

Annual Report

Period to 30th June 2020

SelfWealth Limited

ABN 52 154 324 428

Level 2, 613 Canterbury Road

Surrey Hills, Victoria, 3127



SelfWealth®

Trade smarter. Every time.

SelfWealth Limited: Appendix 4E

Year Ended 30 June 2020

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Year ended:	30 June 2020
Previous period:	30 June 2019

Results for announcement to the market

				\$
Revenue from ordinary activities	Up	187.8%	to	8,084,523
Loss from ordinary activities after tax attributable to members	Down	19.3%	to	(2,781,684)
Net loss for the period attributable to members	Down	19.3%	to	(2,781,684)

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 pages 11 and 12 and the investor presentation released on 21 August 2020 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 2020.

Net tangible assets per security

	2020	2019
	Cents	Cents
Net tangible asset backing (per security)	2.03	1.48

Changes in controlled entities and other information required by Listing Rule 4.3A

There have been no changes in controlled entities during the year ended 30 June 2020.

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.

Who is SelfWealth?

The Story

SelfWealth is the solution to a problem: 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 SelfWealth's humble beginnings in 2012, the company listed 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 80,000 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 Australian equities ETF driven by community data.



SelfWealth Adviser Platform

Introducing an industry-changing Adviser Platform for share trading.

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Corporate Directory

Directors	Mr Tony Lally <i>Non-Executive Chairman</i>
	Mr Robert Edgley* <i>Managing Director</i>
	Mr John O'Shaughnessy <i>Non-Executive Director</i>
	Mr Tam Vu <i>Non-Executive Director</i>
	<i>*Effective 26 November 2019, Mr Robert Edgley was appointed Acting Managing Director changing his role from Non- Executive Director to Executive Director, and then appointed Managing Director on 15 May 2020.</i>
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 to you the Financial Year 2020 Annual Report on behalf of the Board of SelfWealth Limited.

Your Company has had a year of outstanding growth, delivering some remarkable results in most of the business' key performance areas.

The global growth of broking businesses brought on by the terrible situation engulfing the world, concerning COVID-19, has been well documented by the media. Therefore, the addressable market for our services increased considerably over the second half of FY20. Significant investment in the Company, the brand and its technology over several years of hard work has positioned SelfWealth to be able to capitalise on the shift brought on by these macro forces. The result has been an increase in market share through substantial growth to the customer base.

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

I am very proud to share with you some outstanding growth numbers for FY20 that reflect our successful year.

- Active traders have increased 235% from 13,856 to 46,445
- Annual trade numbers are up over 299% from 164,999 to 659,131
- Revenue increased significantly in line with the large increases in clients and trading volumes to finish 188% up from \$2.81m to \$8.08m
- Operating cashflow saw a reduction in cash burn from \$3.2m to \$147,000.

The growth exhibited by your Company has resulted in SelfWealth's first-ever quarterly positive cash flow from operating activities during the fourth quarter of FY20. We are confident of further growth in FY21.

A healthy balance sheet, no debt and a positive cashflow leave the Company in an excellent position to execute its growth strategy in a dynamic marketplace that is changing actively.

During the next 12 months, we look forward to bringing additional products and functionality to our trading platform and are very excited about the potential that US equity trading presents to the business. We expect to launch before the end of this calendar year.

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

Mr Tony Lally
Non-Executive Chairman
SelfWealth Limited



“A healthy balance sheet, no debt and a positive cashflow leave the Company in an excellent position to execute its growth strategy.”

Managing Director's Report

Dear Shareholders,

This year investment markets have exhibited extreme volatility, and the globe is still feeling the full impact of COVID-19. This black swan event has accelerated some trends in global investment markets to the point where we are seeing dramatic effects on investor behaviours.

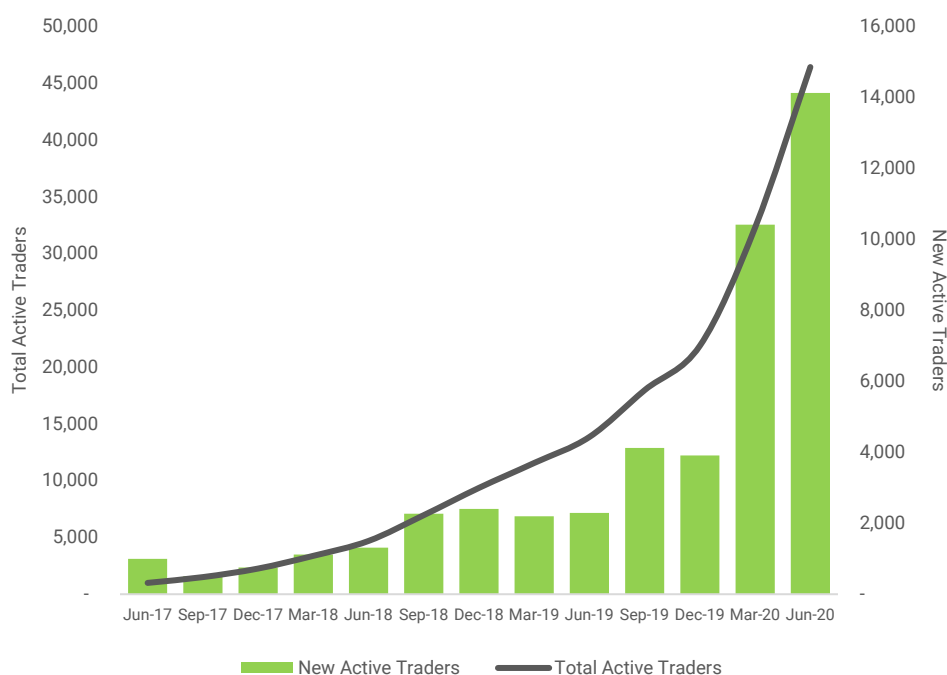
Structural Changes

Interest rates have been trending lower for several years in most developed markets. The onset of COVID-19 has accelerated this trend towards ultra-low levels and, in some cases, to zero or negative rates. This structural change has seen interest rate savings products virtually disappear as a viable means to increase wealth over time. Many investors are now moving funds into the share market and for some people for the first time.

SelfWealth, with its market-leading flat rate \$9.50 (including GST) brokerage and its robust and modern technology has provided the perfect medium to facilitate this change in investor behaviour leading to an unprecedented surge in new clients joining the innovative trading platform.

