consumes the benefits of the services over the contract period. The measurement of progress in satisfying the performance obligation is based on the passage of time (i.e. on a straight-line basis).

- Investor relations services is an investor engagement offering sold as a monthly subscription-based service in the form of consulting services. Revenue is derived by providing these services over a contracted period. Consideration is recorded as deferred when it is received which is at the time of sale and revenue is recognised over time as the services are provided. The Group has an enforceable right to payment for performance completed to date and there is no alternative use for the asset.

- Video content production is to deliver an effective video for customers at any point in time over the contract period. Revenue is derived by providing this service over a contracted period. Consideration is recorded as deferred when it is received which is at the time of sale and revenue is recognised over time as the services are provided.

- Banner advertising is a standard sized website advertisement for a fixed price recognised over time as specified by the customer.

2.2 Basis of consolidation and accounting policies applied (continued)

(h) Revenue from contracts with customers (continued)

Revenue recognised the point of service delivery include:

- Email communication services is a company-sponsored email out to a database of verified opt-in email recipients.
- Sponsored article provides customers with a trained, experienced editorial comment on their company and the relevant news and proposition they are bringing to the market.

Consideration is recorded as deferred when it is received, and revenue is recognised at the point in time, when the performance occurs. The amount of revenue recognised is based on the amount of the transaction price allocated to this performance obligation.

Bundle advertising services

The Group also offers to its customers a bundled service package. The total fixed consideration in the contract is allocated to each performance obligation based on standalone selling prices of each distinct service. The standalone selling prices are determined based on the list prices that the Group sells the standalone service. Revenue for distinct services is recognised in line with the timing of the delivery of each product included in the bundled package as set out above. When services are sold as a bundled package, the customer receives a discount. This discount is allocated proportionately to each distinct service offering included in the package.

Contract liabilities

Contract liabilities are recognised as revenue when the Group performs under the contract. Given the short time frame between receipt of cash and satisfaction of the performance obligations under the contract the Group has applied the practical expedient to not adjust the promised consideration for the effects of a significant financing component as the period between the transfer of the promised good or service to a customer and when the customer pays for that good or service is one year or less.

Costs to obtain a contract

The Group pays commissions on sales. The Group has elected to apply the practical expedient for the incremental costs to obtain a contract which allows the Group to immediately expense sale commission because the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

2.2 Basis of consolidation and accounting policies applied (continued)

(i) Goods and services tax (GST)

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

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

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

(j) Trade and other payables

These amounts represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.2 Basis of consolidation and accounting policies applied (continued)

(k) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

The Group records its best estimate of these items based upon the latest information available and management's interpretation of enacted tax laws. Whilst the Group believes it has adequately provided for the outcome of these matters based on the most probable outcome, future results may include favourable or unfavourable adjustments as assessments are made, or resolved.

Deferred tax

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

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

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Contributed equity

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

2.2 Basis of consolidation and accounting policies applied (continued)

(m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured using the projected unit credit valuation method up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(n) Equity Investments

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instrument)

Upon initial recognition, the Group elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature and contribute towards facilitating a trusted relationship with the customer.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

2.2 Basis of consolidation and accounting policies applied (continued)

(o) Financial liabilities

Financial liabilities are classified, at initial recognition, as payables. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables. They are subsequently measured at amortise cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(p) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amount of financial assets and financial liabilities approximate their fair values. For financial instruments carried at fair value, the Company uses various methods in estimating fair value. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in an active market.
Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at balance date.

2.2 Basis of consolidation and accounting policies applied (continued)

(r) Share-based payments

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals 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 determined by using the Binomial valuation model.

In valuing equity settled transactions no account is taken of any performance conditions, other than conditions linked to the value of the shares of The Market Herald Limited (‘market conditions’).

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, 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’).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

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 the modification.
Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

The dilutive effect, if any, of outstanding options is reflected in the computation of earnings/(loss) per share (see note 19).

2.2 Basis of consolidation and accounting policies applied (continued)

(s) Earnings per share

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

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

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

(t) Borrowings

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

(u) Finance costs

Finance costs are expensed in the period in which they are incurred.

(v) Significant accounting judgements estimates and assumptions

The directors made estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and assumptions made have been described below.

Key judgements

Revenue from contracts with customers

Allocation of the transaction price to multiple performance obligations – the transaction price is allocated to performance obligations based on a relative standard alone selling price basis using the standard list price for individual services.

2.2 Basis of consolidation and accounting policies applied (continued)

(v) Significant accounting judgements estimates and assumptions (continued)

Key estimates

Impairment of non-financial assets

The Group assess at each reporting date whether there are any indications that an asset or CGU may be impaired. Indicators that were considered but not limited to are such as whether there have been significant changes with an adverse effect on the entity have occurred during the year or will occur in subsequent years in the technological, market economic or legal environment in which the entity operates. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Variations to expected future cash flows, and timing thereof, could result in significant changes in the recoverable amount, which in turn could impact future financial results.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. The most relevant category applicable to the Group is the trade receivables where the ECL calculation is calculated based on the lifetime ECL using a provision matrix, grouped based on days overdue. The ECL assumptions include historical observed default rates and has incorporated forward looking assumptions. Further details of the accounting policy on ECLs of the Group's trade receivables is disclosed in note 9.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using the relevant valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Note 3: Segment information

For management purposes the Group is organised into two operating segments, which involves the operation of the HotCopper and the Market Herald websites, being the "The Market Herald" segment and Stockhouse website, being "Stockhouse" segment. All significant operating decisions are based upon analysis of the Group as two segments. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

	Consolidated	
	2020	**2019**
	$	**$**
Geographical markets:		
Australia customers	5,171,833	3,433,621
Overseas customers	6,863,196	818,486
Total revenue from contracts with customers	12,035,029	4,252,107

All non-current assets are in Australia and Canada.

