

Annual Report

Period to 30th June 2019

SelfWealth Limited

ABN 52 154 324 428

A man and a woman are looking at a laptop screen. The man is in the foreground, smiling, and the woman is behind him, also smiling. They are both looking at the laptop screen. The background is dark with many small, out-of-focus lights, creating a bokeh effect. The overall mood is warm and positive.

SelfWealth[®]

Trade smarter. Every time.

SelfWealth Limited: Appendix 4E

Year Ended 30 June 2019

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Year ended:	30 June 2019
Previous period:	30 June 2018

Results for announcement to the market

				\$
Revenue from ordinary activities	Up	166.8%	to	2,809,118
Loss from ordinary activities after tax attributable to members	Down	35.6%	to	(3,446,957)
Net loss for the period attributable to members	Down	35.6%	to	(3,446,957)

Distributions

No dividends have been paid or declared by the company for the current financial year. No dividends were paid for the previous financial year.

Explanation of results

Please refer to the review of operations and activities on page 8 for explanation of the results.

Additional information supporting the Appendix 4E disclosure requirements can be found in the review of operations and activities, directors' report and the financial statements for the year ended 30 June 2019.

Net tangible assets per security

	2019	2018
Cents	Cents	
Net tangible asset backing (per security)	1.48	2.63

Changes in controlled entities

There have been no changes in controlled entities during the year ended 30 June 2019.

Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

Audit

The financial statements have been audited by the company's independent auditor without any modified opinion, disclaimer or emphasis of matter.

Our goal is to empower people to build their own wealth, which is why we've created a place where every investor can learn and benefit from the experience of a large community.

It's a revolutionary way to trade and it's more affordable, too.

SelfWealth. Trade smarter. Every time.

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Who is SelfWealth?

The Story

SelfWealth is the solution to a problem Founder and CEO Andrew Ward, a veteran of the wealth management industry, had been frustrated with for years: how to provide a fair and simple service to Australian investors, that grants them access to some of the world's most cutting edge investment insights, without breaking the bank.

Since those beginnings 2012, Andrew has taken the company to float in late 2017 and introduced what is now known as Australia's fastest growing, only flat-fee share trading platform. The key offerings are the \$9.50 flat-fee brokerage and a community-driven insights tool that pools information from over 60,000 Australian investor portfolios.

This inquisitive company and its leadership continue to innovate and surprise the industry with new solutions to an age-old problem: how to trade smarter.

Product Suite



Share Trading Platform

Australia's cheapest and fastest growing flat-fee ASX trading platform.



Power of the Crowd

Actionable insights from over 60,000+ real investor portfolios that assist members in outperforming the market.



SelfWealth SMSF Leaders Fund

World-first ETF driven by community data to be launched 2019.



SelfWealth Adviser Platform

Introducing an industry-changing Adviser Platform for share trading.

Corporate Directory

Directors	Mr Tony Lally Non-Executive Chairman
	Mr Andrew Ward Managing Director and Chief Executive Officer
	Mr John Gaffney Non-Executive Director
	Mr John O'Shaughnessy Non-Executive Director
	Mr Robert Edgley Non-Executive Director
Secretary	Mr Phillip Hains
Registered office and principal place of business	Level 2, 613 Canterbury Road Surrey Hills VIC 3127 Australia Telephone: +61 (0)3 9824 5254 Facsimile: +61 (0)3 9822 7735
Share register	Link Market Services Limited Level 13, Tower 4 727 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 9067 2005
Auditor	Crowe Melbourne Level 17, 181 William Street Melbourne VIC 3000 Telephone: +61 (0)3 9258 6700
Solicitors	K&L Gates Level 25, 525 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 9205 2000
Bankers	Westpac Banking Corporation 150 Collins Street Melbourne VIC 3000
Stock exchange listing	SelfWealth Limited shares are listed on the Australian Securities Exchange (ASX code: SWF)
Website	www.selfwealth.com.au

Chairman's Letter

Dear Shareholders,

I am pleased to present you the financial year 2019 annual report on behalf of the board of SelfWealth Limited.

It has been a truly impressive year of growth at SelfWealth, with FY 2019 following on from an already strong FY 2018 and also representing our first full financial year as a listed company. The company has achieved its growth target with a substantial increase in market share over the past 12 months.

The message has been clear from the Australian investing community: SelfWealth is a company they can trust with a compelling product offering. The company continues to attract existing and new investors alike, with the market-leading low, flat-fee brokerage of \$9.50 per trade and an easy-to-use trading platform built on a solid foundation of excellent customer service and technology systems.

The success in these areas has materialised in impressive growth in the business' key performance indicators:

- Active traders have almost tripled to 13,856 up from 4,694 in FY18.
- Annual trade numbers are up over 140% from 67,894 in FY 2018 to 164,999 in FY 2019.
- Value of funds under administration has surpassed the \$1 billion mark, reaching \$1.21 billion, up 125% from \$0.54 billion in FY 2018.

Following a successful capital raise completed in February 2019, and substantial growth in the subsequent months, the company is on the right track to break-even.

We are succeeding in our objective of creating a strong brand in the Australian retail and advised investment community, and we are well on the way to cementing SelfWealth as a household name, with snowballing growth propelling the retail platform to new heights and challenging the incumbents.

There is a lot on the horizon for SelfWealth, including the imminent launch of the company's first exchange-traded fund (ETF), as well as the development of international trading for the retail and adviser trading platforms - an opportunity that aims to increase revenue from existing traders, as well as attract those to the platform that see this as a key feature.

On behalf of the Board, let me close by thanking you, our shareholders, our stakeholders and our dedicated staff for your continued support.

Tony Lally

Non-Executive Chairman



Review of Operations & Activities

SelfWealth empowers investors to make informed decisions through an industry-disrupting brokerage platform that leverages the knowledge of high-performing traders. All with Australia's lowest-cost flat-fee brokerage price, helping Australian investors trade smarter, every time.

Key offerings:

- Retail trading platform offering standard trading features for free, no account fees or commissions and with an industry-leading \$9.50 flat-fee brokerage.
- Retail investment insights platform, driven by approaching 100,000 portfolios, offering information not found anywhere else in the world - real trading, portfolio and behavioural analysis and sentiment of the best investors.
- Adviser Platform targeting financial advisers that are looking for more control over their clients' investments, as well as their own fees. They're granted access to the cheapest brokerage in the industry: yet again at a flat \$9.50.

SelfWealth won Money Magazine's 2019 'Best of the Best' award for cheapest online broker for the second year running and also added 'Australia's Best Share Trading Platform' to this list of accolades after their recent win at the Finder Awards. SelfWealth continues to gain market share over other trading platforms and bank platforms, due to the higher operating costs which prevent them from offering low-cost brokerage on smaller-sized trades.

Results

The SelfWealth business has delivered significant improvements in operating revenue, up over 166.8% to \$2.8 million with continuing, and growing demand for our services as the brand grows in trust and recognition in the retail trading market. The company now has more than 2% market share and with success in garnering ~15% of all new sign ups to online broking, marks it as Australia's fastest-growing online brokerage platform. This has been accomplished off the back of a highly targeted digital marketing strategy which is operating more efficiently and bringing in higher rates of new customers, than ever before.

We achieved strong revenue growth across each of the financial year's quarters, and our key performance metrics of trading volumes, the value of HIN client holdings and products in the market have all increased contributing to this growth.

Capital management

SelfWealth entered a trading halt mid-December 2018 with two large announcements: that the company had secured a commitment of \$100 million in seed funding for the company's first ETF and the opportunity for a capital raising for new and existing shareholders. The capital raise was a success, with a total of \$2,804,631 raised via a combination of share placement and rights issue.

