

Cashwerkz.

2020 Interim Report

Contents

Appendix 4D	3
Directors Report	4
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of cash flows	8
Consolidated statement of changes in equity	9
Notes to the financial statements	10
Director's declaration	16
Auditor's independence declaration	17
Independent auditor's review report	18
Corporate directory	20

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2019

	%	\$000 31 December 2019	\$000 31 December 2018
	Change		
Revenues from ordinary activities	- 31%	438	639
Loss from ordinary activities after tax attributable to members	- 10%	(3,663)	(4,070)
Net loss for the period attributable to members	- 10%	(3,663)	(4,070)
		cents	cents
Net tangible asset backing per security		1.3	7.2

Dividend information	Amount per Share (Cents)	Franked Amount per Share (Cents)	Tax Rate for Franking (%)
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not Applicable

The Group does not have any dividend re-investment plan in operation and no dividends have been declared or provided for during the half-year.

Loss or gain of control over other entities

There was no loss or gain of control over other entities during the period.

Investment in associates and joint ventures

Not applicable.

Audit Status

This report has been subject to auditor review. There is no dispute or qualification to report.

Refer to the Directors' Report and Interim Financial Report for additional information.

DIRECTORS' REPORT

Your directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2019.

INFORMATION ON DIRECTORS

The names of directors who held office during or since the end of the half-year:

Name	Position
John Nantes	Chairman
Michael Hackett	Director
Brook Adcock	Director
Nathan Leman	Director
Craig Swanger	Director

OPERATING RESULTS

The consolidated comprehensive loss for the half-year ended 31 December attributed to members of the Cashwerkz Group, after providing for income tax, was \$3,662,510 (2018: \$4,069,809).

Total revenue for the half-year ended 31 December 2019 is \$437,762 (2018: \$638,793). The \$201,031 decrease in total revenue against the 2018 comparative is largely attributable to a \$60,378 decrease in deposit revenue and a \$145,296 decrease as a result of future trail revenue brought to account in 2018 from the initial application of AASB15: Revenue from Contracts with Customers.

The extension of the sales pipeline has impacted the conversion of new revenue streams. During the half-year ended 31 December 2019 the Group created new opportunities across broader segments including Stockbrokers, Advisers, Institutional Investors and Platforms, resulting in an expanded sales pipeline. This has further influenced the focus for executing this sales pipeline in 2020, growing the number of account holders transactions and active funds (waiting to mature) which will then increase Group revenue.

The Group has been able to protect its revenue base and also create a pathway to generate further growth in transaction and deposit numbers. Executing the expanded pipeline is the Group's main priority in 2020 and makes for an exciting new FinTech that solves challenges for cash and fixed interest deposits at a time when choice, yield and operating in a client's best interest is the priority.

Total expenses for the half-year ended 31 December 2019 were \$4,100,272, down 13% against the 2018 comparative period of \$4,708,602.

Included in the 2018 comparative employment expenses was \$1,110,804 of non-cash share based payment expenses for the issue of performance options to employees and KMP, whilst there were no share based payment expenses in the half-year ended 31 December 2019. Excluding the share based payment expenses in both years, there has been a \$493,248 increase to employment costs in this half-year.

The increase to employment costs is the result of the addition of experienced personnel who have the capacity to grow the business and promote the Cashwerkz platform.

FINANCIAL RESULTS

The net assets of the Group decreased by \$3,678,973 to \$10,727,618 at 31 December 2019, compared with \$14,406,591, at 30 June 2019. This decrease is largely attributable to operating losses for the half-year.

The Group has cash and cash equivalents of \$2,264,240 (June 2019: \$5,153,043) and has borrowings of \$24,573 (June 2019: nil).

GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss for the year attributable to members of \$3,662,510 (2018: \$4,069,809) and net cash outflows from operating activities of \$2,807,173 (2018: \$2,389,337).

The ability of the Group to continue as a going concern is principally dependent upon receiving additional funding support and managing cashflow in line with available funds. The Group has prepared a cash flow forecast on the basis of further capital funding and indicates that provided that this funding can be secured, the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

DIRECTORS' REPORT

GOING CONCERN (cont'd)

The directors are confident that the Group will be successful with these fund raising initiatives and, as a result, will have adequate resources to fund the company's operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that would be necessary if the company could not continue as a going concern.