	The Market Herald	**Stockhouse**	**Total**
	$	**$**	**$**
Revenue			
30 June 2020	5,866,089	6,168,940	12,035,029
30 June 2019	4,252,107	-	4,252,107
Segment profit/(loss)			
30 June 2020	(1,639,515)	2,935,328	1,295,813
30 June 2019	(35,375)	-	(35,375)
Assets			
30 June 2020	6,196,970	34,448,867	40,645,837
30 June 2019	5,220,442	-	5,220,442

Note 4: Revenue

	Consolidated	
	2020	**2019**
	$	**$**
Revenue from contracts with customers		
Advertising services		
Advertising services – Revenue recognised overtime	7,152,135	1,409,265
Advertising services – Revenue recognised at a point in time	4,882,894	2,842,842
Total revenue from contracts with customers	12,035,029	4,252,107

Note 5: Other income

	Consolidated	
	2020 **$**	**2019** **$**
Other income	40,872	1,437
Finance income	-	5,947
Reversal of loan impairment	-	50,000
Gain or loss on revaluation of FVTP&L	2,651,001	-
Gain or loss on disposal options	170,443	-
Government grants	588,299	-
Fair value gain on financial instrument	-	23,266
	3,450,615	80,650

Note 6: Expense items

This note provides a breakdown of material expense items shown in the statement of profit or loss and other comprehensive income.

	Consolidated 2020 $	Consolidated 2019 $
(a) **Employee and director benefits expense**		
Wages and salaries	3,659,125	1,225,250
Superannuation and social benefits	200,004	120,952
Director fees	132,000	132,000
Other employee expenses	715,281	115,877
	4,706,410	1,594,079

	Consolidated 2020 $	Consolidated 2019 $
(b) **Other expenses**		
Acquisition expenses	1,209,931	-
Consultancy costs	820,210	254,053
Site monitoring and hosting	198,521	165,674
Flights and accommodation	280,608	42,680
Marketing and advertising	180,565	127,708
Office software	362,148	37,318
Market data	433,856	118,633
Operating lease rentals	-	101,127
Accounting, audit, and tax fees	315,364	94,130
Impairment of cryptocurrency	333,885	-
Other	1,661,883	802,907
	5,796,971	1,744,230

Note 7: Income tax expense

	Consolidated 2020 $	Consolidated 2019 $
a. Major components of income tax expense are:		
Consolidated profit or loss		
Current tax:		
Current income tax charge	135,177	280,003
Adjustments in respect of current income tax of previous years	-	(66,333)
Deferred tax:		
Relating to origination and reversal of temporary differences in the current period	934,793	(147,160)
Adjustments in the current period for temporary differences of prior years	-	64,101
	1,069,970	130,611
Consolidated statement of other comprehensive income		
Current tax charge related to items recognised in OCI during the year:		
Realised loss on FVOCI financial assets	-	(81,831)
Deferred tax related to items recognised in OCI during the year:		
Change in fair value losses on FVOCI financial assets	-	(5,405)
Change in fair value losses on AFS financial assets	-	-
	-	(87,236)

b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2020 $	2019 $
Accounting profit before income tax	2,365,783	95,236
Income tax expense at the statutory income tax rate of 27.5% (2019: 27.5%)	650,590	26,190
Adjusted tax effect for:		
Adjustments in respect of current income tax of previous years	(103,677)	(2,232)
Non-deductible expenses	183,565	106,660
Non-assessable amounts	-	(7)
Other	339,492	-
	1,069,970	130,611

Note 7: Income tax expense (continued)

	Consolidated	
	2020 **$**	**2019** **$**
c. Deferred tax		
Deferred tax relates to the following:		
The balance comprises temporary differences attributable to:		
Carried forward tax losses	277,780	-
Other	115,035	11,240
Unearned revenue	-	436,322
Investments	(748,610)	15,877
Property, plant and equipment	(132,891)	(5,098)
Capital lease liability	39,865	-
Section 40-880 costs	31,924	63,849
Net deferred tax (liability)/asset	(416,897)	522,190
Movements for the year recognised in profit and loss:		
Opening balance at 1 July	491,010	433,726
Tax (expense)/benefit during the period recognised in profit or loss	(619,769)	147,160
Adjustments to deferred tax of prior periods	(288,138)	(64,101)
Tax benefit/(expense) during the period recognised in equity	-	5,405
Net deferred tax (liability)/asset	(416,897)	522,190
Presented in the statement of financial position as follows:		
Deferred tax liabilities	(632,307)	-
Deferred tax assets	215,410	522,190
Net balance	(416,897)	522,190

d. Unrecognised temporary differences

At 30 June 2020, there were no unrecognised temporary differences (30 June 2019: Nil).

Note 7: Income tax expense (continued)

Tax consolidation legislation

The Market Herald Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 12 September 2016.

The Market Herald Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The Group has applied the separate taxpayer within a group approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, The Market Herald Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding amount for each Member shall be determined as the Member's appropriate share of the Group liabilities and/or Group assets recognised for the period in accordance with the 'separate taxpayer with a group' approach, adjusting appropriately for transactions between Members.

Note 8: Cash and cash equivalents

	Consolidated	
	2020	**2019**
	$	**$**
Cash at bank and on hand	2,376,193	1,492,369

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise the amounts above at 30 June 2020. The carrying value of the cash and cash equivalents approximates fair value.

The Group's exposure to credit risk for financial assets and liabilities is disclosed in note 22.

Note 8: Cash and cash equivalents (continued)

Reconciliation from the profit/(loss) after tax to the net cash flows from operations

	Consolidated	
	2020	**2019**
	$	**$**
Net profit/(loss) after tax	1,295,813	(35,375)
Adjusted for non-cash items:		
Depreciation and amortisation	599,293	162,341
Share based payments expense	613,366	373,055
Expected credit losses/ doubtful debts provision	101,697	54,917
(Reversal) / impairment of loan	-	(50,000)
Net gain on disposal of financial assets	(170,443)	-
Gain in options	(2,651,001)	-
Impairment of cryptocurrency	333,885	-
Unwinding of discount on deferred and contingent consideration	123,170	-
Gain on disposal of plant and equipment	(14,566)	-
Working capital adjustments:		
Movement in trade and other receivables	(448,803)	62,135
Movement in other current assets	4,520	185,467
Movement in trade and other payables	(313,000)	27,655
Movement in unearned income	544,802	715,605
Movement in income taxes payable	478,811	(640,787)
Movement in deferred taxes payable	321,232	88,464
Movement in provisions	108,547	25,291
Net cash flows from operating activities	927,323	968,768

Note 9: Trade and other receivables

	Consolidated 2020	2019
	$	$
Trade receivables at amortised cost	2,095,356	394,346
Allowance for expected credit losses	(738,928)	(65,917)
Other receivables	569,299	653,251
	1,925,727	981,680

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and are non-interest bearing. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of trade receivables is reviewed on an ongoing basis. The Group's impairment and other accounting policies for trade receivables are outlined in Note 2.2(e). The significant change in the balance of the expected credit loss for 2020 is as a result of the increase in debtors outstanding for longer than 270 days.