The company had \$2.5 million cash on hand at 30 June 2019, and the board is pleased with the company's ability to increase revenue while decreasing expenses, with cash burn at \$0.534 million for the June 2019 quarter.

Board, governance and management

The board recognises the importance of governance, and strong management as a positive factor for shareholders, employees and customers. The board is committed to ensuring that the SelfWealth business is conducted in accordance with high standards of corporate governance. The relationship between the board and management is strong. It is an integral part of the strategy to encourage innovation through new products and new compelling business models that provide opportunities to increase revenue, margin and productivity.

FY 2020 outlook

The company has a number of significant opportunities on the horizon. The focus will be on:

- Continued concentration on digital marketing acquisition strategy to keep up customer growth.
- Launching and accelerating the SelfWealth Adviser Portal for increased trade numbers and interest revenue.
- Improve the retail trading product offering through the launch of international trading, focused on the US market.
- Distribute the SelfWealth SMSF Leaders ETF via an experienced sales team and grow funds under management, which will in turn drive another revenue channel and monetise unique SelfWealth data sets.

SelfWealth will continue to provide strong growth on its KPIs from the last financial year, continuing to capture market share away from bank incumbents on the retail and advised fronts, pushing beyond its 2% retail market share, which will in turn drive the company to increased revenues and cash flow break-even.

Directors Report

Your directors present their report on the entity consisting of SelfWealth Limited for the year ended 30 June 2019. Throughout the report, the entity is referred to as the company.

Directors and Company Secretary

The following persons held office as directors of SelfWealth Limited during the whole of the financial year and up to the date of this report, except where otherwise stated:

- Mr Tony Lally, Non-Executive Chairman
- Mr Andrew Ward, Managing Director and Chief Executive Officer
- Mr John Gaffney, Non-Executive Director
- Mr John O'Shaughnessy, Non-Executive Director
- Mr Robert Edgley, Non-Executive Director (appointed 17 April 2019)

The following persons held office as company secretary of SelfWealth Limited during the whole of the financial year and up to the date of this report, except where otherwise stated:

- Mr Phillip Hains (appointed 1 August 2018)
- Mr Mark Lawrence (resigned 31 July 2018)

Principal activities

During the year the principal continuing activities of the company consisted of:

- (a) Online \$9.50 flat fee share trading services
- (b) Online investor community portal services

Dividends - SelfWealth Limited

No dividends were declared or paid to members for the year ended 30 June 2019. The directors do not recommend that a dividend be paid in respect of the financial year.

Review of operations

Information on the operations and financial position of the company and its business strategies and prospects is set out in the review of operations and activities on page 8 of this annual report.

Significant changes in the state of affairs

Other than the information disclosed in the review of operations and activities on page 8, there are no significant changes in the state of affairs that the company has not disclosed.

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected the company's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Other than the information disclosed in the review of operations and activities on page 8, there are no likely developments or details on the expected results of operations that the company has not disclosed.

Environmental regulation

The company is not affected by any significant environmental regulation in respect of its operations.

Information on Directors

The following information is current as at the date of this report.

Mr Tony Lally Non-Executive Chairman

Experience and expertise	<p>Tony is a qualified actuary as well as an experienced company director (executive and non-executive) and chair covering listed companies, non-listed companies and not-for-profit organisations.</p> <p>Tony's experience covers the disciplines of governance, strategy development, risk management and change, both operational and cultural. His extensive investment expertise covers investment governance, investment strategy and management. Previous roles include chair and director of the Association of Superannuation Funds of Australia (ASFA), chief executive officer of Sunsuper (2007 to 2013) and executive director of the four subsidiaries of the Commonwealth Bank which provided funds management, life insurance and custody services. He has extensive senior executive experience in a number of disciplines, including life insurance, funds management, strategy development, sales and marketing, financial management, superannuation, risk management and financial planning. A key feature of his international career has been the building of successful businesses.</p> <p>Tony is a Fellow of the Institute of Actuaries in the United Kingdom and Australia and Graduate of the Australian Institute of Company Directors.</p>
Other current listed directorships	FE Investments Group Limited (ASX: FEI), since 31 July 2018.
Former listed directorships in last 3 years	BPS Technology Limited (ASX: BPS), until 28 November 2016
Special responsibilities	<p>Member of the audit and risk committee</p> <p>Member of the remuneration and nomination committee</p>

Mr Andrew Ward Managing Director and Chief Executive Officer

Experience and expertise	<p>Andrew has over 25 years' experience in the financial services industry and is the founder of SelfWealth. Prior to this, Andrew was an executive manager for Commonwealth Private leading a team of private bankers and private wealth managers in the disciplines of financial planning, insurance and stock broking. He also worked at Austock Group as national sales manager, responsible for distribution across various business divisions and as a business development manager at St George Bank gaining extensive exposure to administration platforms. Previous roles at major financial institutions include Colonial First State, RetireInvest and AMP.</p> <p>Andrew has a Bachelor of Economics and a Diploma in Financial Services (Financial Planning).</p>
Other current listed directorships	None
Former listed directorships in last 3 years	None
Special responsibilities	Chief Executive Officer

Mr John Gaffney
Non-Executive Director

Experience and expertise	<p>John is a senior lawyer with experience as a non-executive director of ASX listed companies with significant exposure to corporate governance and ASX Listing Rules.</p> <p>John was legal counsel for the Australian Financial Ombudsman Service providing internal legal advice on financial services. He was a member of the Victorian Bar practising in commercial litigation. Prior to joining the Bar John was a senior member of the Victorian Law Institute internal compliance group.</p> <p>John holds a Masters in Law and Graduate of the Australian Institute of Company Directors.</p>
Other current listed directorships	Paradigm Biopharmaceuticals Ltd (ASX: PAR), since 30 September 2014
Former listed directorships in last 3 years	None
Special responsibilities	<p>Member of the audit and risk committee</p> <p>Chair of the remuneration and nomination committee</p>

Mr John O'Shaughnessy
Non-Executive Director

Experience and expertise	<p>John is an experienced company director and has more than 30 years' experience as a CEO or senior executive in the financial services sector. He is currently director of Alpha Vista Financial Services Holdings Limited and has served as chair of Forticode Limited, a member of the Macquarie University Faculty of Science and Engineering Advisory Council; director of Centrepont Alliance Limited (ASX: CAF); and as chair of the University of Adelaide's International Centre for Financial Services Advisory Board.</p> <p>John holds a Master of Business Administration from the Macquarie University Graduate School of Management and has qualified as a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.</p>
Other current listed directorships	None
Former listed directorships in last 3 years	Centrepont Alliance Limited (ASX: CAF), until 27 November 2017
Special responsibilities	<p>Chair of the audit and risk committee</p> <p>Member of the remuneration and nomination committee</p>

Mr Robert Edgley
Non-Executive Director

Experience and expertise	<p>Robert's career has been predominantly focused in international finance and investment banking in Australia, Asia and the United Kingdom. He has significant experience and skills in strategic planning, performance management and marketing and has proven abilities in building businesses. Robert previously held the position of director and head of sales for the Royal Bank of Scotland in the Asia Pacific region and was a director of Royal Bank of Scotland Australia Pty Ltd.</p> <p>Robert holds a Bachelor of Economics from Monash University together with a secondary degree in Japanese language.</p>
Other current listed directorships	EVZ Limited (ASX: EVZ), since 26 August 2011
Former listed directorships in last 3 years	Praemium Limited (ASX: PPS), until 12 May 2017
Special responsibilities	None

Company secretary

The company secretary is Mr Phillip Hains, appointed to the position on 1 August 2018. Mr Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 30 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Mr Tony Lally	9	9	2	2	1	1
Mr Andrew Ward	9	9	2	2	-	-
Mr John Gaffney	9	9	2	2	1	1
Mr John O'Shaughnessy	9	9	2	2	1	1
Mr Robert Edgley	2	2	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

