Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

Annual Financial Report for the year ended 30 June 2021

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Contents

DIRECTORS' REPORT

Directors present their report on Instreet Investment Australia Ltd, the company, and its controlled entities for the financial year ended 30 June 2021. The consolidated entity is referred to as "the Group".

Directors

The names of the directors in office at any time during, or since the end of, the year are:

David Gordon

George Lucas

Ian Rae

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the consolidated group during the financial year was the provision of investment products for investors.

No significant change in the nature of these activities occurred during the year.

Review of Operations

The consolidated after-tax profit of the Group for the financial year amounted to $244,499 (2020: $174,888).

Significant Changes in the State of Affairs

No significant changes in the company's or Group's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

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

Dividends

Dividends paid or declared since the start of the financial year are as follows:

– No dividends were declared, recommended or paid during the financial year.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the company or the controlled entity were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

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

Indemnification of Officers

The company provides insurance to directors under a Directors and Officers Insurance policy. The details of the indemnity insurance are as follows:

– The company is insured under Raiz Invest Limited's insurance policy as an Authorised Representative of Instreet Investment Limited. The policy insured each of the directors against liabilities for costs and expenses incurred by them in defending legal proceeding arising from their conduct while acting in the capacity of director of the company/other than conduct involving a wilful breach of duty in relation to the company.

Further disclosure of information relating to this policy is not permitted under the contract of insurance.

No indemnification has been obtained for the auditors of the company or the Group.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

Information on Directors

Mr George Lucas

Qualifications: BSc UNSW

Special Responsibilities: Managing Director

George Lucas has over 36 years of experience in the investment banking and funds management industries specialising in developing, managing and structuring financial products. George was previously a director of two listed investment trusts, the Chief Investment officer of Mariner Financial, the head of the London equity derivative trading and structuring department for First Chicago and the head trader of equity derivatives with Citibank in the United Kingdom.

Mr David Gordon

Qualifications: CPA, Bachelor of Business UTS

Special Responsibilities: Non-Executive Director

David Gordon has over 37 years of experience in the advisory industry specialising in financial, tax and business advisory. From 1988 until 1 July 2017, David was a partner in GHR Accounting Group, a BRW top 100 accounting practice. David was also a foundation director of Premium Wealth Management Ltd. David has extensive experience in portfolio construction and in ensuring that managed investment schemes and structured and other financial products are relevant for individual investment portfolios.

Mr Ian Rae

Qualifications: CPA, Bachelor of Business UTS

Special Responsibilities: Non-Executive Director

Ian Rae has over 36 years of experience in the advisory industry specialising in financial, tax and business advisory. Ian has been a partner since 1993 at GHR Accounting Group, a BRW Top 100 Accounting practice. He has extensive experience in portfolio construction and in ensuring that managed investment schemes and structured and other financial products are relevant for individual investment portfolios.

Directors' Meetings

During the financial year, 1 meeting of directors was held. Attendances by each director during the year were as follows:

	Directors' Meetings	
Directors	**Eligible to Attend**	**Attended**
George Lucas	1	1
David Gordon	1	1
Ian Rae	1	1

Company Secretary

Elizabeth Mary McGregor

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 6.

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

Director ……………………………………………………………………………………….

George Lucas

Dated the 30th day of November 2021

HALL CHADWICK
Chartered Accountants & Business Advisors

INSTREET INVESTMENT AUSTRALIA LTD AND CONTROLLED ENTITIES
ABN 24 622 827 589

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Instreet Investment Australia Ltd and controlled entities. As the lead audit partner for the audit of the financial report of Instreet Investment Australia Ltd and controlled entities for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Hall Chadwick

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 30 NOVEMBER 2021

Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Group	
		2021	**2020**
		$	**$**
Revenue	2	4,635,141	4,650,075
Finance Costs	3	(786,228)	(1,806,344)
Professional Fees		(2,196,482)	(1,714,994)
Contractor		(405,845)	(557,250)
Marketing Expenses		(209,090)	(122,206)
Advisor Fees		(443,598)	(1,242)
Depreciation and Amortisation	3	(22,746)	(37,834)
Other Expenses		(224,580)	(150,608)
Profit Before Income Tax		**346,572**	**259,597**
Tax Expense	4	(102,073)	(84,709)
Profit /After Income Tax		**244,499**	**174,888**
Other comprehensive income			
Other Comprehensive Income for the Year, Net of Tax		-	-
Total Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		**244,499**	**174,888**
Profit Attributable to:			
Owners of the Parent Entity		248,328	176,972
Non-Controlling Interest		(3,829)	(2,084)
		244,499	**174,888**

The accompanying notes form part of these financial statements.

Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Consolidated Group	
		2021	**2020 (restated)***
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	4,471,558	8,426,053
Trade and Other Receivables	7	6,554,057	1,269,963
Financial Assets	8	12,864,532	26,363,236
Current Tax Assets	13	101,326	1,619,292
Other Current Assets	9	3,601,259	-
TOTAL CURRENT ASSETS		**27,592,732**	**37,678,544**
NON-CURRENT ASSETS			
Financial Assets	8	89,927,108	37,831,475
Intangible Assets	10	2,962	25,707
Deferred Tax Assets	13	96,223	562,824
Trade and Other Receivables	7	281,294	250,000
TOTAL NON-CURRENT ASSETS		**90,307,587**	**38,670,006**
TOTAL ASSETS		**117,900,319**	**76,348,550**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	13,770,970	10,797,426
Financial Liabilities	14	12,864,532	26,363,236
Current Tax Liabilities	13	-	92,914
TOTAL CURRENT LIABILITIES		**26,635,502**	**37,253,576**
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	13	255,686	425,974
Financial Liabilities	14	89,921,097	37,825,465
TOTAL NON-CURRENT LIABILITIES		**90,176,783**	**38,251,439**
TOTAL LIABILITIES		**116,812,285**	**75,505,015**
NET ASSETS		**1,088,034**	**843,535**
EQUITY			
Issued Capital	15	858,324	858,324
Retained Earnings		1,139,337	891,009
Reserves		(861,327)	(861,327)
Equity Attributable to the Owners of the Parent		**1,136,334**	**888,006**
Non-Controlling Interest		(48,300)	(44,471)
TOTAL EQUITY		**1,088,034**	**843,535**

The accompanying notes form part of these financial statements.

Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary Share Capital	Retained Earnings	Common Control Reserve	Attributable to Non-Controlling Interests	Total
	$	$	$	$	$
Consolidated Group					
Balance at 1 July 2019	**858,324**	**1,077,505**	**(861,327)**	**(42,387)**	**1,032,115**
Profit or (loss) for the year	-	177,419	-	(2,084)	175,335
Balance at 30 June 2020 as previously reported	**858,324**	**1,254,924**	**(861,327)**	**(44,471)**	**1,207,450**
Restatement due to change in accounting policy	-	(363,915)	-	-	(363,915)
Restated balance at the beginning of the financial year	**858,324**	**891,009**	**(861,327)**	**(44,471)**	**843,535**
Profit or (loss) for the year (restated*)	-	248,328	-	(3,829)	244,499
Balance at 30 June 2021	**858,324**	**1,139,337**	**(861,327)**	**(48,300)**	**1,088,034**

*See note 1 (o) for details regarding the restatement as a result of change in accounting policy.

The accompanying note 2 form part of these financial statements.

Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

CONSOLDIATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Group	
		2021	**2020**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Clients		3,817,961	5,598,209
Payments to Suppliers and Employees		(3,161,935)	(1,559,275)
Interest Received		824,962	2,610,789
Income Tax Paid		(129,274)	(101,325)
Interest Paid		(4,755,421)	(1,806,344)
Net Cash Provided by Operating Activities	19	**(3,403,707)**	**4,742,054**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to Related Parties		-	-
Net Cash Used in Investing Activities		-	- -
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to related parties		(550,788)	-
Net Cash Used in Financing Activities		**(550,788)**	-
Net Increase / (decrease) in Cash Held		(3,954,495)	4,742,054
Cash and Cash Equivalents at Beginning of Year		8,426,053	3,683,999
Cash and Cash Equivalents at End of Year	6	**4,471,558**	**8,426,053**

The accompanying notes form part of these financial statements.