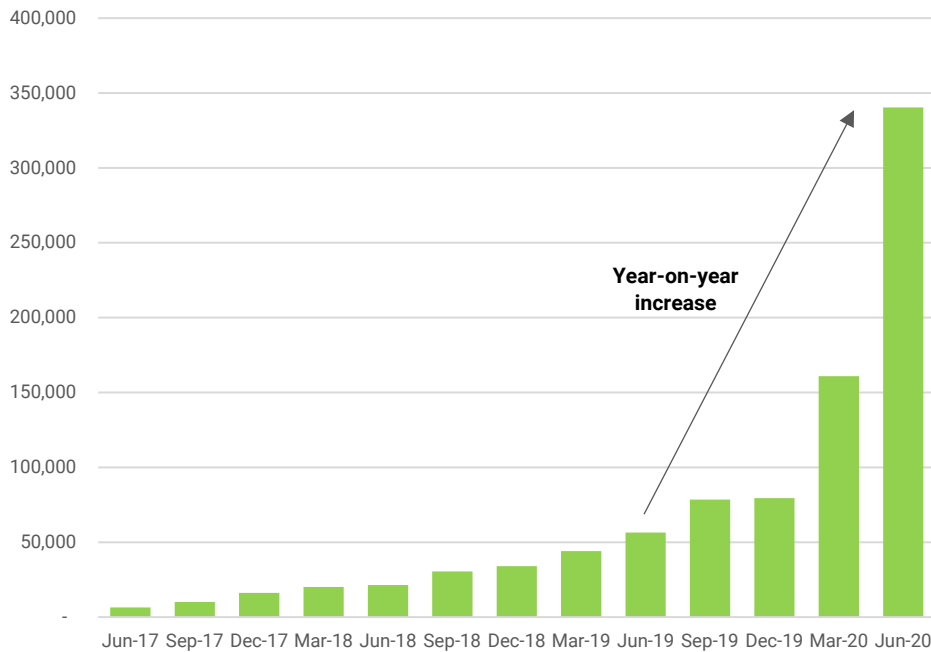
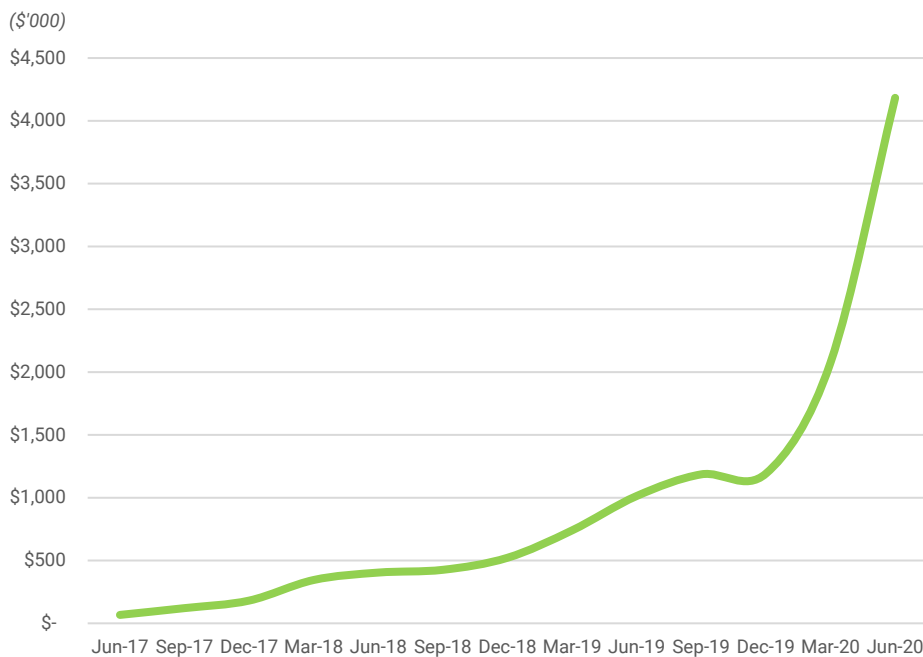


Active Trader Growth By Quarter



The digitisation of investment markets, an enduring trend, has also accelerated in the current environment. This new generation of investors with increasing access to information, and greater awareness of building wealth through investment, have entered the share market to set up portfolios and buy shares.

The 35% fall in equity markets during March was also a catalyst to driving new investors into the market, and our data indicates that both existing and new investors have been trading more frequently than in prior periods. The increasing number of trades has led to substantial revenue increases for SelfWealth during the financial year 2020.

Trades by Quarter**Revenue by Quarter**

Given these significant structural changes, SelfWealth is experiencing an exceptional opportunity to grow our client base, and we will continue to focus on this client acquisition opportunity throughout the next 12 months. Our robust digital marketing focus and unique brand positioning have allowed us to increase our market share as the addressable market for our products have grown. I am confident that we can continue to grow strongly over the financial year 2021.

“We are witnessing a generation of savers transitioning into a generation of investors.”

Looking Forward

The next 12 months will be a crucial period for SelfWealth as we seek to continue growing our customer numbers and capitalise on this growth by introducing additional products and functionality to diversify our revenue streams.

We have taken notice of our clients' desire to be able to invest in overseas markets and are excited to be ready to launch our US equity trading service later in 2020. We will offer clients the ability to invest in the US market at very competitive rates in line with our long-held principle of assisting Australian investors in accessing investment markets without having to pay exorbitant fees. The introduction of US equity trading is a significant opportunity for the Company which will allow us to add revenue and attract more clients who wish to invest both locally and overseas from within the one easy-to-use platform.

SelfWealth has recently awarded a long-term contract for its clearing, settlement and execution services to OpenMarkets Group. This contract will see SelfWealth reduce the costs of clearing in line with current and future transaction volume growth.

The next 12 months will also bring a significant increase to both functionality and data on our trading platform. Our team are working hard on this and are looking forward to rolling out these improvements, all of which will assist our clients in making the best investment decisions possible.

The financial year 2020 has delivered exceptional growth in our business and increasing shareholder value. The board, management and all of our excellent staff are committed to continuing this growth trajectory. We thank all shareholders for their support; it is vitally important for us and allows us to continue to create something substantial at SelfWealth.

Mr Robert Edgley
Managing Director
SelfWealth Limited

“Financial year 2020 has delivered exceptional growth in our business and increasing shareholder value.”