Remuneration report (audited)

The directors present the SelfWealth Limited 2019 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year. The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Link between remuneration and performance
- (e) Remuneration expenses
- (f) Contractual arrangements with executive KMPs
- (g) Non-executive director arrangements
- (h) Additional statutory information

(a) Key management personnel covered in this report

Non-executive and executive directors (see pages 10 and 11 for details about each director)

- Mr Tony Lally, Non-Executive Chairman
- Mr Andrew Ward, Managing Director and Chief Executive Officer
- Mr John Gaffney, Non-Executive Director
- Mr John O'Shaughnessy, Non-Executive Director
- Mr Robert Edgley, Non-Executive Director (appointed 17 April 2019)
- Other key management personnel
- Mr Andrew Dick, Chief Technical Officer
- Mr Mark Lawrence, Chief Financial Officer (resigned 31 July 2018)

(b) Remuneration policy and link to performance

Our remuneration and nomination committee is made up of independent non-executive directors. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent
- aligned to the company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

Element	Purpose	Performance metrics	Potential value
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
STI	Reward for in-year performance and retention	KPI achievement, determined by remuneration committee	CEO: 30% of FR
LTI	Alignment to long-term shareholder value	KPI achievement, determined by remuneration committee	CEO: 1,076,454 unlisted 3-year options at \$0.25 exercise price; 493,400 listed 5-year loan shares at \$0.15 issue price CTO: 238,113 unlisted 3-year options at \$0.17 exercise price

Assessing performance

The remuneration and nomination committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the committee receives data from independently run surveys.

Performance is monitored on an informal basis throughout the year and a formal evaluation is performed annually.

Share trading policy

SelfWealth Limited's securities trading policy applies to all directors and executives, see investors.selfwealth.com.au/Investors/?page=corporate-governance. It only permits the purchase or sale of company securities during certain periods.

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(ii) Short-term incentives

All executives are entitled to participate in a short-term incentive scheme which provides for executive employees to receive a combination of short-term incentive (STI) as part of their total remuneration if they achieve certain performance indicators as set by the board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the company, at the determination of the remuneration and nomination committee and board.

The company's CEO is entitled to short-term incentives in the form of cash bonus up to 30% of FR against agreed key performance indicators (KPIs). On an annual basis, KPIs are reviewed and agreed in advance of each financial year and include financial and non-financial company and individual performance goals.

(iii) Long-term incentives

Executives may also be provided with longer-term incentives through the company's 'employee share plan' (ESP) and 'employee share option plan' (ESOP), adopted on initial public offering of SelfWealth Limited on 22 November 2017. The aim of the ESP and ESOP is to allow executives to participate in, and benefit from, the growth of the company as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options and loan share agreements. The board at its discretion determines the total number of options and loan shares granted to each executive.

(d) Link between remuneration and performance

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the company's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2019	2018	2017	2016	2015
Loss for the year attributable to owners (\$)	3,446,957	5,348,485	3,227,916	2,515,892	2,077,784
Basic loss per share (cents)*	2.35	4.68	-	-	-
Share price at year end (\$)*	0.125	0.159	-	-	-

* 2015, 2016 and 2017 figures not provided as initial public offering did not occur until 22 November 2017

The company's earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by SelfWealth Limited. The company continues to focus on revenue growth with the objective of achieving key commercial milestones in order to add further shareholder value.

(e) Remuneration expenses

The following tables show details of the remuneration expense recognised for the company's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2019.

2019

	Short-term benefits		Post-employment benefits	Long term benefits	Share based payments	
	Cash salary and fees	Other	Super annuation	Long service leave	Options	Total
	\$	\$	\$	\$	\$	\$
Non-executive directors						
Mr Tony Lally	68,493	-	6,507	-	-	75,000
Mr John Gaffney	60,274	-	5,726	-	-	66,000
Mr John O'Shaughnessy	60,274	-	5,726	-	-	66,000
Mr Robert Edgley	12,390	-	1,177	-	-	13,567
Executive directors						
Mr Andrew Ward	350,000	(1,346)	20,531	12,397	17,769	399,351
Other KMP						
Mr Andrew Dick	185,000	2,846	17,575	4,820	6,636	216,877
Mr Mark Lawrence	116,252	-	7,740	-	-	123,992
Total KMP compensation	852,683	1,500	64,982	17,217	24,405	960,787

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2018.

2018

	Short-term benefits		Post-employment benefits	Long term benefits	Share based payments	
	Cash salary and fees	Other	Super annuation	Long service leave	Options	Total
	\$	\$	\$	\$	\$	\$
Non-executive directors						
Mr Tony Lally	63,890	-	6,070	-	-	69,960
Mr John Gaffney	66,026	-	6,272	-	-	72,298
Mr John O'Shaughnessy	51,849	-	4,926	-	-	56,775
Executive directors						
Mr Andrew Ward	310,556	13,462	21,802	14,640	8,486	368,946
Other KMP						
Mr Andrew Dick	168,333	-	15,992	1,114	8,731	194,170
Mr Mark Lawrence	230,278	16,346	19,717	5,304	6,681	278,326
Total KMP compensation	890,932	29,808	74,779	21,058	23,898	1,040,475

(f) Contractual arrangements with executive KMPs

Name:	Mr Andrew Ward
Position:	Managing Director and Chief Executive Officer
Contract duration:	3 years (commencing 15 May 2017)
Notice period:	6 months by either party
Fixed remuneration:	\$350,000 per annum including director fee, plus statutory superannuation
Name:	Mr Andrew Dick
Position:	Chief Technical Officer
Contract duration:	Unspecified
Notice period:	3 weeks by either party
Fixed remuneration:	\$185,000 per annum, plus statutory superannuation
Name:	Mr Mark Lawrence
Position:	Chief Financial Officer
Contract duration:	Unspecified, resigned 31 July 2018
Notice period:	3 months by either party
Fixed remuneration:	\$250,000 per annum, plus statutory superannuation

(g) Non-executive director arrangements

Non-executive directors receive a board fee of \$66,000 per annum, inclusive of chairing or participating on board committees. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chairman receives \$75,000 per annum, reflective of the additional demands and responsibilities of this role.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser.

The maximum annual aggregate directors' fee pool limit is \$500,000, adopted on initial public offering of SelfWealth Limited on 22 November 2017.

(h) Additional statutory information**(i) Relative proportions of fixed vs variable remuneration expense**

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 15 above:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2019	2018	2019	2018	2019	2018
	%	%	%	%	%	%
Non-executive director						
Mr Tony Lally	100	100	-	-	-	-
Mr John Gaffney	100	100	-	-	-	-
Mr John O'Shaughnessy	100	100	-	-	-	-
Mr Robert Edgley	100	100	-	-	-	-
Executive directors						
Mr Andrew Ward	96	98	-	-	4	2
Other KMP						
Mr Andrew Dick	97	96	-	-	3	4
Mr Mark Lawrence	100	98	-	-	-	2

(ii) Terms and conditions of the share-based payment arrangements**Options**

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise price (\$)	Value per option at grant date (\$)	Vested (%)
24 Feb 2017	Over 3 years	24 Feb 2020	0.17	0.0320	78.2%
01 Jul 2017	Over 2 years	01 Jul 2019	0.17	0.0400	99.9%
01 Jul 2017	Over 3 years	01 Jul 2020	0.17	0.0490	66.5%
14 Aug 2017	Over 3 years	14 Aug 2020	0.25	0.0270	62.5%

For detailed disclosures please refer to note 16(a) on page 39.