The consolidated financial statements and notes represent those of Instreet Investment Australia Ltd and Controlled Entity (the "consolidated group" or "group"). Instreet Investment Australia Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 November 2021 by the directors of Instreet Investment Australia Ltd.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Accounting Policies

a. Principles of Consolidation

The general purpose consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Instreet Investment Australia Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

c. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or

(b) the initial recognition of an asset or liability in a transaction which:

  (i) is not a business combination; and

  (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Instreet Investment Australia Ltd. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the “separate taxpayer within group” approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

d. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

– amortised cost; or

– fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

– a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;

– held for trading; or

– initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

– incurred for the purpose of repurchasing or repaying in the near term;

– part of a portfolio where there is an actual pattern of short-term profit taking; or

– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

– amortised cost;

– fair value through other comprehensive income; or

– fair value through profit or loss.

Measurement is on the basis of two primary criteria:

– the contractual cash flow characteristics of the financial asset; and

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

– the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

– the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy, and information about the Groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derivative financial instruments

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– loan commitments that are not measured at fair value through profit or loss; and

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the general approach; and

– the simplified approach;

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

– the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

– there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and

– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g.in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Intangible Assets Other than Goodwill

Software and website development costs

Software and website development costs are capitalised only when the Group can demonstrate all of the criteria outlined in AASB 138.57. Software and developed websites are considered as having finite useful lives and are amortised on a systematic basis over their useful lives so as to match the economic benefits received to the periods in which the benefits are received. Amortisation begins when the software or websites become operational.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

– the technical feasibility of completing the intangible asset so that it will be available for use or sale;

– its intention to complete the intangible asset and use or sell it;

– its ability to use or sell the intangible asset;

– how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

– the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

– its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amortisation rates used for each class of intangible asset with a finite useful life are:

Class of Intangible Asset	**Amortisation Rate**
Intellectual Property	20%

h. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

j. Revenue and Other Income

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The Group derives revenue from two main sources;

- upfront fees from the distribution of structured financial products; and
- on-going operating income (including interest on structured financial products) and other income from managing the risk and administrative requirements associated with the issuing of structured financial products.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from the above is recognised over time depending on the investment term.

Operating income is recognised upon new investments and the corresponding issue of financial products.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

k. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

l. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included as part of 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 financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Impairment*

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

(ii) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

o. Impact of changes in accounting policies

The Company has revisited its accounting policy for recognition of interest revenue and upfront fees related to Masti and Link products to comply with the requirements of AASB 15: *Revenue from Contracts with Customers.* Under previous accounting policy interest revenue and upfront fees were initially recognised when the right to receive payment has been established. Under new policy Interest revenue and Upfront fees are recognised over time depending on the investment period (e.g., 1 to 3 years) of Masti and Link products. The related costs are capitalised and releases to profit and loss on the systematic basis over the investment period. *It was impracticable to apply the new accounting policy retrospectively and the cumulative effect of the change in the accounting policy was recorded* through opening retained earnings. The impact of the change in accounting policy on the opening statement of financial position is shown in the table below

Statement of financial position - extract

	30 June 2020	Restatement increase/ (decrease)	30 June 2020 Restated
Deferred Cost	-	1,619,292	1,619,292
Deferred Tax Liability	(4,958)	(421,016)	(425,974)
Unearned Income	-	(2,116,500)	(2,116,500)
Deferred Tax Asset	659,973	554,309	1,214,282
Net Assets	1,207,450	(363,915)	843,535
Retained Earnings	1,254,924	(363,915)	891,009
Total Equity	1,207,450	(363,915)	843,535

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2021	2020
	$	$
Revenue		
Interest revenue	2,578,232	2,613,621
Fee, commission and operating Income	542,372	843,946
Dividend revenue	360	331
Other revenue	1,514,177	1,192,177
Total Revenue	**4,635,141**	**4,650,075**

NOTE 3: PROFIT/(LOSS) BEFORE INCOME TAX

	Consolidated Group	
	2021	**2020**
	$	**$**
Profit before income tax from continuing operations includes the following expenses:		
Expenses		
Finance Costs	786,228	1,806,344
Amortisation of intangible assets	22,746	37,834

NOTE 4: TAX EXPENSE

		Consolidated Group	
		2021	**2020**
		$	**$**
a.	The components of tax expense (income) comprise:		
	– current tax expense (income)	(194,240)	92,914
	– deferred tax expense (income) relating to the origination and reversal of temporary differences	296,312	(8,205)
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:	346,572	259,597
	Prima facie tax payable on profit from ordinary activities before income tax at 26% (FY20: 27.5%)	90,109	71,389
	Add/less tax effect of:		
	– other non-allowable items	14,827	11,262
	– tax losses & timing differences not recognised	3,676	1,953
	– franking credits	-	(100)
	– effect of change in tax rate from 27.5% to 26%	(6,539)	205
	Income tax attributable to entity	**102,072**	**84,709**