Directors Report

Your directors present their report on the entity consisting of SelfWealth Limited for the year ended 30 June 2020. 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 Robert Edgley, Managing Director*
- Mr John O'Shaughnessy, Non-Executive Director
- Mr Tam Vu, Non-Executive Director (appointed 4 February 2020)
- Mr John Gaffney, Non-Executive Director (resigned 30 September 2019)
- Mr Andrew Ward, Managing Director and Chief Executive Officer (resigned 15 May 2020)

**Effective 26 November 2019, Mr Robert Edgley was appointed Acting Managing Director changing his role from Non- Executive Director to Executive Director, and then appointed Managing Director on 15 May 2020.*

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

Principal activities

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

- (a) Online \$9.50 (incl. GST) 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 2020. The directors do not recommend that a dividend be paid in respect of the financial year.

Review of operations

SelfWealth achieved record operating revenue in FY20, with operating revenue up \$5.27 million to \$8.08 million, an increase of 188%. This growth was largely driven by trading revenue which increased to \$5.12 million and rose by 307% as the brand continues to grow in trust and recognition in the retail trading market.

The Company achieved operating revenue growth across each of the financial year's quarters, and our key performance metrics of new active traders, trading volume growth, total client funds and the value of total securities held on HIN have all contributed to this growth.

The growth of the operating revenue has enabled SelfWealth to continue achieving operating leverage in its cost base and this contributed to a reduction of the operating cash burn from \$3.24 million last year to \$147,000 for FY20.

Please see investor presentation released on ASX on 21 August 2020 for further information.

Capital management

During March this year SelfWealth undertook a successful capital raise of \$3m and at 30 June 2020 has \$5.26 million cash at the bank.

This strong balance sheet, with no debt, allows SelfWealth to continue its investment in product and technology updates, and provide a highly scalable and cost efficient solution that attracts both new and existing investors to the SelfWealth platform.

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.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of SelfWealth during the financial year ended 30 June 2020.

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2020 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

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.</p> <p>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	None
Former listed directorships in last 3 years	FE Investments Group (ASX:FEI), until September 2019
Special responsibilities	<p>Chair of the Board</p> <p>Member of the audit and risk committee</p> <p>Member of the remuneration and nomination committee</p>
Interests in shares and options	<p>Ordinary shares: 729,596</p> <p>Options over ordinary shares: nil</p>

Mr Robert Edgley
Managing Director*

Experience and expertise	<p>Robert's career has been predominantly focused on 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	None
Special responsibilities	Managing Director
Interests in shares and options	<p>Ordinary shares: 1,425,000</p> <p>Options over ordinary shares: nil</p>

**Effective 26 November 2019, Mr Robert Edgley was appointed Acting Managing Director changing his role from Non- Executive Director to Executive Director, and then appointed Managing Director on 15 May 2020.*

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 Forticore 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>
Interests in shares and options	<p>Ordinary shares: 377,778</p> <p>Options over ordinary shares: nil</p>

Mr Tam Vu
Non-Executive Director (appointed 4 February 2020)

Experience and expertise	<p>Tam has extensive experience across both the financial services and technology sector and brings over experience as a CIO and Managing Director. Tam holds a Bachelor of Science (Hons.) from the University of Adelaide and has held senior executive positions for well-known organisations such as seek.com.au, BP plc, Mars Asia Pacific and IBM.</p> <p>Tam brings significant skills in strategic planning, technology and innovation and corporate governance. His substantial exposure to audit, risk and compliance having served as an independent member of the Audit, Risk & Compliance Committee at the National Gallery of Victoria. Tam is currently a member of the Risk and Audit Committee at the Environment Protection Authority Victoria.</p>
Other current listed directorships	None
Former listed directorships in last 3 years	GBST Holdings Ltd (ASX: GBT)
Special responsibilities	<p>Chair of the remuneration and nomination committee</p> <p>Member of the audit and risk committee</p>
Interests in shares and options	<p>Ordinary shares: 175,309</p> <p>Options over ordinary shares: nil</p>

Mr John Gaffney
Non-Executive Director (resigned 30 September 2019)

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>
Interests in shares and options	<p>Ordinary shares: nil</p> <p>Options over ordinary shares: nil</p>

Mr Andrew Ward
Managing Director (resigned 15 May 2020)

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 (until 15 May 2020)
Interests in shares and options	<p>Ordinary shares: 18,297,747</p> <p>Options over ordinary shares: 1,076,454</p>

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 2020, 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	12	13	3	3	4	4
Mr Robert Edgley	13	13	3	3	4	4
Mr John O'Shaughnessy	13	13	3	3	4	4
Mr Tam Vu (appointed 4 February 2020)	6	6	1	1	2	2
Mr John Gaffney (resigned 30 September 2019)	-	3	-	-	-	-
Mr Andrew Ward (resigned 15 May 2020)	5	11	1	3	1	3

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 2020 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 12 to 15 for details about each director)

- Mr Tony Lally, Non-Executive Chairman
- Mr Robert Edgley, Managing Director*
- Mr John O'Shaughnessy, Non-Executive Director
- Mr Tam Vu, Non-Executive Director (appointed 4 February 2020)
- Mr John Gaffney, Non-Executive Director (resigned 30 September 2019)
- Mr Andrew Ward, Managing Director and Chief Executive Officer (resigned 15 May 2020)

**Effective 26 November 2019, Mr Robert Edgley was appointed Acting Managing Director changing his role from Non- Executive Director to Executive Director, and then appointed Managing Director on 15 May 2020.*

Other key management personnel

- Mr Andrew Dick, Chief Technical Officer (CTO)

(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.

The committee has engaged below independent remuneration consultants to provide any necessary information to assist in the discharge of its responsibilities:

SW Corporate

- \$12,500 was paid to SW Corporate for advice on the Non-Executive Director fee review for the Company as set out in the *Corporations Act 2001* (Cth) during 2020 (2019: nil)

Godfrey Remuneration Group

- \$20,000 was paid to Godfrey Remuneration Group for advice on long term variable remuneration plan during 2020 (2019: nil)

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 Managing Director: one-off issue of 1,000,000 ordinary shares subject to approval by shareholders at Oct 2020 AGM.
Short term incentive (STI)	Reward for in-year performance and retention	KPI achievement, determined by remuneration committee	Managing Director: 750,000 discretionary bonus shares for FY2020 performance subject to approval by shareholders at Oct 2020 AGM. CTO: 10% of FR
Long term incentive (LTI)	Alignment to long-term shareholder value	KPI achievement, determined by remuneration committee	CTO: 69,954 unlisted 3-year options at \$0.17 exercise price; and 600,000 listed 3-year loan shares at \$0.126 issue 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, shares, options, loan shares, 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.