Loan shares

The terms and conditions of each grant of loan shares affecting remuneration in the current or a future reporting period are as follows:

Name	Grant date	Expiry date	Issue price (\$)	Value per loan share at grant date (\$)	Vested (%)
Mr Andrew Ward	15 Nov 2018	13 May 2024	0.15	0.0406	20.0%

Details of loan shares holdings during the period and at 30 June 2019 are as follows:

Name	Opening balance	Issued	Cancelled	Closing balance
Mr Andrew Ward	-	493,400	-	493,400

For detailed disclosures please refer to note 16(b) on page 40.

(iii) *Reconciliation of options and ordinary shares held by KMP**Option holdings*

2019	Balance at start of the period ¹	Granted as remuneration	Exercised	Other changes ²	Balance at end of the period ³	Vested and exercisable
Options						
Mr Tony Lally	-	-	-	-	-	-
Mr Andrew Ward	1,076,454	-	-	-	1,076,454	672,783
Mr John Gaffney	-	-	-	-	-	-
Mr John O'Shaughnessy	-	-	-	-	-	-
Mr Robert Edgley	-	-	-	-	-	-
Mr Andrew Dick	434,523	-	-	(196,410)	238,113	193,157
Mr Mark Lawrence	847,525	-	-	(847,525)	-	-
	2,358,502	-	-	(1,043,935)	1,314,567	865,940

Notes

1. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.
2. Other changes incorporates changes resulting from the expiration/forfeiture of options.
3. For former KMP, the balance is as at the date they cease being KMP.

Share holdings

2019	Balance at the start of the period ¹	Granted as remuneration	Received on exercise of options	Other changes ²	Balance at the end of the period ³
Ordinary shares					
Mr Tony Lally	528,889	-	-	129,279	658,168
Mr Andrew Ward	17,666,901	493,400	-	137,446	18,297,747
Mr John Gaffney	-	-	-	-	-
Mr John O'Shaughnessy	277,778	-	-	46,297	324,075
Mr Robert Edgley	-	-	-	1,000,000	1,000,000
Mr Andrew Dick	-	-	-	25,269	25,269
Mr Mark Lawrence	238,889	-	-	-	238,889
	18,712,457	493,400	-	1,338,291	20,544,148

Notes

1. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.
2. Other changes incorporates changes resulting from the acquisition and disposal of shares.
3. For former KMP, the balance is as at the date they cease being KMP.

(iv) *Voting of shareholders at last year's annual general meeting*

SelfWealth Limited received more than 75 percent of favourable votes on its remuneration report for the 2018 financial year. The company did not receive any specific feedback at the 2018 annual general meeting or throughout the year on its remuneration practices.

[This concludes the remuneration report, which has been audited]

Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of SelfWealth Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares (\$)	Number under option
07 Dec 2016	07 Dec 2019	0.17	49,103
23 Feb 2017	23 Feb 2020	0.17	49,103
24 Feb 2017	24 Feb 2020	0.17	98,205
02 Mar 2017	02 Mar 2020	0.17	31,917
01 Jul 2017	01 Jul 2019	0.17	141,926
01 Jul 2017	01 Jul 2020	0.17	141,926
14 Aug 2017	14 Aug 2020	0.25	1,076,454
17 Nov 2017	17 Nov 2022	0.25	6,732,837
Total			8,321,471

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

(b) Shares issued on the exercise of options

No ordinary shares of SelfWealth Limited were issued during the year ended 30 June 2019 on the exercise of options granted.

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, SelfWealth Limited paid a premium of \$52,280 to insure the directors and secretaries of the company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company 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.

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the company are important.

Details of the amounts paid or payable to the auditor (Crowe Melbourne) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2019	2018
	\$	\$
Other assurance services		
Crowe Melbourne and its related entities and other Crowe network firms:		
Investigating accountant's report	-	27,200
Total remuneration for other assurance services	-	27,200
Taxation services		
Crowe Melbourne and its related entities and other Crowe network firms:		
Tax compliance services	-	5,000
Total remuneration for taxation services	-	5,000
Total remuneration for non-audit services	-	32,200

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 on page 21.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors.



Mr Andrew Ward
Managing Director and Chief Executive Officer

Melbourne
30 August 2019

Auditor Independence Declaration under S307C of the *Corporations Act 2001* to the Directors of SelfWealth Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- 1) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.



CROWE MELBOURNE



DAVID MUNDAY
Partner

Melbourne, Victoria
30 August 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Melbourne, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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Corporate Governance Statement

SelfWealth Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. SelfWealth Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2019 corporate governance statement is dated as at 30 June 2019 and reflects the corporate governance practices in place throughout the 2019 financial year. The 2019 corporate governance statement was approved by the board on 30 August 2019. A description of the company's current corporate governance practices is set out in the company's corporate governance statement which can be viewed at investors.selfwealth.com.au/Investors/?page=corporate-governance.

Annual Financial Report - 30 June 2019

Annual financial report – 30 June 2019 for SelfWealth Limited ABN 52 154 324 428

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These financial statements are financial statements for the company consisting of SelfWealth Limited.

The financial statements are presented in the Australian currency.

SelfWealth Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Level 2, 613 Canterbury Road
Surrey Hills VIC 3127

The financial statements were authorised for issue by the directors on 29 August 2019. The directors have the power to amend and reissue the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
Revenue from contracts with customers	2	2,809,118	1,052,828
Costs of sales		(1,829,371)	(780,444)
Gross profit		979,747	272,384
Other income	3(a)	471,576	513,695
General and administrative expenses	3(b)	(3,554,672)	(3,504,380)
Selling and marketing expenses	3(b)	(1,355,594)	(2,640,664)
Operating loss		(3,458,943)	(5,358,965)
Finance income		11,986	46,521
Finance expenses		-	(36,041)
Finance costs - net		11,986	10,480
Loss before income tax		(3,446,957)	(5,348,485)
Income tax expense	4	-	-
Loss for the period		(3,446,957)	(5,348,485)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(3,446,957)	(5,348,485)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	18	(2.35)	(4.68)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2019

	Notes	2019	2018
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	2,542,207	3,286,232
Trade and other receivables	5(b)	454,250	715,692
Other current assets		95,046	271,228
Total current assets		3,091,503	4,273,152
Non-current assets			
Property, plant and equipment		46,867	45,568
Intangible assets		4,794	-
Total non-current assets		51,661	45,568
Total assets		3,143,164	4,318,720
LIABILITIES			
Current liabilities			
Trade and other payables	5(c)	391,050	715,437
Employee benefit obligations	6(a)	145,865	132,249
Total current liabilities		536,915	847,686
Non-current liabilities			
Employee benefit obligations	6(a)	91,721	61,112
Total non-current liabilities		91,721	61,112
Total liabilities		628,636	908,798
Net assets		2,514,528	3,409,922
EQUITY			
Share capital	7(a)	20,598,302	18,087,117
Other reserves	7(b)	467,198	523,643
Accumulated losses		(18,550,972)	(15,200,838)
Total equity		2,514,528	3,409,922

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	Attributable to owners of SelfWealth Limited			
		Share capital	Other reserves	Accumulated losses	Total equity
		\$	\$	\$	\$
Balance at 1 July 2017		11,339,211	120,117	(9,852,353)	1,606,975
Loss for the period		-	-	(5,348,485)	(5,348,485)
Total comprehensive loss for the period		-	-	(5,348,485)	(5,348,485)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	7(a)	6,747,906	-	-	6,747,906
Options issued/expensed	7(b)	-	485,905	-	485,905
Options forfeited/lapsed	7(b)	-	(82,379)	-	(82,379)
		6,747,906	403,526	-	7,151,432
Balance at 30 June 2018		18,087,117	523,643	(15,200,838)	3,409,922