The other receivables balance includes subscription monies held in trust pending the allotment of shares. The probability of default associated with these advances is minimal.

A credit loss arises when the Group does not expect an amount to be paid in full by considering the due date, amount, and recent sales experience.

Set out below is the movement in the allowance for expected credit losses account for trade receivables:

Date	2020	2019
	$	$
Opening Balance	65,917	11,000
Increase in provision	673,011	65,917
Reversals	-	(11,000)
Closing Balance	**738,928**	**65,917**

As at 30 June 2020, the ageing analysis of trade receivables, net of allowance for expected credit losses is as follows:

	Total	Current	< 30	31–60	61–90	90-180	180-270	>270
	$	$	$	$	$	$	$	$
30 June 2020								
Expected credit loss rate		0.01%	0.05%	0.04%	0.09%	10.01%	16.14%	62.52%
Gross trade receivables	**2,095,356**	477,202	109,183	156,087	57,316	25,749	124,648	1,145,171
Expected credit loss	**738,928**	58	58	57	51	2,577	20,113	716,014
Allowance for expected credit losses	**738,928**							

Note 9: Trade and other receivables (continued)

As at 30 June 2019, the ageing analysis of trade receivables, net of allowance for expected credit losses is as follows:

	Total	Current	< 30	31–60	61–90	90-180	180-270	>270
	$	$	$	$	$	$	$	$
30 June 2019								
Expected credit loss rate		0.01%	0.01%	0.01%	0.02%	0.03%	30%	100%
Gross trade receivables	**394,346**	105,096	79,467	53,860	3,580	20,726	93,200	38,417
Expected credit loss	**66,408**	11	8	5	1	6	27,960	38,417
Other adjustments	**(491)**							
Allowance for expected credit losses	**65,917**							

Note 10: Other assets

	Consolidated 2020	Consolidated 2019
	$	$
CURRENT		
Prepayments	197,586	175,435
Other receivables	77,616	-
Loan to unrelated party*	35,000	35,000
	310,202	210,435
NON-CURRENT		
Security deposit*	137,086	120,627
	137,086	120,627

*Expected credit loss on the loan is not considered significant based on the Group credit risk policy in note 22.

The Group's exposure to credit risk for financial assets and liabilities is disclosed in note 22. The carrying value of the other assets approximates fair value

Note 11: Plant and equipment

	Consolidated	
	2020	**2019**
	$	**$**
Equipment		
Gross carrying value – at cost	958,047	180,023
Accumulated depreciation	(251,076)	(53,038)
Net carrying amount at 30 June	706,971	126,985
Net carrying amount at 1 July	126,985	29,789
Additions	759,898	119,009
Disposals	(33,476)	(347)
Depreciation	(146,436)	(21,466)
Net carrying amount at 30 June	706,971	126,985
Leasehold Improvements		
Gross carrying value – at cost	130,725	49,801
Accumulated depreciation	(86,881)	(17,879)
Net carrying amount at 30 June	43,844	31,922
Net carrying amount at 1 July	31,922	22,151
Additions	26,426	17,400
Depreciation	(14,504)	(7,629)
Net carrying amount at 30 June	43,844	31,922
Total net carrying amount as at 30 June	750,815	158,907

Note 12: Intangibles

	Consolidated	
	2020	**2019**
Software development	**$**	**$**
Gross carrying value – at cost	788,277	788,277
Accumulated depreciation	(566,251)	(431,811)
Net carrying amount at 30 June	222,026	356,466

	Consolidated	
	2020	**2019**
Software development	**$**	**$**
Net carrying amount at 1 July	356,466	471,234
Additions	-	18,478
Depreciation	(134,440)	(133,246)
Net carrying amount at 30 June	222,026	356,466
Intangibles arising from business combination		
Net carrying amount at 1 July	-	-
Additions (Refer to Note 14)	20,902,797	-
Net carrying amount at 30 June	20,902,797	-
	21,124,823	356,466

The recoverable amount of the Group's intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period together with a terminal value approved by management.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for Stockhouse Publishing Ltd:

- 18.95% pre-tax discount rate;
- 15% per annum projected revenue growth rate;
- 0.7% cash flow growth rate for terminal value;
- 15% per annum increase in operating costs and overheads.

The discount rate of 18.95% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the division, the risk free rate and the volatility of the share price relative to market movements.

Note 12: Intangibles (continued)

Management believes the projected 15% revenue growth rate is reasonable, based on the current growth rate. There were no other key assumptions for Stockhouse Publishing Ltd. Based on the above, the recoverable amount of Stockhouse Publishing Ltd exceeded the carrying amount by $23,102,684.

Sensitivity
As disclosed in note 2, judgements and estimates in respect of impairment testing of non-financial assets have been made. Should these judgements and estimates not occur the resulting non-financial asset carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 40% for Stockhouse Publishing Ltd before intangibles would need to be impaired, with all other assumptions remaining constant.

- The discount rate would be required to increase by 317% for Stockhouse Publishing Ltd before intangibles would need to be impaired, with all other assumptions remaining constant.