Robert Edgley was appointed managing director on 15 May 2020. His FR includes \$300,000 salary package and a one-off assignment of 1,000,000 ordinary shares in the capital of SelfWealth subject to approval by shareholders at the Oct 2020 AGM.

(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, issue of equity, or a combination of cash and the issue of equity in the Company, at the determination of the remuneration and nomination committee and board.

STI is calculated from 50% of Corporate KPI's achieved and 50% from individual KPI's achieved. In 2020 four team members have been selected and accepted for STI, they are eligible to earn up to 10% of their total remuneration.

Robert Edgley was appointed managing director on 15 May 2020. He is eligible for 750,000 discretionary bonus shares in the capital of SelfWealth based on SelfWealth's performance from December 2019 to June 2020. These ordinary share payments are subject to approval by shareholders at the Oct 2020 AGM.

(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. For the loan shares granted in May 2020, there are service and performance conditions attached to the vesting of 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.

	2020	2019	2018	2017	2016
Operating revenue*	8,084,523	2,809,118	1,052,833	-	-
Loss for the year attributable to owners (\$)	(2,781,684)	(3,446,957)	(5,348,485)	(3,227,916)	(2,515,892)
Basic earnings/(loss) per share (cents)	(1.55)	(2.35)	(4.68)	-	-
Share price at year end (\$)*	0.46	0.13	0.16	-	-

* 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 table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2020 and 30 June 2019.

2020

	Short-term benefits		Post-employment benefits	Long term benefits	Share based payments	
	Cash salary and fees	Other ¹	Super-annuation	Long service leave	Shares/Options	Total
	\$	\$	\$	\$	\$	\$
Non-executive directors						
Mr Tony Lally	68,493	-	6,507	-	-	75,000
Mr John O'Shaughnessy	60,274	-	5,726	-	-	66,000
Mr Robert Edgley (till 26 Nov 2019)	25,114	-	2,386	-	-	27,500
Mr Tam Vu (appointed 4 Feb 2020)	25,114	-	2,386	-	-	27,500
Mr John Gaffney (resigned 30 Sep 2019)	15,068	-	1,432	-	-	16,500
Executive directors						
Mr Robert Edgley (from 26 Nov 2019) ²	106,091	3,569	9,219	78	805,000	923,957
Mr Andrew Ward (resigned 15 May 2020)	305,128	108	18,781	3,848	15,954	343,819
Other KMP						
Mr Andrew Dick	194,250	10,519	18,454	8,365	89,538	321,126
Total KMP compensation	799,532	14,196	64,891	12,291	910,492	1,801,402

1. The amount disclosed in this column represent the movements in the associated provisions.
2. Mr Robert Edgley changed his role from Non- Executive Director to Executive Director on 26 November 2019. He was assigned 1,000,000 one-off ordinary shares and 750,000 discretionary bonus ordinary shares for FY2020 performance. Both share payments are subject to shareholders' approval at Oct 2020 AGM.

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 ¹	Super-annuation	Long service leave	Shares/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 (resigned 31 Jul 2018)	116,252	-	7,740	-	-	123,992
Total KMP compensation	852,683	1,500	64,982	17,217	24,405	960,787

1. The amount disclosed in this column represent the movements in the associated provisions.

(f) Contractual arrangements with executive KMPs

Name:	Mr Robert Edgley
Position:	Managing Director (from 26 November 2019)
Contract duration:	Minimum period to 30 June 2021
Notice period:	3 months by either party
Fixed remuneration:	\$273,972 per annum, plus statutory superannuation
Name:	Mr Andrew Dick
Position:	Chief Technical Officer
Contract duration:	Unspecified
Notice period:	3 months by either party
Fixed remuneration:	\$203,508 per annum, plus statutory superannuation
Name:	Mr Andrew Ward
Position:	CEO & Managing Director
Contract duration:	3 years (15 May 2017 to 15 May 2020)
Notice period:	6 months by either party
Fixed remuneration:	\$350,000 per annum including director fee, 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 19 above:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
Non-executive director						
Mr Robert Edgley	100	100	-	-	-	-
Mr Tony Lally	100	100	-	-	-	-
Mr John Gaffney (resigned 30 September 2019)	100	100	-	-	-	-
Mr Tam Vu (appointed 4 February 2020)	100	100	-	-	-	-
Executive directors						
Mr Robert Edgley (from 26 November 2019)	63	-	37	-	-	-
Mr Andrew Ward (resigned 15 May 2020)	95	96	-	-	5	4
Other KMP						
Mr Andrew Dick	73	97	-	-	27	3

(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 (%)
01 Jul 2017	Over 3 years	01 Jul 2020	0.17	0.049	0%

For detailed disclosures please refer to note 18(a) on page 45.

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	0.150	0.0406	40.0%
Mr Andrew Dick	1 Jul 2019	30 Jun 2023	0.126	0.1407	0.0%

Details of loan shares holdings during the period and at 30 June 2020 are as follows:

Name	Opening balance	Issued	Cancelled	Closing balance
Mr Andrew Ward	493,400	-	-	493,400
Mr Andrew Dick	-	600,000	-	600,000

For detailed disclosures please refer to note 18(b) on page 46.

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

2020	Balance at start of the period ¹	Granted as remuneration	Exercised	Other changes ²	Balance at end of the period	Vested and exercisable
Options						
Mr Tony Lally	-	-	-	-	-	-
Mr Andrew Ward (resigned 15 May 2020)	1,076,454	-	-	-	1,076,454	-
Mr Robert Edgley	-	-	-	-	-	-
Mr John O'Shaughnessy	-	-	-	-	-	-
Mr Tam Vu	-	-	-	-	-	-
Mr Andrew Dick	238,113	-	-	(168,159)	69,954	-
	1,314,567	-	-	(168,159)	1,146,408	-

Notes

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

Share holdings

2020	Balance at 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	658,168	-	-	71,428	729,596
Mr Andrew Ward	18,297,747	-	-	-	18,297,747
Mr Robert Edgley	1,000,000	-	-	425,000	1,425,000
Mr John O'Shaughnessy	324,075	-	-	53,703	377,778
Mr Andrew Dick	25,269	-	-	279,264	304,533
Mr Tam Vu	-	-	-	175,309	175,309
	20,305,259	-	-	1,004,704	21,309,963

Notes

1. Balance may include shares held prior to individuals becoming a KMP. For individuals who became a KMP during the period, the balance is as at the date they became a 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 a 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 2019 financial year. The Company did not receive any specific feedback at the 2019 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
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	6,232,837
Total			7,451,217

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

The following ordinary shares of SelfWealth Limited were issued during the year ended 30 June 2020 on the exercise of options granted under the ESOP.