	Notes	Attributable to owners of SelfWealth Limited			
		Share capital	Other reserves	Accumulated losses	Total equity
		\$	\$	\$	\$
Balance at 1 July 2018		18,087,117	523,643	(15,200,838)	3,409,922
Loss for the period		-	-	(3,446,957)	(3,446,957)
Total comprehensive loss for the period		-	-	(3,446,957)	(3,446,957)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	7(a)	2,511,185	-	-	2,511,185
Loan shares issued/expensed		-	15,778	-	15,778
Options issued/expensed	7(b)	-	24,600	-	24,600
Options forfeited/lapsed	7(b)	-	(96,823)	96,823	-
		2,511,185	(56,445)	96,823	2,551,563
Balance at 30 June 2019		20,598,302	467,198	(18,550,972)	2,514,528

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,939,624	948,508
Payments to suppliers and employees (inclusive of GST)		(6,765,759)	(6,707,570)
Research and development tax incentive received		574,645	725,933
Net cash (outflow) from operating activities	8(a)	(3,251,490)	(5,033,129)
Cash flows from investing activities			
Payments for property, plant and equipment		(10,912)	(35,175)
Payments for patents and trademarks		(4,794)	-
Repayment of loans by related parties		-	8,585
Interest received		11,986	46,521
Net cash (outflow) inflow from investing activities		(3,720)	19,931
Cash flows from financing activities			
Proceeds from issues of shares	7(a)	2,804,632	7,835,500
Share issue transaction costs	7(a)	(293,447)	(673,525)
Repayment of borrowings		-	(569,790)
Interest paid		-	(36,041)
Net cash inflow from financing activities		2,511,185	6,556,144
Net (decrease) increase in cash and cash equivalents		(744,025)	1,542,946
Cash and cash equivalents at the beginning of the financial year		3,286,232	1,743,286
Cash and cash equivalents at end of year	5(a)	2,542,207	3,286,232
Non-cash financing and investing activities	8(b)		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

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Notes to the Financial Statements

1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of SelfWealth Limited. The company has identified one reportable segment; that is, to provide a flat-fee securities brokerage service in Australia. The segment details are therefore fully reflected in the body of the financial statements.

2 Revenue from contract with customers

(a) Disaggregation of revenue from contracts with customers

The company derives revenue from the transfer of services over time and at a point in time:

	2019	2018
	\$	\$
Trading revenue	1,258,508	592,764
Membership subscription revenue	128,163	30,004
Interest income (i)	1,422,447	430,060
	2,809,118	1,052,828

(i) Interest income

Interest income is earned on monies that the company's customers have held in their Trading Cash Accounts. These accounts are held in the name of these customers, and therefore are not recognised in the company's statement of financial position. These amounts are recognised as revenue as they are earned.

(b) Accounting policies

(i) Trading revenue

Revenue from \$9.50 flat fee buy and sell trades is recognised at a point in time when the company has facilitated the trading request, the single performance obligation.

(ii) Interest income

Interest income is generated on client monies held in the Trading Cash Account. Income is recognised over time in the accounting period in which investment relates.

3 Other income and expense items

(a) Other income

	2019	2018
	\$	\$
Research and development tax incentive	471,576	513,695

(i) Fair value of R&D tax incentive

The company's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure from 1 July 2011. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Government grants are recognised at their fair value when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured. For the year ended 30 June 2019, the company has included an item in other income of \$471,576 (2018: \$513,695) to recognise income over the period necessary to match the grant on a systematic basis with the costs that they are intended to compensate.

(b) Breakdown of expenses by nature

	Notes	2019	2018
		\$	\$
General and administrative expenses			
Accounting and audit		167,093	88,587
Amortisation		-	20,587
Consulting		62,602	85,440
Depreciation		9,613	8,448
Employee benefits		2,113,802	2,056,610
Exchange-traded fund (ETF) costs		321,759	87,100
Insurance		151,985	164,976
Legal		36,137	84,643
Listing and share registry		75,430	331,667
Occupancy		150,109	113,836
Recruitment and staff training		16,799	110,989
Share-based payments	16(c)	40,378	(10,543)
Superannuation		169,746	168,797
Travel and entertainment		163,004	140,246
Other		76,215	52,997
		3,554,672	3,504,380
Selling and marketing expenses			
Advertising and promotion		1,229,613	2,478,237
Conferences		57,011	87,343
Public relations		66,946	74,451
Other		2,024	633
		1,355,594	2,640,664

4 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2019	2018
	\$	\$
Loss from continuing operations before income tax expense	(3,446,957)	(5,348,485)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	(947,913)	(1,470,833)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D tax incentive	(129,683)	(158,027)
Accounting expenditure subject to R&D tax incentive	250,932	363,282
Blackhole expenditure (Section 40-880, ITAA 1997)	(92,287)	(75,450)
Entertainment	2,695	768
Legal fees	-	236,468
Others	150,445	119,892
Subtotal	(765,811)	(983,900)
Tax losses and other timing differences for which no deferred tax asset is recognised	765,811	983,900
Income tax expense	-	-

(b) Tax losses

	2019	2018
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	11,879,939	9,095,172
Potential tax benefit @ 27.5%	3,266,983	2,501,172

5 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2019	2018
	\$	\$
Current assets		
Cash at bank and in hand	1,042,207	3,286,232
Deposits at call	1,500,000	-
	2,542,207	3,286,232

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2019	2018
	\$	\$
Balances as above	2,542,207	3,286,232
Balances per statement of cash flows	2,542,207	3,286,232

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See note 19(i) for the company's other accounting policies on cash and cash equivalents.

(b) Trade and other receivables

		2019			2018		
	Notes	Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Accrued receivables	5(b)(i)	414,530	-	414,530	509,663	-	509,663
GST refundable		33,300	-	33,300	205,054	-	205,054
Other receivables		6,420	-	6,420	975	-	975
		454,250	-	454,250	715,692	-	715,692

(i) Accrued receivables

Accrued receivables comprise \$396,931 from the Australian Taxation Office in relation to the R&D tax incentive (2018: \$500,000) and \$17,599 interest income from client monies held in the Trading Cash Account (2018: \$9,663).

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Trade and other payables

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Trade payables	131,439	-	131,439	517,712	-	517,712
Accrued expenses	210,566	-	210,566	138,625	-	138,625
Other payables	49,045	-	49,045	59,100	-	59,100
	391,050	-	391,050	715,437	-	715,437

Trade payables are unsecured and are usually paid within 90 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

6 Non-financial assets and liabilities

(a) Employee benefit obligations

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations (i)	145,865	91,721	237,586	132,249	61,112	193,361

(i) Leave obligations

The leave obligations cover the company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 19(I).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$145,865 (2018: \$132,249) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

7 Equity

(a) Share capital

	Notes	2019	2018	2019	2018
		Shares	Shares	\$	\$
Ordinary shares	7(a)(ii)				
Fully paid		170,376,197	129,455,280	20,598,302	18,087,117
	7(a)(i)	170,376,197	129,455,280	20,598,302	18,087,117

(i) Movements in ordinary shares:

Details	Notes	Number of shares	Total \$
Balance at 1 July 2017		137,467,341	11,339,211
Share consolidation adjustment		(47,467,341)	-
Issue at \$0.18 pursuant to pre-IPO placement		2,777,780	500,000
Issue at \$0.20 pursuant to IPO (22 Nov 2017)		36,677,500	7,335,500
Less: Transaction costs arising on share issues		-	(1,087,594)
Balance at 30 June 2018		129,455,280	18,087,117
Issue at \$0.07 pursuant to rights issue (20 Dec 2018)		20,171,001	1,411,970
Issue at \$0.07 pursuant to rights issue (07 Feb 2019)		2,252,308	157,662
Issue at \$0.07 pursuant to rights issue (07 Mar 2019)		17,357,144	1,215,000
Issue at \$0.15 pursuant to rights issue (27 Mar 2019)		285,714	20,000
Issue at \$0.15 pursuant to ESP loan shares to KMP (15 May 2019)	16(b)	854,750	-
Less: Transaction costs arising on share issues		-	(293,447)
Balance at 30 June 2019		170,376,197	20,598,302

1. The fair value of loan shares issued have been taken up in the share-based payments reserve as disclosed in note 7(b)(ii).