Note 13: Financial assets

	Consolidated	
	2020	**2019**
	$	**$**
NON-CURRENT		
Fair value through profit and loss – options and debentures	4,225,874	23,265
Fair value through OCI – listed shares	8,883,137	1,273,124
	13,109,011	1,296,389

Note 14: Business Combination

On 7 November 2019, The Market Herald Limited ("The Market Herald") obtained control of Stockhouse Publishing Limited ("Stockhouse Publishing") by acquiring 100 per cent of its outstanding ordinary shares. The Market Herald's acquisition of Stockhouse Publishing is a key step in its strategy to grow a global finance news and retail investor relations platform. The acquired business contributed revenues of $6,168,940 and profit after tax of $3,226,797 to the Group for the period from 7 November 2019 to 30 June 2020. If the acquisition occurred on 1 July 2019 the full year contributions would have been revenues of $8,871,990 and profit after tax of $2,794,454.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	**AU$**
Cash	17,044,849
Deferred payment	2,282,730
Equity instruments (a)	2,457,878
Contingent consideration arrangement (b)	962,458
Estimated working capital adjustment	(604,297)
Total consideration transferred	22,143,618

(a) 16,950,876 ordinary shares of The Market Herald were issued as part of the consideration. The fair value of the ordinary shares issued was based on the listed price of The Market Herald's ordinary shares on the acquisition date.

(b) The Group has agreed to pay the selling shareholders in two years' time additional consideration of AU$962,458 (CAD$: 903,459) if revenue of the acquiree exceeds AU$11million (CAD$10 million) for the year ending 31 December 2020. The additional consideration will be paid in four equal quarterly instalments commencing 31 March 2021. The fair value measurement is based on significant Level 3 inputs. Key assumptions include a discount rate range of 5.9 per cent and assumed probability-adjusted revenues.

As of 30 June 2020, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.

Recognised amounts of identifiable assets acquired and liabilities assumed	**AU$**
Cash	1,935,674
Financial assets	3,091,818
Property, plant and equipment	325,135
Identifiable intangible assets	-
Financial liabilities	(4,080,626)
Deferred tax liability	(31,180)
Contingent liabilities	-
Total identifiable net assets	1,240,821
Intangibles	20,902,797
	22,143,618

Note 14: Business Combination (continued)

The initial accounting is incomplete and the amounts recognised have been only determined provisionally as fair value of the acquired identifiable net assets is provisional pending receipt of the final valuations.

Note 15: Trade and other payables

	Consolidated	
	2020	**2019**
Current (a) (b)	**$**	**$**
Trade payables	212,211	142,250
GST payable	161,183	16,476
Sundry payables and accrued expenses	782,896	173,669
Stockhouse consideration – deferred consideration	1,382,263	-
Stockhouse consideration – contingent consideration	505,919	-
Net carrying amount at 30 June	3,044,472	332,395

	2020	**2019**
Non-current	**$**	**$**
Stockhouse consideration – Deferred consideration	983,736	-
Stockhouse consideration – Contingent consideration	491,169	-
Net carrying amount at 30 June	1,474,905	-

a) Trade and other payables are non-interest bearing and are unsecured. Balances are usually settled within 30 days of recognition.

b) The carrying amounts of trade and other payables approximate their fair values, due to their short-term nature.

Note 16: Provisions

	Consolidated	
	2020	**2019**
	$	**$**
CURRENT		
Employee benefits (a)	236,357	57,532
	236,357	57,532

(a) Employee benefits

The provision for employee benefits relates to the Group's liability for annual leave. The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Group expects the full amount of annual leave to be settled within the next 12 months.

Note 17: Unearned revenue

Unearned revenue relates to the deferred portion of term contract revenues where the contract term extends past the balance date. Revenue is released from the balance sheet and recognised in the income statement when the product or services have been delivered. The remaining performance obligations are expected to be satisfied within 1 year.

	Consolidated	
	2020	**2019**
	$	**$**
Unearned revenue	4,853,747	1,431,969
	4,853,747	1,431,969

Date		**2020**	**2019**
		$	**$**
1 July	Opening balance	1,431,969	716,363
	Advances payments received:	10,840,397	2,896,086
	Revenue recognised in the period from:		
	- Amounts included in the unearned revenue at the beginning of the period	(2,989,442)	(716,363)
	- Advance payments applied to current period	(4,429,177)	(1,464,117)
30 June	Closing balance	4,853,747	1,431,969

Note 18: Issued capital

	30 June 2020 Number	30 June 2019 Number	30 June 2020 $	30 June 2019 $
(a) Share capital				
Ordinary shares	188,966,839	106,985,001	20,788,649	11,641,211

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Movement in share capital

Date	Details	No. of shares	$
1 July 2018	Shares on issue	106,985,001	11,641,211
30 June 2019	**Shares on issue**	**106,985,001**	**11,641,211**
28 October	Issue under capital raising	42,838,335	5,568,983
6 November	Issue under capital raising	10,654,166	1,385,041
7 November	Issued as part consideration for the acquisition of Stockhouse (refer Note 14)	16,950,876	2,457,878
7 November	Share issue cost	-	(264,464)
27 December	Issued under long term incentive plan	11,538,461	-
30 June 2020	**Shares on issue**	**188,966,839**	**20,788,649**

(c) Capital risk management

For the purpose of the Group's capital management, capital includes issued capital and retained earnings attributable to the equity holders of the parent. The primary objectives of the Group when managing its capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board considers capital management initiatives that are in the best interests of the Group and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and the payment of dividends.

As a result of the Stockhouse acquisition during the year, the Group has a debt facility with National Bank of Canada. Please refer to note 24 for further information.

(d) Reserves

Share based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 21 for further details of these plans.

Note 18: Issued capital (Continued)

Distribution reserve

The reserve represents the distribution paid to shareholders of Report Card in relation to the Group reorganisation in 2016 and upon the listing of The Market Herald Limited.

Fair value reserves of financial assets at FVOCI

The reserve represents the unrealised gains and losses arising from changes in the fair value of these assets and are recognised in equity in the period in which they arise.