REVIEW OF OPERATIONS

The Group delivers an innovative online cash management marketplace in term deposit and at call solutions, whilst providing funding to over 51 Authorised Deposit taking Institutions (ADI) and thousands of financial advisers and direct investors. In early 2020 the Group established a new \$4 billion benchmark for its at call and fixed term cash investment marketplace since launch and has reached \$1.08 billion in active funds (waiting to mature).

Cashwerkz Technologies Pty Ltd (Cashwerkz Technologies) developed the Cashwerkz market place to leverage the latest technology, delivering an innovative and streamlined approach to investing in term deposits. Its purpose is to meet the growing demand for a trusted, reliable and secure online platform that direct investors and financial professionals can use to manage their defensive assets and transact cash investments seamlessly.

The Cashwerkz marketplace is different – it never touches investors' money and is paid by the ADI to ensure it always remains focused on the best interests of the customer. Cashwerkz has further differentiated its capabilities with the innovation of a one-time Identification and Verification Management engine to process registrations and support banking requirements for Know Your Client and Anti Money Laundering regulatory obligations. Its open and flexible technology platform is continuing to set new benchmarks with data feeds and collaborative application software to innovate new services and reduce time to market – accelerating best interest outcomes for investors and the financial sector in a challenging low yield environment.

RIM Securities Limited (RIM Securities) was established over 15 years ago and is the independent fixed income specialist arm of the Group. RIM Securities has extensive experience in searching for the value to deliver stable income solutions to wholesale and institutional investors who require custom solutions or access to wholesale markets across cash, term deposits, fixed bonds and floating rate notes.

Trustees Australia Limited (Trustees Australia), the renamed subsidiary company of Cashwerkz Limited, has reinstated the ASIC licensing previously held in the parent entity, which changed its name to Cashwerkz Limited in 2019 after the companies merged in 2018. Trustees Australia offers Responsible Entity and other financial services, which are not core business activities for the Group going forward. As a result, the Cashwerkz board has been investigating opportunities for Trustees Australia to be demerged and re-established as a separate independent trustee company to accumulate additional Responsible Entity and Registered Superannuation Entities and to provide a range of other financial services. The investigations are ongoing.

Cashwerkz Technologies, RIM Securities and Trustees Australia are all 100% owned subsidiaries of Cashwerkz Limited.

SEASONALITY OF OPERATIONS

The revenue of the Group is evenly distributed throughout the year, with no seasonal impact in the second half compared to the first half.

NEW ACCOUNTING STANDARDS IMPLEMENTED

The Group has implemented a new accounting standard that is applicable for the current reporting period. AASB 16: *Leases* has been applied retrospectively, with the cumulative effect of initially applying the standard recognising a \$16,464 decrease to the opening balance of retained earnings at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 117: *Leases*.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under S 307C of the Corporations Act 2001 is set out on page 17 for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the board of directors.



John Nantes
Executive Chairman

Brisbane
25 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		31 December	31 December
		2019	2018
	Notes	\$	\$
Revenue	3(a)	437,762	638,793
Business operating expenses		(846,202)	(638,577)
Depreciation and amortisation		(731,215)	(628,076)
Employment expenses	3(b)(ii)	(1,951,527)	(2,569,083)
Finance costs	3(b)(i)	(12,474)	(214,195)
Property operating expenses		(29,479)	(129,524)
Other expenses		(529,375)	(529,147)
Loss before income tax		(3,662,510)	(4,069,809)
Income tax expense	3(c)	-	-
Loss for the period		(3,662,510)	(4,069,809)
Other comprehensive income			
Items that will be classified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to members		(3,662,510)	(4,069,809)
Earnings per share:	10	Cents	Cents
Basic earnings per share		(2.3)	(3.6)
Diluted earnings per share		(2.3)	(3.6)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	31 December 2019 \$	30 June 2019 \$
Current Assets			
Cash and cash equivalents		2,264,240	5,153,043
Trade and other receivables		304,999	380,650
Other assets		384,153	355,595
Total Current Assets		2,953,392	5,889,288
Non-Current Assets			
Right of use assets	4	331,171	-
Intangibles	5	8,268,112	8,883,612
Property, plant & equipment		189,173	209,140
Total Non-Current Assets		8,788,456	9,092,752
Total Assets		11,741,848	14,982,040
Current Liabilities			
Trade and other payables		425,415	311,641
Lease liabilities		198,901	-
Borrowings	6	24,573	-
Provisions		183,651	238,521
Total Current Liabilities		832,540	550,162
Non-Current Liabilities			
Lease liabilities		150,362	-
Provisions		31,328	25,287
Total Non-Current Liabilities		181,690	25,287
Total Liabilities		1,014,230	575,449
Net Assets		10,727,618	14,406,591
Equity			
Issued capital		26,082,459	26,082,459
Reserves		232,659	1,103,533
Retained earnings		(15,587,500)	(12,779,401)
Total Equity		10,727,618	14,406,591