(ii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

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.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(iii) Options

Information relating to options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in notes 7(b)(ii) and 16.

(b) Other reserves

The statement of financial position line item 'other reserves' comprises the 'share-based payments reserve'.

*(i) Nature and purpose of other reserves**Share-based payments*

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and eligible contractors.

(ii) Movements in share-based payments reserve:

Details	Number of Options	Total \$
Balance at 1 July 2017	4,262,500	120,117
Share consolidation adjustment	(647,433)	-
Issue of ESOP unlisted options at \$0.17 each (01 Jul 2017)	515,238	9,331
Issue of ESOP unlisted options at \$0.25 each (14 Aug 2017)	1,923,979	15,167
Issue of unlisted options at \$0.25 each to broker (17 Nov 2017)	6,732,837	414,069
Forfeiture/lapse of ESOP unlisted options	(3,180,292)	(82,379)
Amortisation of share-based payments for options issued in prior periods	-	47,338
Balance at 30 June 2018	9,606,829	523,643
Forfeiture/lapse of ESOP unlisted options	(1,285,358)	(32,799)
Reclassify prior period lapsed options expense from reserves to accumulated losses	-	(64,024)
Amortisation of share-based payments for options issued in prior periods	-	24,600
Amortisation of share-based payments for loan shares issued in current period	-	15,778
Balance at 30 June 2019	8,321,471	467,198

1. The number of loan shares issued is reflected in share capital as disclosed in note 7(a)(i).

8 Cash flow information

(a) Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	Notes	2019	2018
		\$	\$
Loss for the period		(3,446,957)	(5,348,485)
Adjustments for			
Depreciation and amortisation	3(b)	9,613	29,035
Finance costs		-	36,041
Finance income		(11,986)	(46,521)
Leave provision expense		44,225	57,014
Share-based payments	16(c)	40,378	(10,543)
Change in operating assets and liabilities:			
Movement in trade and other receivables		261,442	107,919
Movement in other operating assets		176,182	(160,866)
Movement in trade and other payables		(324,387)	303,277
Net cash inflow (outflow) from operating activities		(3,251,490)	(5,033,129)

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- amortisation of share-based payments for options issued to employees under the employee share option plan (ESOP) for no cash consideration - note 16(a)
- amortisation of share-based payments for loan shares issued to employees under the employee share plan (ESP) for no cash consideration - note 16(b)

9 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of R&D tax incentive income accrual - note 3(a)(i)
- Estimation of employee benefit obligations - note 6(a)(i)
- Estimation of share-based payments - notes 16(a)(i) and 16(b)(i)

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

10 Financial risk management

This note explains the company's exposure to financial risks and how these risks could affect the company's future financial performance.

The company's risk management is predominantly controlled by the board. The board monitors the company's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The majority of the company's operations are denominated in Australian dollars, with the few exceptions on services acquired from overseas suppliers but at a marginally insignificant amount and frequency. Therefore, management has concluded that market risk from foreign exchange fluctuation is not material.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from Trading Cash Account deposits held on behalf of its customers as well as from the guaranteed return rates offered to its customers. The company's policy is to maintain approximately 1.5% to 2.0% per annum of the net interest margin (interest income from deposits, less interest guaranteed and payable to customers). In order to meet this objective, management closely works with reputable financial institutions to obtain the highest return rates, as well as managing the guaranteed rates offered to customers. Management considers the risk in interest rate to be low as any fluctuation on the market rates which affect the company's gross returns will be subsequently passed onto its customers.

The company's financial instruments are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate as a result of a change in market interest rates.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

(i) Risk management

The company manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. Given all trades sold to customers are prepaid, management determines credit risk to be low.

(c) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) *Maturities of financial liabilities*

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 30 June 2019	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	391,050	-	-	-	-	391,050	391,050
Total	391,050	-	-	-	-	391,050	391,050
At 30 June 2018							
Trade and other payables	715,437	-	-	-	-	715,437	715,437
Total	715,437	-	-	-	-	715,437	715,437

11 Capital management**(a) Risk management**

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may issue new shares or reduce its capital, subject to the provisions of the company's constitution. The capital structure of the company consists of equity attributed to equity holders of the company, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the company's management, the board monitors the need to raise additional equity from the equity markets.

(b) Dividends

No dividends were declared or paid to members for the year ended 30 June 2019 (2018: nil). The company's franking account balance was nil at 30 June 2019 (2018: nil).

12 Contingent liabilities

The company had no contingent liabilities at 30 June 2019 (2018: nil).

13 Commitments**(a) Non-cancellable operating leases**

The company leases an office under a non-cancellable operating lease expiring on 30 November 2021. On renewal, the terms of the leases are renegotiated.

	2019	2018
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	91,314	91,314
Later than one year but not later than five years	135,181	38,667
	226,495	129,981

14 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company or economic entity in subsequent financial years.

15 Related party transactions

(a) Key management personnel compensation

	2019	2018
	\$	\$
Short-term employee benefits	854,183	920,740
Post-employment benefits	64,982	74,779
Long-term benefits	17,217	21,058
Share-based payments	24,405	23,898
	960,787	1,040,475

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 18.

(b) Loans to/from related parties

	2019	2018
	\$	\$
Loans to related parties		
Beginning of the year	-	8,585
Loans advanced	-	-
Loans repayments received	-	(8,585)
Interest charged	-	-
Interest received	-	-
End of year	-	-

16 Share-based payments

(a) Employee share option plan

The establishment of the 'employee share option plan' (ESOP) was adopted on initial public offering of SelfWealth Limited on 22 November 2017. The plan is designed to provide long-term incentives for employees (including directors) and consultants to deliver long-term shareholder returns.

Set out below are summaries of options granted under the plan:

	2019		2018	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 July	\$0.24	9,606,829	\$0.15	4,262,500
Share consolidation adjustment	-	-	-	(647,433)
Granted during the year	-	-	\$0.25	9,172,054
Forfeited/lapsed during the year	\$0.24	(1,285,358)	\$0.15	(3,180,292)
As at 30 June	\$0.25	8,321,471	\$0.24	9,606,829
Vested and exercisable at 30 June	\$0.25	7,823,631	\$0.25	8,556,169

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Share options	Share options
		\$	30 June 2019	30 June 2018
24 Aug 2015	24 Aug 2018	0.27	-	40,919
27 Nov 2015	27 Nov 2018	0.27	-	98,205
03 Feb 2016	03 Feb 2019	0.27	-	49,103
28 Jun 2016	28 Jun 2019	0.27	-	21,278
07 Dec 2016	07 Dec 2018	0.17	-	49,103
07 Dec 2016	07 Dec 2019	0.17	49,103	49,103
23 Feb 2017	23 Feb 2019	0.17	-	49,103
24 Feb 2017	24 Feb 2019	0.17	-	98,205
02 Mar 2017	02 Mar 2019	0.17	-	31,917
23 Feb 2017	23 Feb 2020	0.17	49,103	49,103
24 Feb 2017	24 Feb 2020	0.17	98,205	98,205
02 Mar 2017	02 Mar 2020	0.17	31,917	31,917
01 Jul 2017	01 Jul 2019	0.17	141,926	141,926
01 Jul 2017	01 Jul 2020	0.17	141,926	141,926
14 Aug 2017	14 Aug 2020	0.25	1,076,454	1,923,979
17 Nov 2017	17 Nov 2022	0.25	6,732,837	6,732,837
Total			8,321,471	9,606,829

Weighted average remaining contractual life of options outstanding at end of period

2.92

3.60

(i) Fair value of options granted

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

There was no grant of options during the year ended 30 June 2019.