Note 19: Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares on issue during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares on issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2020	2019
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	159,614,668	106,985,001
Effects of dilution from share options	11,650,000	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	171,264,668	106,985,001
	$	**$**
Basic earnings/(loss) attributable to ordinary equity holders of the Group	1,295,813	(35,375)

Note 20: Dividend paid or provided for

No dividend was declared and paid during the year (30 June 2019: $534,925 at 0.5 cents per share).

Note 21: Share based payments

The following table illustrates the outstanding options granted, exercised and cancelled during the year:

	Number	**Weighted average exercise price ($)**
Outstanding at 1 July 2018	5,350,000	$0.25
Director incentive options	1,300,000	$0.25
Managing director options	2,000,000	$0.25
Managing director alternative options(estimated)	5,000,000	$0.28
Outstanding at 30 June 2019	13,650,000	$0.27
Options granted to underwriters	3,000,000	$0.25
Managing Director in-substance options	6,538,461	$0.13
Outstanding at 30 June 2020*	23,188,461	$0.23
Exercisable at 30 June 2020	21,188,461	$0.23

* Include 11,538,461 in-substance option award exercisable.

No options were exercised during the year.

The fair value of options granted during the current year was $580,231 (2019: 406,190). Holders of options do not have any voting or dividend rights in relation to the options. The weighted average fair value of options granted during the year was $375,110 (2019: $200,109).

The weighted average remaining contractual life for share based payment options outstanding at 30 June 2020 was 2.51 years (2019: 3.75 years).

The options issued to directors during the year was 6,538,461 (2019: 8,300,000). The options issued to other key management personnel during the year was Nil (2019: Nil).

The following options included in the above, had conditions attached:

Security	**Number**	**Condition**
Options granted to underwriters	3,000,000	The option is exercisable at $0.25 on or before 7 November 2022. The options valuation are based on the following assumptions, risk free rate of 0.79%, expected volatility of 55%, and expected dividend of 0%.

During the financial year, the Managing Director’s limited recourse loan facility was varied to increase from $1,000,000 to $1,500,000 following shareholder approval at the Annual General Meeting of the Company on 29 November 2019. The loan was drawn down in full on 27 December 2019 and the Managing Director was issued 11,538,461 shares in the Company. As a result of the modification during the financial year ended 30 June 2020, the fair value of the in-substance option was remeasured at $819,231 at grant date (29 November 2019). With 5,000,000 (estimated) of in-substance options at the value of $300,000 recognised during the prior year ended 30 June 2019, the increase in the number of in-substance options of 6,538,461 and fair value of $519,231 were recognised in the financial year ended 30 June 2020. This award has no vesting conditions as the board determined the existing conditions of employment were considered commercially reasonable and sufficient. The value of the loan is based on the following assumptions, risk free rate of 0.74%, expected volatility of 50%, and expected dividend of 0%.

Note 21: Share based payments (continued)

Options were valued using the Binomial option pricing methodology model, based on the assumptions set out below:

Options	Grant / Valuation Date	Dividend yield	Expected volatility	Risk-free rate	Expected life of options	Option exercise price	Share price at grant date	Fair value
Options granted to underwriters	6/11/2019	-	55%	0.79%	3 years	$0.25	$0.145	$61,000
Managing director in substance options	29/11/2019	-	50%	0.74%	5 years	$0.13	$0.15	$519,231

The 2,000,000 options granted to Mr Sanger during the 2019 financial year have an expiry date of 8 February 2022 and the fair value amounted to $33,135 has been recognised in current year. Total share based payments expense recognised in current year was $613,366 (2019: $373,055).

Note 22: Financial risk management

The Group's principal financial instruments comprise receivables, payables, equity investments, and cash and cash equivalents which arise directly from its operations.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, equity price risk, liquidity risk and credit risk. The Group's senior management is directed by the Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's senior management provides assurance to the Board that the Group's financial risk activities are governed by appropriate policies and procedures that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

<u>Risk exposures and responses</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group generates income from interest on surplus funds.

At balance date, the Group did not have material exposure to interest rate risk. The impact from the changes in interest rate is negligible.

Note 22: Financial risk management (continued)

Risk exposures and responses (continued)

Equity price risk

The Group's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At balance date, the exposure to the listed equity investments represents the carrying value of the investments as disclosed in note 23. The Group determined that an overall increase/(decrease) of 1% could have an impact of approximately $131,090 increase/(decrease) on the other comprehensive income and equity attributable to the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily in relation to trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the customer's financial position, past working experience with the customer (if any) and any other applicable factors. Individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and followed up accordingly.

An impairment analysis of trade receivables is performed at each reporting date using a provision matrix to measure expected credit losses at Note 9. The expected credit loss is based on the lifetime expected credit loss, grouped based on days overdue, and assumptions made to allocate an overall expected credit loss rate. These assumptions include historical collection rates and has incorporated forward looking assumptions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8, 9 and 10. The credit risk on liquid funds and security deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group has a concentration of credit risk as all cash and cash equivalents are held with the one counterparty. The Group does not hold collateral as security.

Note 22: Financial risk management (continued)

Risk exposures and responses (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding to ensure that the Group can meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group holds the majority of its assets as financial assets and trade receivables with customers who have had no payment issues in the past and hence, does not have any material liquidity risk at the reporting date.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying value in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade and other payables	-	3,044,472	-	-	-	3,044,472
Interest-bearing						
Term loan	5.3%	2,130,606	2,130,606	7,330,484	-	11,591,696
Total		5,175,078	2,130,606	7,330,484	-	14,636,168

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade and other payables	-	332,395	-	-	-	332,395

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23: Fair value measurement

The Market Herald through Advisir Ventures, a portfolio of Advisir clients, may invest in its clients, through participation in a client capital raise. Due to the significant additions of new client contracts and positive equity performance, the portfolio has increased significantly to $13,109,011. These are typically listed companies from $10m to $500m market capitalisation in many different sectors. These investments are not actively managed, are typically held for an agreed term, and the operational support given to investee companies is the same as non-investee companies. There is no expectation for profit or budgetary target on return on these investments. A target disposal price or return is not the principal purpose for the investments.

The following table provides the fair value measurement hierarchy of the Group's assets as at 30 June 2020.