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
Cash Flows from Operating Activities		
Receipts from customers	526,058	451,559
Payments to suppliers and employees	(3,368,018)	(2,858,363)
Interest received	35,178	18,624
Finance costs paid	(391)	(1,157)
Net operating cash flows	(2,807,173)	(2,389,337)
Cash Flows from Investing Activities		
Payment for property, plant & equipment	(6,714)	(9,166)
Payment for intangible assets	(2,644)	(1,665)
Net investing cash flows	(9,358)	(10,831)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	9,271,534
Proceeds from issue of convertible preference shares	-	555,000
Proceeds from borrowings	44,231	84,697
Repayment of borrowings	(19,658)	(59,756)
Repayments of lease principle	(96,847)	-
Net financing cash flows	(72,274)	9,851,475
Net increase / (decrease) in cash held	(2,888,805)	7,451,307
Cash at the beginning of the period	5,153,043	401,734
Cash at the end of the financial period	2,264,238	7,853,041

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital Ordinary	Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2019	26,082,459	1,103,533	(12,779,401)	14,406,591
Cumulative Adjustment upon adoption of new accounting standard - AASB 16		-	(16,464)	(16,464)
Balance at 1 July 2019 (restated)	26,082,459	1,103,533	(12,795,865)	14,390,127
Comprehensive income for the period				
Loss attributed to members of the parent entity	-	-	(3,662,510)	(3,662,510)
Total comprehensive loss for the period	-	-	(3,662,510)	(3,662,510)
Transaction with owners, in their capacity as owners and other transfers				
Transfer to retained earnings	-	(870,874)	870,874	-
Total transactions with owners	-	(870,874)	870,874	-
Balance at 31 December 2019	26,082,459	232,659	(15,587,500)	10,727,618

	Issued Capital Ordinary	Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2018	12,158,304	-	(5,465,881)	6,692,423
Comprehensive income for the period				
Loss attributed to members of the parent entity	-	-	(4,069,809)	(4,069,809)
Total comprehensive loss for the period	-	-	(4,069,809)	(4,069,809)
Transaction with owners, in their capacity as owners and other transfers				
Contributions of equity, net of transaction costs	13,924,155	-	-	13,924,155
Share based payments	-	1,229,461	-	1,229,461
Total transactions with owners	13,924,155	1,229,461	-	15,153,616
Balance at 31 December 2018	26,082,459	1,229,461	(9,535,690)	17,776,230

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Cashwerkz Limited and its controlled entities (referred to as the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on the date of signing the directors' report.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss for the year attributable to members of \$3,662,510 (2018: \$4,069,809) and net cash outflows from operating activities of \$2,807,173 (2018: \$2,389,337).

The ability of the Group to continue as a going concern is principally dependent upon receiving additional funding support and managing cashflow in line with available funds. The Group has prepared a cash flow forecast on the basis of further capital funding and indicates that provided that this funding can be secured, the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The directors are confident that the Group will be successful with these fund raising initiatives and, as a result, will have adequate resources to fund the company's operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that would be necessary if the company could not continue as a going concern.

(c) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for those as described in Note 1(d) below.

(d) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

– AASB 16: *Leases*

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 2.

NOTE 2: CHANGES IN ACCOUNTING POLICIES

This note describes the nature and effect of the adoption of AASB 16: *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

(a) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: CHANGES IN ACCOUNTING POLICIES (cont'd)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

b. Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated as permitted under specific transition provisions in the standard.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

Lease liabilities are measured at the present value of the remaining lease payments. The Group's weighted average incremental borrowing rate of 5.45% as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets for the lease have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- Leases that have a remaining lease term of less than 12 months have been accounted for in the same way as short term leases;
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review. The Group did not have any onerous contracts as at 1 July 2019.