Date options granted	Issue price of Shares	Number of shares issued
17 Nov 2017	\$0.25	500,000
		500,000

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, SelfWealth Limited paid a premium of \$52,752 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.

During the year, Crowe Melbourne did not provide non-audit services to the Company.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that this is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that this did not compromise the auditor independence requirements of the *Corporations Act 2001*.

During the year the 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 is nil (2019: nil).

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 25.

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.

A handwritten signature in black ink, appearing to read 'Nally', with a stylized flourish at the end.

Mr Anthony Lally
Independent Chairman
Non-Executive Director

Melbourne
20 August 2020

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 2020, 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



ANTONY BARNETT
Partner

Melbourne, Victoria
20 August 2020

Liability limited by a scheme approved under Professional Standards Legislation.

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.
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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 2020 corporate governance statement is dated as at 30 June 2020 and reflects the corporate governance practices in place throughout the 2020 financial year. The 2020 corporate governance statement was approved by the board on 20 August 2020. 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 2020

Annual financial report – 30 June 2020 for
SelfWealth Limited ABN 52 154 324 428

Financial statements

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These financial statements are financial statements for the Company consisting of SelfWealth Limited. The financial statements are presented in Australian Dollars.

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 20 August 2020. 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 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	2	8,084,523	2,809,118
Cost of sales		(5,000,115)	(1,851,481)
Gross profit		3,084,408	957,637
Other income	3(a)	378,176	471,576
General and administrative expenses	3(b)	(5,639,302)	(3,532,562)
Research and development expenses		(79,545)	-
Selling and marketing expenses	3(b)	(524,308)	(1,355,594)
Operating loss		(2,780,571)	(3,458,943)
Finance income		15,165	11,986
Finance expenses	7(b)	(16,278)	-
Finance costs - net		(1,113)	11,986
Loss before income tax		(2,781,684)	(3,446,957)
Income tax expense	4	-	-
Loss for the period		(2,781,684)	(3,446,957)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income for the period, net of tax		-	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(2,781,684)	(3,446,957)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share	20	(1.55)	(2.35)

*The Group has reclassified certain expenditure items in prior year comparatives in order to be consistent with the current year classification and presentation.

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 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	5,261,151	2,542,207
Trade and other receivables	5(b)	172,421	454,250
Other current assets	6(a)	218,200	95,046
Total current assets		5,651,772	3,091,503
Non-current assets			
Plant and equipment		58,667	46,867
Intangible assets		6,737	4,794
Right-of-use assets	7(a)	135,999	-
Total non-current assets		201,403	51,661
Total assets		5,853,175	3,143,164
LIABILITIES			
Current liabilities			
Trade and other payables	5(c)	1,225,225	391,050
Employee benefit obligations	6(b)	279,733	145,865
Lease liabilities	7(a)	113,658	-
Total current liabilities		1,618,616	536,915
Non-current liabilities			
Employee benefit obligations	6(b)	85,142	91,721
Lease liabilities	7(a)	39,336	-
Total non-current liabilities		124,478	91,721
Total liabilities		1,743,094	628,636
Net assets		4,110,081	2,514,528
EQUITY			
Share capital	8(a)	23,878,834	20,598,302
Other reserves	8(b)	1,532,862	467,198
Accumulated losses		(21,301,615)	(18,550,972)
Total equity		4,110,081	2,514,528

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 2020

	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:					
Capital raised during the period	8(a)	2,511,185	-	-	2,511,185
Loan shares issued/expensed	8(b)	-	15,778	-	15,778
Options issued/expensed	8(b)	-	24,600	-	24,600
Options forfeited/lapsed	8(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

	Notes	Attributable to owners of SelfWealth Limited			
		Share capital	Other reserves	Accumulated losses	Total equity
		\$	\$	\$	\$
Balance at 1 July 2019		20,598,302	467,198	(18,550,972)	2,514,528
Adjustment on adoption of AASB 16 (net of tax)		-	-	(14,627)	(14,627)
Restated total equity at 1 July 2019		20,598,302	467,198	(18,565,599)	2,499,901
Loss for the period		-	-	(2,781,684)	(2,781,684)
Total comprehensive loss for the period		-	-	(2,781,684)	(2,781,684)
Transactions with owners in their capacity as owners:					
Capital raised during the period	8(a)	3,000,000	-	-	3,000,000
Less: Equity raising costs		(181,963)	-	-	(181,963)
Share based payments		-	1,113,251	-	1,113,251
Options forfeited/lapsed reversal		-	(16,837)	14,918	(1,919)
Issue of shares to employees		337,495	-	-	337,495
Options exercised	8(b)	125,000	(30,750)	30,750	125,000
	8(a)	3,280,532	1,065,664	45,668	4,391,864
Balance at 30 June 2020		23,878,834	1,532,862	(21,301,615)	4,110,081

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 2020

	Notes	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		8,629,720	2,939,624
Payments to suppliers and employees (inclusive of GST)		(9,343,405)	(6,765,759)
Interest received		12,341	11,986
Government grants and R&D tax incentives		570,725	574,645
Interest paid & finance cost		(16,278)	-
Net cash (outflow) from operating activities	9(a)	(146,897)	(3,239,504)
Cash flows from investing activities			
Payments for property, plant and equipment		(19,489)	(10,912)
Payments for patents and trademarks		-	(4,794)
Net cash (outflow) from investing activities		(19,489)	(15,706)
Cash flows from financing activities			
Proceeds from issues of shares	8(a)	3,125,000	2,804,632
Share issue transaction costs	8(a)	(181,963)	(293,447)
Other financing activities		36,020	-
Principal elements of lease payments		(93,727)	-
Net cash inflow from financing activities		2,885,330	2,511,185
Net increase (decrease) in cash and cash equivalents		2,718,944	(744,025)
Cash and cash equivalents at the beginning of the financial year		2,542,207	3,286,232
Cash and cash equivalents at end of year	5(a)	5,261,151	2,542,207

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 Managing Director 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:

	2020	2019
	\$	\$
Trading revenue	5,116,734	1,258,508
Membership subscription revenue	387,115	128,163
Interest income (i)	2,570,331	1,422,447
ETF income	10,343	-
	8,084,523	2,809,118

(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 (inc GST) 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

	2020	2019
	\$	\$
R & D Tax Incentive Income	216,761	471,576
Government assistance	161,415	-
	378,176	471,576

(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 2020, the Company has included an item in other income of \$216,761 (2019: \$471,576) to recognise income over the period necessary to match the grant on a systematic basis with the costs that they are intended to compensate.