			Fair value measurement using		
	Date of Valuation	Total $	Quoted prices in active markets (Level 1) $	Significant observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Fair value through OCI – Quoted shares (Note 13)					
Quoted equity shares by sector					
Energy	30-Jun-20	169,183	169,183	-	-
Metals & Mining	30-Jun-20	3,253,143	3,253,143	-	-
Consumer Staple	30-Jun-20	25,000	25,000	-	-
Information Technology	30-Jun-20	2,913,442	2,913,442	-	-
Healthcare	30-Jun-20	859,839	859,839	-	-
Software & Services	30-Jun-20	96,000	96,000	-	-
Banks	30-Jun-20	238,266	238,266	-	-
Commercial & Professional Services	30-Jun-20	50,000	50,000	-	-
Agriculture	30-Jun-20	1,056,655	1,056,655	-	-
Financial Services	30-Jun-20	221,609	221,609	-	-

Note 23: Fair value measurement (continued)

			Fair value measurement using		
	Date of Valuation	Total $	Quoted prices in active markets (Level 1) $	Significant observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Fair value through P&L – Financial Instruments (Note 13)					
Quoted and unquoted financial instruments					
Energy	30-Jun-20	105,095	9,076	96,019	-
Metals & Mining	30-Jun-20	1,415,438	82,419	1,333,019	-
Financial Services	30-Jun-20	13,867	-	13,867	-
Information Technology	30-Jun-20	10,000	10,000	-	-
Communications	30-Jun-20	2,857	2,857	-	-
Industrial	30-Jun-20	20,000	20,000	-	-
Agriculture	30-Jun-20	474,989	-	474,989	-
Technology	30-Jun-20	1,476,018	-	1,476,018	-
Healthcare	30-Jun-20	707,610	-	707,610	-

Level 2 fair value was derived using the Black-Scholes option pricing model.

	Date of Valuation	Total $	Quoted prices in active markets (Level 1) $	Significant observabl e inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Fair value through P&L – Liabilities (note 15)					
Deferred Consideration	30-Jun-20	2,365,999	-	-	2,365,999
Contingent Consideration	30-Jun-20	505,919	-	-	505,919
Contingent Consideration	30-Jun-20	491,169	-	-	491,169

The fair value measurement is based on significant Level 3 inputs. Key assumptions include a discount rate of 5.9% and assumed probability-adjusted revenues.

Note 23: Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's assets as at 30 June 2019.

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Fair value through OCI – Quoted shares (Note 13)					
Quoted equity shares					
Energy	30-Jun-2019	$93,750	$93,750	-	-
Metals & Mining	30-Jun-2019	752,044	$752,044	-	-
Consumer Staple	30-Jun-2019	$80,964	$80,964	-	-
Consumer Discretionary	30-Jun-2019	$66,667	$66,667	-	-
Information Technology	30-Jun-2019	$234,699	$234,699	-	-
Healthcare	30-Jun-2019	$45,000	$45,000	-	-

	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Fair value through P&L – Financial Instruments (Note 13)					
Quoted and unquoted financial instruments					
Metals & Mining	30-Jun-2019	$18,293	$13,193	$5,100	-
Consumer Discretionary	30-Jun-2019	$536	-	$536	-
Information Technology	30-Jun-2019	$4,436	-	$4,436	-

Level 2 fair value was derived using the Binomial option pricing model.

Note 24: Interest bearing liabilities

	Consolidated	
	2020	**2019**
	$	**$**
CURRENT		
Term loan	2,130,606	-
	2,130,606	-
NON-CURRENT		
Term loan	9,461,090	-
	9,461,090	-

The weighted average interest rate for the financial year is 5.30% (30 June 2019: nil). The loan repayments consist of monthly interest only during each of the first six (6) months, followed by straight-line amortization over the subsequent sixty-six (66) months by way of blended payments of principal and interest. This loan is secured by first-ranking charge on all of the present and after-acquired personal property of the borrower (Report Card Media Canada Ltd) and each of its subsidiaries.

Note 25: Commitments and contingencies

(a) Commitments

Operating leases in 2019 related to office lease with lease terms not exceeding 5 years. The office leases have options to extend for further periods.

	Consolidated	
	2020	**2019**
	$	**$**
Within one year	-	162,069
After one year but not more than 5 years	-	650,934
	-	813,003

Due to the adoption of AASB 16 the lease commitments shown in this note 25 reduced to nil at 30 June 2020 and are now recognised as a right of use asset and lease liability, see note 2.

There are no other material commitments as at 30 June 2020 (2019: Nil).

(b) Contingent liabilities

The Group's current processes do not permit 'real time' scrutiny and moderation of postings on its website from its Members. It can be, and has been, the case that some postings contain defamatory material or material that may otherwise give rise to legal claims. In instances where this has occurred, the Group has moved as quickly as practicable to remove such material.

Nonetheless a number of legal actions have been commenced against the Group based on information posted on its website. In a majority of instances, legal claims have involved a party seeking access to information in the possession of the Group in relation to the person who has posted the material, where the intention is to proceed against the poster of material and not the Group. At the date of this report, a number of requests have been made to the Group either directly by the party impacted or by the order of the court to provide identity of postings on its website. The Group is working through these requests and in the Directors opinion that there is no material exposure to the Group arising from these various actual and pending claims.

Note 25: Commitments and contingencies (continued)

(b) Contingent liabilities (continued)

There have been other instances, occurring less frequently, where the Group is the direct target of a legal complaint. To date, these matters have all been resolved without the commencement of formal legal proceedings against the Group.

There is a risk, however, that if in the future the Group is the direct target of a legal action, this may lead to a ruling from a court which may find that the Group has liability for material posted on its website. Were this to occur, then the Group's exposure to legal liability and potential damages would be significantly increased.

Note 26: Events after balance sheet date

No matters or circumstances have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- The Company's operations in future financial years; or
- The results of those operations in future financial years; or
- The Company's state of affairs in future financial years.