The difference between the undiscounted amount of operating lease commitments at 30 June 2019 and the discounted operating lease commitments as at 1 July 2019 was \$155,401. This difference is attributable to discounting the operating lease commitments at the Group's incremental borrowing rate by \$58,042 and \$97,359 for the remaining lease commitments on the Brisbane premises treated as a short-term lease in accordance with the practical expedient available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 3: REVENUE AND EXPENSES

	Note	December 2019 \$	December 2018 \$
Continuing Operations			
(a) Revenue			
Revenue from contracts with customers	(i)	402,584	620,169
Other sources of revenue	(ii)	35,178	18,624
Total revenue		437,762	638,793
 (i) Revenue disaggregation			
The group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by service line and timing of revenue recognition.			
Service lines:			
- financial services		402,584	620,169
 Timing of revenue recognition			
Services transferred to customers:			
- at a point in time		402,584	620,169
		402,584	620,169
 (ii) Other sources of revenue			
Interest - unrelated		35,178	18,624
		35,178	18,624
 (b) Expenses			
(i) Finance costs			
Finance costs - right of use assets		12,083	-
Interest paid - related		-	213,039
Interest paid - unrelated		391	1,156
		12,474	214,195
 (ii) Employee benefits expense			
Wages and salaries costs		1,833,308	1,298,223
Superannuation		167,047	124,765
Employee benefits provisions		(48,828)	35,291
Share based payment options		-	1,110,804
		1,951,527	2,569,083
 (c) Income Tax			
There is no income tax applicable to the result for the period and prior period due to the availability of carry forward tax losses.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 4: RIGHT OF USE ASSETS

The Group has a 4-year lease on office premises in Clarence Street, Sydney, with an expiry date of 30 November 2021.

The lease has a 3-year option, which provide the Group opportunities to manage leases in order to align with its strategies. The extension or termination options are only exercisable by the Group; however, management has no reasonable certainty at this point in time that options will be exercised and as such the options are not included in the calculation of the lease liability.

(i) AASB 16 related amounts recognised in the statement of financial position

	December 2019
	\$
Right of use assets	
Leased building	691,140
Accumulated depreciation	(359,969)
	<u>331,171</u>
Movement in carrying amounts:	
Leased building:	
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 17)	417,563
Depreciation expense for the period	(86,392)
	<u>331,171</u>

(ii) AASB 16 related amounts recognised in the statement of profit or loss

	December 2019
	\$
Depreciation charge related to right of use assets	86,392
Interest expense on lease liabilities (included in finance costs)	12,083

(iii) AASB 16 related amounts recognised in the statement of cash flows

	December 2019	December 2018
	\$	\$
Total half-yearly cash outflows for leases	96,847	92,381

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 5: INTANGIBLE ASSETS

	Note	December 2019 \$	June 2019 \$
Goodwill - at cost	(a)	226,316	226,316
		226,316	226,316
Software	(a)	11,435,510	11,435,510
less accumulated amortisation		(3,406,380)	(2,788,571)
		8,029,130	8,646,939
Trademarks and patent		13,807	11,164
less accumulated amortisation		(1,141)	(807)
		12,666	10,357
Total intangibles		8,268,112	8,883,612

(a) As part of the half-year regular impairment assessment of all intangibles, the Group has reviewed the carrying value of software and goodwill that relates to the cash generating units of Rim Securities and Cashwerkz and has adopted the current carrying value at 31 December 2019. There has been no changes to the assumptions used in the 30 June 2019 Annual Report and although the half-year results are slightly down on previously forecasted discounted cash flow projections, these are largely attributable to delayed revenue from the length of time to execute agreements and migrate new customers to the platform, rather than the loss of future revenue. The pipeline for new customers also continues to grow.

NOTE 6: BORROWINGS

	Note	December 2019 \$	June 2019 \$
Current			
Loans - unsecured	(a)	24,573	-
		24,573	-

(a) Unsecured short-term loan for the payment of the Group's insurance policy.

NOTE 7: SHARE BASED PAYMENTS

(i) During the half-year ended 31 December 2019, there were no options issued to employees or key management personnel.

(ii) On 31 December 2019, 10,000,000 director performance options expired and \$870,874 was transferred from the option reserve to retained earnings.

A summary of movements of all options is as follows:

Balance at 30 June 2019	12,340,230
Expired	(10,000,000)
Balance at 31 December 2019	2,340,230

The weighted average remaining contractual life of 2,340,230 options outstanding at period end was 1.16 years. The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.34.