(b) Employee share plan (loan shares)

The establishment of the 'employee share plan' (ESP) was adopted on initial public offering of SelfWealth Limited on 22 November 2017. The plan is designed to provide long-term incentives for employees (including directors) and consultants to deliver long-term shareholder returns.

Under the ESP, provision for the issuance of loan shares is as follows:

- Loan shares are shares in the company, each carrying the same dividend rights and otherwise ranking pari passu in all respects with the ordinary issued shares of the company, where the subscription price is funded by way of a loan from the company;
- Offers under the plan are the absolute discretion of the board;
- Financial assistance is provided to participants by way of a limited recourse interest-free loan to acquire the shares;
- The company retains security over the loan shares whilst ever there is an amount outstanding under the loan;
- Loan shares that have not vested and/or are subject to loan repayment will be restricted from trading, and
- The loan shares will vest subject to continued employment with SelfWealth Limited.

On 15 May 2019, the company issued 854,750 shares at a deemed issue price of \$0.15 under escrow until 13 May 2022 in exchange for a loan agreement entered into with each employee. These shares vest over three years; 20% on issue, 20% at 12 months from the date of issue, 20% at 24 months from date of issue and 40% at 36 months from date of issue. The non-interest-bearing loans become due and payable (unless extended by the company in its absolute discretion) on the first to occur of the following:

- 90 days after the participant ceases for any reason to be employed or engaged by the company;
- By the legal personal representative of the participant, six months after the participant ceases to be an employee or consultant of the company due to their death;
- A material breach by the participant of the terms of the loan agreement, and
- The repayment date of 13 May 2024.

If the loan becomes due and payable under any term of the agreement and the participant has not repaid the outstanding loan balance in full within 21 days of the date due, then the participant will forfeit their interest in the loan shares as full consideration for repayment and the company may at its election take action including but not limited to undertaking a buyback or selling the loan shares.

After the escrow period, all proceeds received (after payment of the expenses of the sale or buyback) are to be applied in the following order of priority:

- First, to the company in repayment (or if there is insufficient funds to fully repay, then in reduction and consequent discharge) of the outstanding loan balance, and
- Secondly, to the participant, being the balance (if any).

Under the applicable Accounting Standards, the loan shares and related limited recourse loan are accounted for as options, which gives rise to a share-based payment expense. The treatment of the loan shares under the applicable Accounting Standards as options requires that the value of the loans and issue price of the shares are not recorded as receivables or share capital of the company until repayment or part repayment of the loans occurs. The loan shares are entitled to dividends. Any dividends paid in respect of the loan shares will be applied to reduce the loans and increase share capital in accordance with both the plan rules and applicable Accounting Standards.

Set out below are the movement during the period of loan shares granted under the plan:

	Opening balance	Issued	Cancelled	Closing balance
Loan shares	-	854,750	-	854,750
Weighted average remaining contractual life of loan shares outstanding at end of period				4.87

(i) *Fair value of loan shares granted*

The assessed fair value of loan shares at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the loan share, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

Grant date	Expiry date	Exercise price	No. of options	Share price at grant date	Expected volatility	Dividend yield	Risk- free interest rate	Fair value at grant date per loan share
.		\$		\$				\$
09 Oct 2018	13 May 2024	0.15	361,350	0.09	74.20%	0.00%	2.33%	0.0499
11 Nov 2018	13 May 2024	0.15	493,400	0.08	74.05%	0.00%	2.36%	0.0406
			854,750					

(c) **Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2019	2018
	\$	\$
Loan shares issued to employees under ESP	15,778	-
Options issued under ESOP	24,600	(10,543)
	40,378	(10,543)

17 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:

(a) **Crowe Melbourne**(i) *Audit and other assurance services*

	2019	2018
	\$	\$
Audit and review of financial statements	58,043	51,500
Other assurance services		
Investigating accountant's report	-	27,200
Total remuneration for audit and other assurance services	58,043	78,700

(ii) *Taxation services*

Tax compliance services	-	5,000
Total remuneration for taxation services	-	5,000
Total auditor's remuneration	58,043	83,700

18 Loss per share

(a) Reconciliation of loss used in calculating loss per share

	2019	2018
	\$	\$
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
From continuing operations	3,446,957	5,348,485

(b) Weighted average number of shares used as the denominator

	2019	2018
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	146,491,243	114,281,996

On the basis of the company's losses, the outstanding options as at 30 June 2019 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

19 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the company consisting of SelfWealth Limited.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. SelfWealth Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

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

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) 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 settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$3,446,957 and had operating cash outflows of \$3,251,490 for the year ended 30 June 2019. As at 30 June 2019, the company held cash and cash equivalents of \$2,542,207.

In the process of approving the company's internal forecast and business plan for upcoming financial years, the board has considered the cash position of the company within the next 12 months from the date of this report, further supported by the application of sensitivity analysis and stress-testing of the key existing revenue stream assumptions used with consideration to historical growth rate. Based on the assessment of the company's ability to achieve its growth targets, the board believes that the group will continue as a going concern and be able to repay its debts as and when they fall due. The board also acknowledges the company's access to the capital market should additional funding is required.

Accordingly, the financial statements have been prepared on the 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.

(iv) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2018:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers to Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.
- The company also elected to adopt the following amendments early:
- AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle.

The company assessed the impact of adopting AASB 15 and concluded that the implementation of this new accounting standard had no material impact on the measurement of transactions and balances recognised in the financial statements. This is disclosed in note 20. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 16 Leases
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	<p>The company has reviewed all leasing arrangements in light of the new lease accounting rules in AASB 16. The standard will affect the accounting for the company's operating leases.</p> <p>As at the reporting date, the company has non-cancellable operating lease commitments of \$226,495, see note 13(a).</p> <p>The company expects to recognise right-of-use assets of approximately \$208,222 on 1 July 2019 and lease liabilities of \$213,128 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019). Overall net assets will be approximately \$4,907 lower, and net current assets will be \$121,814 lower due to the presentation of a portion of the liability as a current liability.</p> <p>The company expects that net profit after tax will decrease by approximately \$3,656 for the year ended 30 June 2020 as a result of adopting the new rules.</p> <p>Operating cash flows will increase and financing cash flows decrease by approximately \$91,314 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.</p> <p>The company does not act in the capacity as a lessor and hence the company does not expect any lessor impact on the financial statements.</p>
Mandatory application date/ Date of adoption by company	<p>The company will apply the standard from its mandatory adoption date of 1 July 2019.</p> <p>The company intends to apply the modified retrospective transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).</p>

There are no other new standards and interpretations that are not yet effective and that would be expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(vi) Changes to presentation - classification of expenses

SelfWealth Limited decided in the current financial year to change the classification of its expenses in the statement of profit or loss from a classification by nature to a functional classification. We believe that this will provide more relevant information to our stakeholders as it is more in line with common practice in the industries SelfWealth Limited is operating in. The comparative information has been reclassified accordingly.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the chief executive officer.

(c) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollar (\$), which is SelfWealth Limited's functional and presentation currency.

(d) Revenue recognition

The accounting policies for the company's revenue from contracts with customers are explained in note 2.