Note 27: Related party disclosures

The Group's main related parties are as follows:

a. Key management personnel

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

For details of disclosures relating to key management personnel, refer to the Remuneration Report.

b. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

c. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.
The following transactions occurred with related parties:

	Consolidated	
	2020	**2019**
	$	**$**
Legal services provided by Lawfirst Pty Ltd (t/a Bennett+Co law firm), a company of which Colin Chenu was formerly a Principal	-	473

Note 27: Related party disclosures (continued)

d. Terms and conditions of transactions with related parties

As of 30 June 2020, there is an interest receivable balance of $15,246 (30 June 2019: $Nil) owing from Mr Jag Sanger. This is in relation to the drawdown of the limited recourse loan facility of $1,500,000 on 27 December 2019.

Outstanding balances at reporting date are unsecured. There have been no guarantees provided or received for any related parties.

e. Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	696,148	633,375
Post-employment benefits	26,545	33,342
Share-based payments	552,367	373,055
Long-term employee benefits	38,462	31,046
	1,313,522	1,070,818

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Note 28: Auditors' remuneration

	2020	**2019**
	$	**$**
Ernst & Young Australia		
Remuneration of the auditor of the Company for:		
– auditing or reviewing the financial statements	113,360	53,288
– tax advisory	-	25,332
	113,360	78,620
RSM Australia Partners		
Remuneration of the auditor of the Company for:		
– auditing the financial statements	40,000	-
	40,000	-
Dale Matheson Carr-Hilton Labonte LLP		
Remuneration of the auditor of the Company for:		
– auditing or reviewing the financial statements	88,258	-
– tax advisory	18,921	-
	107,179	--

Note 29: Parent entity information

The following information relates to the parent entity of the Group, being The Market Herald Limited. The information presented has been prepared using consistent accounting policies as presented in Note 2.

	2020 $	2019 $
Statement of Financial Position		
ASSETS		
Current assets	7,373	3,159,434
Non-current assets	27,383,334	16,738,613
TOTAL ASSETS	27,390,707	19,898,047
LIABILITIES		
Current liabilities	104,399	93,800
Non-current liabilities	282,225	1,081,872
TOTAL LIABILITIES	386,624	1,175,672
EQUITY		
Issued capital	30,133,432	20,985,993
Reserves	1,488,311	874,946
Accumulated losses	(4,617,660)	(3,138,564)
TOTAL EQUITY	27,004,083	18,722,375

	2020 $	2019 $
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(1,479,096)	(3,811,566)
Total comprehensive loss	(1,479,096)	(3,811,566)

Guarantees

The Market Herald Limited has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2020, The Market Herald Limited had no contingent liabilities, other than as stated in note 25.

Contractual commitments

At 30 June 2020, The Market Herald Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2019: Nil).

Note 30: Group information
The consolidated financial statements of the Group include:

Name	Principal activity	Country of incorporation	% equity interest 2020	% equity interest 2019
Report Card Pty Ltd	Internet discussion forum	Australia	100	100
Report Card Canada Media Ltd	Internet discussion forum	Canada	100	-
Stockhouse Publishing Ltd	Internet discussion forum	Canada	100	-
Advisir Ventures Ltd	Internet discussion forum	Canada	100	-
708Placements Pty Ltd	Sophisticated investor services	Australia	100	100
Subscribacar Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar ACT Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar VIC Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar NSW Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar SA Pty Ltd*	Advertising and retail leasing services	Australia	100	100
Subscribacar QLD Pty Ltd	Advertising and retail leasing services	Australia	100	100

Note 31: New and amended accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2020 are outlined in the table below. The Company has decided not to early adopt any of the new and amended pronouncement.

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
Conceptual Framework AASB 2019-1	**Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards – Reference to the Conceptual Framework**	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: ► Chapter 1 – The objective of financial reporting ► Chapter 2 – Qualitative characteristics of useful financial information ► Chapter 3 – Financial statements and the reporting entity ► Chapter 4 – The elements of financial statements ► Chapter 5 – Recognition and derecognition ► Chapter 6 – Measurement ► Chapter 7 – Presentation and disclosure ► Chapter 8 – Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the *Framework for the Preparation and Presentation of Financial Statements* (July 2004), and not the definitions in the revised Conceptual Framework.	1 January 2020	1 July 2020	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not yet known.
AASB 2018-7	**Amendments to Australian Accounting Standards – Definition of Material**	This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 January 2020	1 July 2020	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not yet known.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of The Market Herald Limited, I state:

1. In the opinion of the directors:

   (a) the financial statements and notes of The Market Herald 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 financial position of the Group as at 30 June 2020 and of its performance, for the year ended on that date; and

   (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; 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

A Pismiris
Director
28 August 2020

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MARKET HERALD LIMITED

Opinion

We have audited the financial report of The Market Herald 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

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

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.

Key Audit Matter	How our audit addressed this matter
Revenue Refer to Note 4 in the financial statements	
As disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2020, the Group has recognised revenue of $12,035,029, which consisted primarily of advertising services income. We determined revenue recognition to be a key audit matter due to the following: • The balance is material to the Group and there are risks associated with management judgements including the identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and • Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.	Our audit procedures included: • Ensuring the Group's revenue recognition policies were in compliance with accounting standards; • On a sample basis, we agreed revenue transactions to supporting documentation to assess whether the revenue recognition criteria were met; • On a sample basis of customer contracts, checked that performance obligations have not been met to ensure that the unearned revenue balance as at 30 June 2020 is materially correct; • Reviewing revenue transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period; • Testing the appropriateness of journal entries impacting revenue recognition; and • Reviewing the disclosures in the financial statements.
Acquisition of Stockhouse Publishing Limited Refer to Note 14 in the financial statements	
On 7 November 2019, the Company completed the acquisition of Stockhouse Publishing Limited. The transaction was treated as a business combination in accordance with AASB 3 *Business Combinations*. The provisional purchase price allocation has resulted in intangible assets of $20,902,797 being recognised. This was considered a key audit matter because the accounting for the transaction is complex and involves significant judgments. These include the recognition and valuation of consideration paid and the determination of the fair value of the assets acquired and liabilities assumed.	Our audit procedures included: • Obtaining the signed share purchase agreement in order to obtain an understanding of the transaction and the related accounting considerations; • Determination that the acquisition met the definition of a business in accordance with Accounting Standards; • Assessing management's determination of the acquisition date, fair value of consideration paid, assets acquired and liabilities assumed; and • Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.
Impairment of intangibles Refer to Note 12 in the financial statements	
The Group has intangibles of $20,902,797 arising from the acquisition of Stockhouse Publishing Limited. We determined this area to be a key audit matter due to the size of the intangibles balance, the requirement to test intangibles annually for impairment and because the directors' assessment of the value in use of the cash generating unit (CGU) involves significant management judgements about the future underlying cash flows of the CGU and the discount rate applied.	Our audit procedures included: • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions used in the value in use model; • Checking the mathematical accuracy of the value in use model and reconciling input data to supporting evidence; and • Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