(iii) Forfeited performance options

No performance options were forfeited as a result of a performance hurdles not satisfied in the period.

(iv) Cancelled performance options

There were no cancelled performance options in the half-year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 8: SEGMENT REPORTING

Management has determined that the Group operates in one reportable segment, being the the financial services segment in Australia.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Cashwerkz Limited, Responsible Entity and AFSL Licence Obligations

Cashwerkz Limited, Trustees Australia Limited (Trustees Australia), Rim Securities Limited (Rim Securities) and Cashwerkz Technologies Pty Ltd (Cashwerkz Tech) hold financial services licences under section 913B of the *Corporations Act 2001*. These are Licences 260033, 260038, 283119 and 459645 respectively.

As a condition of licence authorisation, each licensee is required to maintain a number of base level financial requirements and Trustees Australia has some additional financial requirements as a result of Responsible Entity services. All entities meet the base level requirements as at 31 December 2019.

There are no other significant changes to commitments and contingencies reported at 31 December 2019.

NOTE 10: EARNINGS PER SHARE

	December 2019 cents	December 2018 cents
Earnings per share		
Basic loss per share	(2.3)	(3.6)
Diluted loss per share	(2.3)	(3.6)
Reconciliation of earnings to profit or loss		
Loss attributable to shareholder	(3,662,510)	(4,069,809)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	159,881,719	114,185,282
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	159,881,719	114,185,282

NOTE 11: SEASONALITY OF OPERATIONS

Refer to the directors' report for information on the seasonality of revenues.

Cashwerkz.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2019

In accordance with a resolution of the directors of Cashwerkz Limited, the directors of the company declare that:

- (a) the financial statements and notes set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- (b) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



John Nantes
Executive Chairman

Brisbane
25 February 2020



Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Cashwerkz Limited

As lead auditor of Cashwerkz Limited I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been no contraventions of:

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

This declaration is in respect of Cashwerkz Limited and the entities it controlled during the year.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Robertson.

**AM Robertson
Director**

Date: 25 February 2020

Nexia Brisbane Audit Pty Ltd
Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Brisbane Audit Pty Ltd (ABN 49 115 261 722) is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CASHWERKZ LIMITED

To the members of Cashwerkz Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cashwerkz Limited, which comprises the consolidated condensed Statement of Financial Position as at 31 December 2019, the consolidated condensed Statement of Comprehensive Income, consolidated condensed Statement of Changes in Equity and consolidated condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Cashwerkz Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Cashwerkz Limited's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cashwerkz Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cashwerkz Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CASHWERKZ LIMITED (CONTINUED)**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cashwerkz Limited is not in accordance with the *Corporations Act 2001* including:

- i) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Robertson.

A M Robertson
Director

Level 28, 10 Eagle Street
BRISBANE QLD 4000

Date: 25 February 2020

CORPORATE DIRECTORY

Board of Directors

John Nantes
Executive Chairman

Brook Adcock
Director

Michael Hackett
Director

Nathan Leman
Director

Craig Swanger
Director

Company Secretary

Jerome Jones
Company Secretary

Registered Office

Level 1, 200 Creek Street
Brisbane QLD 4000

Telephone: (07) 3020 3020
Facsimile: (07) 3020 3080
Email: shareholders@cashwerkz.com
Web: www.cashwerkz.com

Corporate Office

Level 1, 200 Creek Street
Brisbane QLD 4000

GPO Box 6
Brisbane QLD 4001
Telephone: (07) 3020 3020
Facsimile: (07) 3020 3080
Email: shareholders@cashwerkz.com
Web: www.cashwerkz.com.au

Share Register

Boardroom Limited
PO Box R67
Royal Exchange
Sydney NSW 1223

Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664
Email: registries@registries.com.au
Web: www.boardroomlimited.com.au

Auditor

Nexia Brisbane Audit Pty Ltd
Level 28
10 Eagle Street
Brisbane QLD 4000

Telephone: (07) 3229 2022
Facsimile: (07) 3229 3277
Email: email@nexiabrisbane.com.au
Web: www.nexia.com.au

Stock Exchange

Cashwerkz Limited is listed on the official List of the Australian Securities Exchange Limited (ASX)

The ASX Code is "CWZ".

Cashwerkz Limited
ABN 42 010 653 862
Level 1, 200 Creek Street
Brisbane QLD 4000
GPO Box 6
Brisbane QLD 4001

cashwerkz.com.au