(ii) Fair value of government assistance

COVID-19 assistance grant \$50,000 is included in the "Government assistance" line item. This is the "Cashflow boost for employers" measure announced as part of the Australian Government's economic stimulus package of March 2020.

In current year, SelfWealth received a payroll tax refund \$57,033 and also recognised an additional \$54,382 payroll tax waived credit in other income. This is the coronavirus payroll tax relief provided by State Revenue Office Victoria.

(b) Breakdown of expenses by nature

	Notes	2020 \$	2019 \$
General and administrative expenses			
Accounting and audit		171,670	167,093
Consulting		229,802	62,602
Depreciation and amortisation		108,420	9,613
Employee benefits		2,663,261	2,113,802
Exchange-traded fund (ETF) costs		211,493	321,759
Insurance		176,454	151,985
Legal		46,024	36,137
Listing and share registry		84,127	75,430
Occupancy		32,102	150,109
Recruitment and staff training		53,614	16,799
Share-based payments	18(c)	1,448,827	40,378
Superannuation		218,930	169,746
Travel and entertainment		91,242	163,004
Other		103,336	54,105
		5,639,302	3,532,562
Selling and marketing expenses			
Advertising and promotion		489,839	1,229,613
Conferences		31,723	57,011
Public relations		900	66,946
Other		1,846	2,024
		524,308	1,355,594

*The Group has reclassified certain expenditure items in prior year comparatives in order to be consistent with the current year classification and presentation.

4 Income tax expense

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

	2020	2019
	\$	\$
Loss from continuing operations before income tax expense	(2,781,684)	(3,446,957)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	(764,963)	(947,913)
Tax effect of adjustments which are not deductible (taxable)	348,507	182,102
<i>R&D tax incentive (net)</i>	21,888	121,249
<i>Blackhole expenditure (Section 40-880, ITAA 1997)</i>	(98,237)	(92,287)
<i>Entertainment</i>	823	2,695
<i>Other items</i>	39,356	150,445
<i>Share based payment expenses</i>	398,427	-
<i>Government assistance</i>	(13,750)	-
Subtotal	(416,456)	(765,811)
Tax losses and other timing differences for which no deferred tax asset is recognised	416,456	765,811
Income tax expense	-	-

(b) Tax losses

	2020	2019
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	13,394,329	11,879,939
Potential tax benefit @ 27.5%	3,683,440	3,266,983

5 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2020	2019
	\$	\$
Current assets		
Cash at bank and in hand	2,761,151	1,042,207
Deposits at call	2,500,000	1,500,000
	5,261,151	2,542,207

(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:

	2020	2019
	\$	\$
Balances as above	5,261,151	2,542,207
Balances per statement of cash flows	5,261,151	2,542,207

(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 21(h) for the Company's other accounting policies on cash and cash equivalents.

(b) Trade and other receivables

	Notes	2020			2019		
		Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Accrued receivables	5(b)(i)	157,142	-	157,142	414,530	-	414,530
GST refundable		(3,771)	-	(3,771)	33,300	-	33,300
Other receivables		19,050	-	19,050	6,420	-	6,420
		172,421	-	172,421	454,250	-	454,250

(i) Accrued receivables

Accrued receivables comprise \$150,000 from the Australian Taxation Office in relation to the R&D tax incentive (2019: \$396,931) and \$7,142 interest income receivable from client monies held in the Trading Cash Account (2019: \$17,599).

(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

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Trade payables	872,252	-	872,252	131,439	-	131,439
Accrued expenses	255,546	-	255,546	210,566	-	210,566
Other payables	97,427	-	97,427	49,045	-	49,045
	1,225,225	-	1,225,225	391,050	-	391,050

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) Other current assets

	2020	2019
	\$	\$
Other current assets		
Prepayments	154,163	31,538
Other items	64,037	63,508
	218,200	95,046

(b) Employee benefit obligations

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations (i)	279,733	85,142	364,875	145,865	91,721	237,586

(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 21(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 current provision of \$279,733 (2019: \$145,865) 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 Leased assets

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2020	2019
	\$	\$
Right-of-use assets		
Properties	135,999	-
	2020	2019
	\$	\$
Lease liabilities		
Current	113,658	-
Non-current	39,336	-
	152,994	-

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020	2019
	\$	\$
Depreciation Expense - Leased Assets	96,092	-
Interest Expense - Leased Assets	16,278	-
	112,370	-

The total cash outflow for leases in year ended 30 June 2020 was \$110,005.

(c) The Company's leasing activities and how these leases are accounted for

The Company has adopted AASB 16 Leases during the year ended 30 June 2020 using the modified retrospective approach. The modified approach does not require restatement of comparative periods. Instead the cumulative impact of applying AASB 16 is accounted for as an adjustment to equity at the start of the current accounting period in which it is first applied, known as the 'date of initial application'.

At the start of the current accounting period, the Company has the following leased asset:

- Office lease at 613 Canterbury Road, Surrey Hills, Victoria

	2020	2019
	\$	\$
Leased assets		
Opening net book amount - initial adoption AASB 16	232,091	-
Depreciation charge	(96,092)	-
Closing net book amount at 30 June 2020	135,999	-

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. A lease liability is recognised at the commencement date of a lease. Each lease payment is allocated between the liability and finance cost. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company leases land and building for its office under agreement of three years with option to extend for a further term of five years. On renewal, the terms of the lease is renegotiated.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

8 Equity

(a) Share capital

	Notes	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares	8(a)(ii)				
Fully paid		195,861,000	170,376,197	23,878,834	20,598,302
	8(a)(i)	195,861,000	170,376,197	23,878,834	20,598,302

(i) Movements in ordinary shares:

Details	Number of shares	Total \$
Balance at 1 July 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)*	854,750	-
Less: Transaction costs arising on share issues	-	(293,447)
Balance at 30 June 2019	170,376,197	20,598,302
Share issue in lieu of cash payment for FY19 employees' performance bonus	1,406,231	337,495
Issue at \$0.14 pursuant to ordinary share issue (9 Mar 2020)	21,428,572	3,000,000
Issue at \$0.25 pursuant to option exercised (26 Jun 2020)	500,000	125,000
Issue at \$0.126 pursuant to ESP loan shares to KMP (1 July 2019)*	2,150,000	-
Less: Transaction costs arising on share issues	-	(181,963)
Balance at 30 June 2020	195,861,000	23,878,834

*The fair value of loan shares issued have been taken up in the share-based payments reserve as disclosed in note 8(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 8(b)(ii) and 18.