(e) Government grants

The research and development (R&D) tax incentive provides for a 43.5% refundable tax offset for eligible R&D entities with an aggregate turnover of less than \$20 million per annum that are not controlled by exempt entities (refundable R&D credit) or a non-refundable 38.5% tax offset for all other eligible companies.

For financial reporting purposes, the R&D tax offset can be analogised as a government grant or an income tax item. General practice is that refundable R&D credits are accounted for as government grants.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Note 3 provides further information on how the company accounts for government grants.

(f) Income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (note 13). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Impairment of assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the 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 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(j) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 (note 19(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 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.

(l) Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are 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. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the 'employee share option plan' (ESOP). Information relating to these schemes is set out in note 16.

Employee options

The fair value of options granted under the ESOP is recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the company over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(m) 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.

(n) Loss per share**(i) Basic loss per share**

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(p) 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 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.

20 Changes in accounting policies

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers on the company's financial statements.

(a) AASB 15 Revenue from Contracts with Customers – impact of adoption

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The adoption of AASB 15 has not impacted the amounts disclosed within the financial statements.

(b) AASB 15 Revenue from Contracts with Customers – accounting policies applied from 1 July 2018

Revenue recognition

The accounting policies applied by the company from 1 July 2018 are set out in note 19(d).

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 23 to 47 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 19(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.



Mr Andrew Ward
Managing Director and Chief Executive Officer
SelfWealth Limited

Melbourne

30 August 2019

Independent Auditor's Report To the Members of SelfWealth Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SelfWealth Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Key Audit Matter	How we addressed the Key Audit Matter
<p>Going Concern - Note 19(a)</p> <p>The Company has incurred losses of \$3,446,957 (2018: loss \$5,348,485) and net cash outflows from operating activities of \$3,251,490 (2018: outflow \$5,033,129) from operating activities for the year ended 30 June 2019. Notwithstanding the continued losses and negative operating cash flows, the financial report has been prepared on a going concern basis which contemplates that the Company will continue operating as outlined in Note 19(a) to the financial report.</p> <p>The ability of the Company to continue as a going concern was supported by cash flow forecasts prepared by management. These forecasts included assumptions regarding the timing of future cash flows, operating results and capital raising activities which are by their nature uncertain.</p> <p>We have focused on this area because of the level of judgement and assumptions required in determining future cash flows and capital raising efforts.</p>	<p>Our procedures included, amongst other things, the following:</p> <ul style="list-style-type: none"> ▪ Reviewing the appropriateness of the key assumptions adopted by management in the preparation of the cash flow forecasts based on our knowledge of the business, industry and historical data; ▪ Considering the impact of reasonably possible downside effects in the assumptions underlying the cashflow forecasts and assessing the possible mitigating actions identified by management; ▪ Reconciling input data used in the cashflow forecasts to supporting evidence; and ▪ Assessing the adequacy of the entity's disclosures within the financial report.
<p>Revenue recognition of R&D Tax Incentive (R&D) - Note 3 (a)</p> <p>The Company recognised a R&D Tax Incentive rebate of \$471,576 (2018: \$513,695) in the year ended 30 June 2019 and an associated accrued receivable of \$ 396,931 (2018: \$500,000) as at 30 June 2019. The amount of the rebate receivable was an estimate based on eligible research and development expenditure incurred by the Company during the year.</p> <p>The R&D Tax Incentive was a key audit matter due to the size of the balance and because judgement and interpretation of the R&D tax legislation was required by the Company to assess the eligibility of expenditure under the R&D Tax Incentive scheme.</p>	<p>In addressing this matter, we performed a number of procedures including the following:</p> <ul style="list-style-type: none"> ▪ Assessing the process and controls in place in respect of the R&D claim process. ▪ Performing analytical procedures to gain comfort over correct recognition of R&D revenue for the year. ▪ For the R&D rebate recognised as revenue in prior year, tracing the amount to cash receipts during the year. ▪ Reviewing the R&D calculations to ensure such calculations have been performed on a reasonable basis. ▪ Obtaining a confirmation from management's experts in relation to R&D calculations and reviewing the basis of calculation using our own tax expert. ▪ Obtained supporting documentation to confirm the appropriateness of recognition of the R&D as income in accordance with the requirements of AASB 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 12 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of SelfWealth Limited, for the year ended 30 June 2019, 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.



CROWE MELBOURNE



DAVID MUNDAY
Partner

30 August 2019
Melbourne

Shareholder Information

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

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	No. of holders	Shares
1 - 1000	13	3,288
1,001 - 5,000	61	225,757
5,001 - 10,000	171	1,515,265
10,001 - 100,000	398	15,872,252
100,001 and over	189	152,759,635
	832	170,376,197

There were 46 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	% of issued shares
SANDHURST TRUSTEES LTD	18,511,062	10.86
MR ANDREW BRUCE WARD	15,394,173	9.04
BNP PARIBAS NOMS PTY LTD	7,425,000	4.36
FTM NOMINEES PTY LTD	5,517,862	3.24
LGGC PTY LTD	5,493,820	3.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,172,848	2.45
FTM NOMINEES PROPRIETARY LIMITED	3,753,630	2.20
TW INVESTMENTS PTY LTD	3,400,000	2.00
MR JOHNATHON MATTHEWS	3,327,633	1.95
FIRST COLBYCO PTY LTD	3,304,457	1.94
MR WILHEM PETER KOROWE	2,903,639	1.70
A1B1 PTY LTD	2,857,143	1.68
MS VICTORIA DENDY BEVAN	2,644,992	1.55
LINWIERIK SUPER PTY LTD	2,638,804	1.55
W K SUPER PTY LTD	1,900,000	1.12
CALAMA HOLDINGS PTY LTD	1,700,000	1.00
BNP PARIBAS NOMINEES PTY LTD	1,682,000	0.99
MS VICTORIA DENDY BEVAN	1,549,459	0.91
MR YANG LIU	1,500,000	0.88
JARHAMCHE PTY LTD	1,500,000	0.88
EMANCIPAYTE PTY LTD	1,440,342	0.85
	92,616,864	54.37

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options exercisable at \$0.17 on or before 7 December 2019	49,103	1
Unlisted options exercisable at \$0.17 on or before 23 February 2020	49,103	1
Unlisted options exercisable at \$0.17 on or before 24 February 2020	98,205	1
Unlisted options exercisable at \$0.17 on or before 2 March 2020	31,917	1
Unlisted options exercisable at \$0.17 on or before 1 July 2020	141,926	3
Unlisted options exercisable at \$0.25 on or before 14 August 2020	1,076,454	1
Unlisted options exercisable at \$0.25 on or before 17 November 2022	6,732,837	2

The following holders have unquoted options each representing more than 20% of these securities:

Melshare Nominees Pty Ltd:	5,732,837
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C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
SANDHURST TRUSTEES LTD	18,511,062	10.86%
MR ANDREW BRUCE WARD	15,394,173	9.04%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- (a) **Ordinary shares:** On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) **Options:** No voting rights.

E. Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the Share Registry:

Link Market Services

Level 13, Tower 4
727 Collins Street
Melbourne Victoria 3000

+61 3 9067 2005

F. Change of address, change of name and consolidation of shareholdings

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

G. Annual report mailing

Shareholders who wish to receive a hard copy of the Annual Financial Report should advise the Share Registry or the Company in writing. Alternatively, an electronic copy of the Annual Financial Report is available from www.asx.com.au. All shareholders will continue to receive all other shareholder information.

H. Tax file numbers

It is important that Australia resident shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

I. CHESS (Clearing House Electronic Sub-register System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS system should contact their stockbroker.

J. Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alerts the balance of your holding.

K. Website

Shareholders wishing to access specific information about their holding can visit the Share Registry's website at www.linkmarketservices.com.au

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