Other Information

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 the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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.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 the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of The Market Herald 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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 August 2020

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Market Herald Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 August 2020

The following additional information is required by the Australian Securities Exchange. The information is current as at 25 August 2020.

(a) Distribution schedule and number of holders of equity securities as at 25 August 2020

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares (ATP)	8	18	40	47	36	149
Unlisted Options – 24c 13/09/20	-	-	-	14	12	26
Unlisted Options – 24c 12/12/21	-	-	-	-	2	2
Unlisted Options – 24c 08/02/22	-	-	-	-	1	1
Unlisted Options – 25c 07/11/22	-	-	-	-	1	1

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 25 August 2020 is 8.

(b) 20 Largest holders of quoted equity securities as at 25 August 2020

The names of the twenty largest holders of fully paid ordinary shares (ASX code: TMH) as at 25 August 2020 are:

Rank	Name	Shares	% of Total Shares
1	MR DAVID BRIAN ARGYLE	52,281,705	27.67%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	42,532,103	22.51%
3	ROI CAPITAL INC	16,950,876	8.97%
4	ZERO NOMINEES PTY LTD	16,500,783	8.73%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,070,569	8.50%
6	MS DANIELLE SANGER <COWRIE FAMILY A/C>	11,538,461	6.11%
7	GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND A/C>	8,100,000	4.29%
8	MISS REBECCA CAROLINE ARGYLE	7,559,159	4.00%
9	MANIKATO FINANCIAL SERVICES PTY LTD	2,156,003	1.14%

Rank	Name	Shares	% of Total Shares
10	AJAVA HOLDINGS PTY LTD	1,634,994	0.87%
11	MR ROBERT MARIO FRANCO & MR MICHAEL ROBERT FRANCO & MRS LAURA MICHELE FRANCO <LMR FRANCO UNIT A/C>	1,500,000	0.79%
12	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,114,341	0.59%
13	E EQUITIES PTY LTD	1,000,000	0.53%
14	MR CHUN KEI LEUNG <ALPHA TRIANGEL FAMILY A/C>	845,521	0.45%
15	MAPLESTONE PTY LTD <THE COMET INVESTMENT A/C>	750,000	0.40%
16	MAL STEANE PTY LTD	586,766	0.31%
17	ATELETA PTY LTD <G & G SUPERANNUATION A/C>	586,000	0.31%
18	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	550,000	0.29%
19	DEBARREN INVESTMENTS PTY LTD <DEYKIN FAMILY SUPER FUND A/C>	500,000	0.26%
20	ACP INVESTMENTS PTY LTD	500,000	0.26%
	TOTAL	**183,257,281**	**96.98%**

Stock Exchange Listing – Listing has been granted for 188,966,839 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 25 August 2020 are detailed below in part (d).

(c) Substantial shareholders

Substantial shareholders in The Market Herald Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Name	Shares
DAVID BRIAN ARGYLE	66,169,339
SOMERS LIMITED	40,650,028
ROI CAPITAL INC/MARCUS NEW	17,300,876
SG HISCOCK & COMPANY LIMITED	15,755,569
DANIELLE SANGER AS TRUSTEE OF THE COWRIE FAMILY TRUST	11,538,461

(d) Unquoted securities

The number of unquoted securities on issue as at 25 August 2020:

Security	Number on issue
Unlisted options exercisable at 24 cents, on or before 13 September 2020.	5,350,000
Unlisted options exercisable at 24 cents, on or before 12 December 2021	1,300,000
Unlisted options exercisable at 24 cents, on or before 8 February 2022	2,000,000
Unlisted options exercisable at 25 cents, on or before 7 November 2022	3,000,000

(e) Holder details of unquoted securities

Option holders that hold more than 20% of a given class of unquoted securities as at 25 August 2020:

Class	Name	Options	% of Total Options
Unlisted Options – 24c 13/09/20	SOMERS & PARTNERS PTY LTD	2,000,000	37.38%
Unlisted Options – 24c 12/12/21	HC SUPER PTY LTD <HUGHES CHENU SUPER A/C>	1,000,000	76.92%
Unlisted Options – 24c 12/12/21	ACP INVESTMENTS PTY LTD	300,000	23.08%
Unlisted Options – 24c 08/02/22	MS DANIELLE SANGER <COWRIE FAMILY A/C>	2,000,000	100%
Unlisted Options – 25c 07/11/22	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	1,091,675	36.39%

(f) Restricted securities as at 25 August 2020

16,950,876 fully paid ordinary shares are held in voluntary escrow for 18 months from issue date (7 November 2019). Shares were issued as part consideration for the acquisition of Stockhouse Publishing Ltd.

(g) Voting rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(h) Company secretary

The Company Secretary is Mr Ben Donovan.

(i) Registered office

The Company's Registered Office is Level 11, BGC Centre, 28 The Esplanade, Perth, AUSTRALIA.

Phone: +61 8 6169 3114

(j) Share registry

The Company's Share Registry is as follows –

Automic Group
Level 2/267 St Georges Terrace,
Perth WA 6000
Phone: 1300 288 664

(k) On-market buy- back

None noted.

(l) Corporate governance

The Board of The Market Herald Ltd is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at http://investors.hotcopper.com.au/.