(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 2018	9,606,829	523,643
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	-	24,600
Amortisation of share-based payments for loan shares	-	15,778
Balance at 30 June 2019	8,321,471	467,198
Amortisation of share-based payments for options	-	14,306
Amortisation of share-based payments for loan shares ¹	-	118,663
Other short-term incentive ²	-	520,281
Options exercised during the period	(500,000)	(30,750)
Lapse of ESOP unlisted options	(370,254)	(16,837)
Remuneration share-based payments ³	-	460,000
Balance at 30 June 2020	7,451,217	1,532,862

Notes

1. The number of loan shares issued is reflected in share capital as disclosed in note 8(a)(i).

2. Other short-term incentive (STI) includes:

- Mr Robert Edgley was assigned 750,000 discretionary bonus ordinary shares for FY2020 performance. These share payments have been estimated using the share price at 30 June 2020, and the costs will be finalised after shareholders approval at the Oct 2020 AGM.
- \$175,281 STI granted to employees;

Short-term incentives are recognised as share-based payments for the purpose of issuing ordinary shares to selected employees under the STI scheme.

3. Mr Robert Edgley was assigned 1,000,000 one-off ordinary shares when he commenced as managing director. These shares have been estimated using the share price at 30 June 2020 and the costs will be finalised after shareholder approval at the Oct 2020 AGM.

These shares are recognised as share-based payments for the purpose of issuing ordinary shares to Mr Robert Edgley after approval by shareholders at the Oct 2020 AGM.

9 Cash flow information

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

	Notes	2020 \$	2019 \$
Loss for the period		(2,781,684)	(3,446,957)
<i>Adjustments for:</i>			
Depreciation and amortisation	3(b)	108,420	9,613
Finance costs		16,278	-
Leave provision expense		127,289	44,225
Share-based payments	18(c)	1,448,827	40,378
<i>Change in operating assets and liabilities:</i>			
Movement in trade and other receivables		292,192	261,442
Movement in other operating assets		(142,204)	176,182
Movement in trade and other payables		783,985	(324,387)
Net cash inflow (outflow) from operating activities		(146,897)	(3,239,504)

The Company has reclassified certain cash flow items in prior year comparatives in order to be consistent with the current year classification and presentation

(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 18(b)
- amortisation of share-based payments for loan shares issued to employees under the employee share plan (ESP) for no cash consideration - note 18(b)
- issue of ordinary shares in lieu of cash payment for FY19 employees' performance bonus – note 8(a)(i).

10 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(b)(i)
- Estimation of fair value at grant of equity instruments issued - notes 18(a)(i) and 18(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.

11 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 in the name of its customers as well as from the return rates offered to its customers. The Company's objective is to maintain approximately 1.5% to 2.0% per annum of margin (interest income from deposits, less interest payable to customers) should interest rates be sufficient. In order to meet this objective, management works closely with reputable financial institutions to obtain the highest return rates, as well as managing the 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 has no borrowings other than the lease liabilities and therefore the only interest bearing asset is cash at bank, and any interest earned is insignificant.

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 liabilities
At 30 June 2020	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	1,225,225	-	-	-	-	1,225,225	1,225,225
Lease liabilities	56,056	57,602	48,002	-	-	161,660	152,994
Total	1,281,281	57,602	48,002	-	-	1,386,885	1,378,219
At 30 June 2019							
Trade and other payables	391,050	-	-	-	-	391,050	391,050
Total	391,050	-	-	-	-	391,050	391,050

12 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 2020 (2019: nil). The Company's franking account balance was nil at 30 June 2020 (2019: nil).

13 Contingent liabilities

The Company had no contingent liabilities at 30 June 2020 (2019: nil).

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

	2020	2019
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	91,314
Later than one year but not later than five years	-	135,181
	-	226,495

Due to adoption of AASB 16 Leases in current year, there is no operating lease commitment in 2020, refer to Leased assets Note 7.

15 COVID-19 impact on business

Despite the challenges faced by various sectors in the economy, SelfWealth has implemented the necessary risk management procedures to minimise disruption to the Company. The Company received financial support from Federal Government incentives through the Cashflow Boost for employers and, through payroll tax refunds by the Victorian State Government. SelfWealth recorded other income of \$161,415 for these items. SelfWealth did not participate in JobKeeper and has not terminated any employees during this period.

To date COVID-19 has not had a negative impact on the Company with the most significant impact being staff working remotely. This change has been delivered with minimal loss of reputation or system failures.

As of the date of report, the impact of COVID-19 remains minimal to the Company's operation.

16 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.

17 Related party transactions

(a) Key management personnel compensation

	2020	2019
	\$	\$
Short-term employee benefits	813,728	854,183
Post-employment benefits	64,891	64,982
Long-term benefits	12,291	17,217
Share-based payments	910,492	24,405
	1,801,402	960,787

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 22.

(b) Transactions with other related parties

During 2020, Mr Andrew Ward provided consulting services valued at \$15,484 (2019: nil) to the Company. The outstanding balance of \$10,000 (2019: nil) due to Mr Ward is included in trade payables.

18 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:

	2020		2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 July	\$0.25	8,321,471	\$0.24	9,606,829
Exercised during the year	\$0.17	(500,000)	-	-
Forfeited/lapsed during the year	\$0.25	(370,254)	\$0.24	(1,285,358)
As at 30 June	\$0.25	7,451,217	\$0.25	8,321,471
Vested and exercisable at 30 June	\$0.25	6,232,837	\$0.25	7,823,631

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 2020	30 June 2019
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	141,926
14 Aug 2017	14 Aug 2020	0.25	1,076,454	1,076,454
17 Nov 2017	17 Nov 2022	0.25	6,232,837	6,732,837
Total			7,451,217	8,321,471

Below are share options exercised to the Company's fully ordinary paid shares after 30 June 2020:

- 211,880 unlisted options exercised on 1 July 2020
- 500,000 unlisted options exercised on 2 July 2020
- 1,076,454 unlisted options exercised on 13 July 2020

	2020	2019
Weighted average remaining contractual life of options outstanding at end of period	2.01	2.92

(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 2020.

(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 for loan shares issued on 15 May 2019 is 13 May 2024.

On 1 May 2020, the Company issued 2,150,000 shares at a deemed issue price of \$0.126 under escrow until 30 June 2023 in exchange for a loan agreement entered into with senior management. These shares vest over four years; 33% at 30 June 2021, 33% at 30 June 2022 and 34% at 30 June 2023. 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 for loan shares granted on 1 May 2020 is 30 June 2023.

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	2,150,000	-	3,004,750
Weighted average remaining contractual life of loan shares outstanding at end of period				3.25

(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
		\$		\$				\$
01 May 2020	30 Jun 2023	0.126	716,667	0.22	84%	0.00%	1.05%	0.1280
01 May 2020	30 Jun 2023	0.126	716,667	0.22	84%	0.00%	1.05%	0.1420
01 May 2020	30 Jun 2023	0.126	716,666	0.22	84%	0.00%	1.05%	0.1521
			2,150,000					

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

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

	2020	2019
	\$	\$
Loan shares issued to employees under ESP	118,663	15,778
Options issued under ESOP	12,388	24,600
Other STI & LTI	980,281	-
Employees' performance bonus	337,495	-
	1,448,827	40,378

19 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

	2020	2019
	\$	\$
Audit and review of financial statements	50,520	58,043
Total remuneration for audit and other assurance services	50,520	58,043
Total auditor's remuneration	50,520	58,043

20 Loss per share

(a) Basic earnings per share

	2020	2019
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company	(1.55)	(2.35)

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

	2020	2019
	\$	\$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the Company used in calculating loss per share:		
From continuing operations	(2,781,684)	(3,446,957)

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

	2020	2019
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	179,796,155	146,491,243

On the basis of the Company's losses, the outstanding options as at 30 June 2020 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

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(p)	Goods and services tax (GST)	54

21 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.

The Company has reclassified certain expenditure items in prior year comparatives in order to be consistent with the current year classification and presentation.

(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 \$2,781,684 and had cash outflow for operating activities of \$146,897 for the year ended 30 June 2020. As at 30 June 2020, the Company held cash and cash equivalents of \$5,261,151.

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*

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces 'AASB 117' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	\$
Operating lease commitments as at 30 June 2019	226,495
Other adjustment relating to commitments disclosures	45,170
Operating lease liabilities before discounting	271,665
Operating lease commitments discount using the incremental borrowing rate of 8.32%	(24,943)
Lease liabilities recognised as at 1 July 2019	246,722
<i>Of which were:</i>	
Lease liabilities - current	(93,728)
Lease liabilities - non-current	(152,994)
	(246,722)

Changes to presentation – classification of expenses and cash flow items

SelfWealth Limited decided in the current financial year to change the classification of its expenses and cash flow items in the statement of profit or loss and statement of cash flows. 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 managing director.

(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 recognised 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) 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.

(h) 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.

(i) Financial instruments**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iv) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition**Interest income**

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(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 21(g)).

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 and annual 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/ESP). Information relating to these schemes is set out in note 18.

Employee options

The fair value of options granted under the ESOP/ESP 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.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 27 to 54 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 2020 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 21(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 Robert Edgley

Managing Director

Melbourne, 20 August 2020

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 2020, 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 2020 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 (including Independence Standards)* (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.

Liability limited by a scheme approved under Professional Standards Legislation.

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 21(a)</p> <p>For the year ended 30 June 2020 , the Company has incurred losses of \$2,781,684 (2019: loss \$3,446,957) and net cash outflows from operating activities of \$146,897 (2019: outflow \$3,239,504) from operating activities .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 a going concern as outlined in Note 21(a)(iii) 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.</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; ■ Assessing the adequacy of the entity's disclosures regarding going concern within the financial report; and ■ Assessing the adequacy of the entity's disclosure in relation to Coronavirus (COVID-19) within the financial report.

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

Our opinion on the financial report does not cover the other information and 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 16 to 22 of the Directors' Report for the year ended 30 June 2020.

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

Responsibilities

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



CROWE MELBOURNE



ANTONY BARNETT
Partner

20 August 2020
Melbourne

Shareholder Information

The shareholder information set out below was applicable as at 10 August 2020.

A. Distribution of equity securities

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

Holding	No. of holders	Shares
1 - 1000	238	182,278
1,001 - 5,000	1,116	3,129,709
5,001 - 10,000	563	4,518,048
10,001 - 100,000	909	29,514,643
100,001 and over	201	160,304,656
	3,027	197,649,334

There were 167 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
LGGC PTY LTD	16,723,739	8.46
BNP PARIBAS NOMINEES PTY LTD	15,181,447	7.74
MR ANTHONY WOOLLEY	11,000,000	5.57
MR ANDREW WARD	10,856,444	5.49
SWB HOLDINGS PTY LTD	9,168,766	4.64
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,926,577	4.52
NATIONAL NOMINEES LIMITED	7,644,280	3.87
FTM NOMINEES PTY LTD	6,000,000	3.04
MR YANG LIU	3,300,000	1.87
CS FOURTH NOMINEES PTY LIMITED	3,222,346	1.63
J P MORGAN NOMINEES AUSTRALIA PTY LTD	2,945,332	1.49
UBS NOMINEES PTY LTD	2,879,264	1.46
T P C SERVICES PTY LTD	2,651,726	1.34
MS VICTORIA BEVAN	2,167,646	1.10
FUSHENG INVESTMENTS LIMITED	1,804,000	0.91
MR ROBERT EDGLEY	1,425,000	0.72
MR JOHNATHON MATTHEWS	1,347,312	0.68
MR MALCOLM CRAIG & MRS SHARON WALL	1,332,584	0.67
MR FUSHENG KE & MISS YAO CHENG	1,200,000	0.61
CITICORP NOMINEES PTY LIMITED	1,102,086	0.56
	110,878,549	56.37

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options exercisable at \$0.25 on or before 17 November 2022	5,732,837	1

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
LGGC PTY LTD	16,723,739	8.46%
BNP PARIBAS NOMINEES PTY LTD	15,181,447	7.74%
MR ANTHONY WOOLLEY	11,000,000	5.57%
MR ANDREW WARD	10,856,444	5.49%

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 or by a poll by 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 Limited
Level 13, Tower 4
727 Collins Street
Melbourne VIC 3000

Telephone: +61 (0)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 report should advise the share registry or the Company in writing. Alternatively, an electronic copy of the annual 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 Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS 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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