NOTE 5: AUDITOR'S REMUNERATION

	Consolidated Group	
	2021	**2020**
	$	**$**
Remuneration of the auditor of the parent entity is as follows:		
Auditing or reviewing the financial statements	32,750	32,750
Taxation and other services	8,055	4,753
Total auditor's remuneration	**40,805**	**37,503**

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2021	**2020**
	$	**$**
Cash at bank and on hand	4,471,558	8,426,053
	4,471,558	**8,426,053**

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2021	**2020**
	$	**$**
CURRENT		
Trade Receivables	6,337,559	519,872
	6,337,559	**519,872**
Loan Receivables	199,183	749,971
Other Receivables	17,315	120
	216,498	**750,091**
Total Current Receivables	**6,554,057**	**1,269,963**
NON-CURRENT		
Loan Receivables	281,294	250,000
Total Non – Current Receivables	**281,294**	**250,000**

NOTE 7: TRADE AND OTHER RECEIVABLES (CONTINUED)

The loan receivable balance comprises the following:

- Loan receivable from Raiz Invest Limited amounting to $199,183. The loan bears no interest and has an undetermined fixed term. The principal amount is repayable at any time. This balance has been classified as current.
- Shareholder loan receivable amounting to $281,294. The loan bears interest of 4.71% and has a repayment date of 14/06/2026 or earlier as agreed in writing. The balance has been classified as non-current.

NOTE 8: FINANCIAL ASSETS

	Consolidated Group	
	2021	**2020**
	$	**$**
CURRENT		
Receivables from Link products	11,104,602	1,859,564
Receivables from Masti products	1,759,930	24,503,672
Total current financial assets	**12,864,532**	**26,363,236**
NON-CURRENT		
Receivables from Link products	23,957,041	7,358,442
Receivables from Masti products	65,964,057	30,467,023
Investments in listed shares	6,010	6,010
Total non-current financial assets	**89,927,108**	**37,831,475**

Financial instruments used by the Group

The group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in the value of its investment products issued to the group's investors in accordance with the group's financial risk management policies.

The group enters into hedging instruments with financial institutions to hedge its exposure to fluctuations in the value of its investment and loan products. The hedging instruments are fair valued by financial institutions to reflect the market value of the hedged instruments. The hedge assets are selected so that the fair value of the hedged liabilities equates to the fair value of the hedged assets and loans. In this way the liabilities and assets are hedged and the risk associated with changes in market conditions has been neutralized.

NOTE 9: OTHER CURRENT ASSETS

	Consolidated Group	
	2021	**2020 restated**
	$	**$**
Deferred Cost	3,508,344	1,619,292
Other Prepayments	92,915	-
	3,601,259	1,619,292

Deferred Cost are recognised resulting from borrowing costs attached to the Investments which are being paid by the Company in advance to the investment banks. These are allocated over the number of years of Investments.

NOTE 10: INTANGIBLE ASSETS

	Consolidated Group	
	2021	**2020**
	$	**$**
At cost	1,524,575	1,524,575
Accumulated amortisation	(1,521,613)	(1,498,868)
Net carrying amount	**2,962**	**25,707**

NOTE 11: INTERESTS IN SUBSIDIARIES

a. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	**Principal Place of Business**	**Ownership Interest Held by the Group**	**Proportion of Non-Controlling Interests**	**Ownership Interest Held by the Group**	**Proportion of Non-Controlling Interests**
		2021	**2020**	**2021**	**2020**
		%	**%**	**%**	**%**
Instreet Structured Investment Pty Limited	Australia	100	-	100	-
Instreet Structured Investment 2 Pty Limited	Australia	100	-	100	-
The Emerald Club Limited	Australia	100	-	100	-
Vestin Financial Pty Ltd	Australia	80	20	80	20
Wealth Know How Pty Ltd	Australia	69.5	30.5	69.5	30.5

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTE 11: INTERESTS IN SUBSIDIARIES (CONTINUED)

b. **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2021	**2020 restated**
	$	**$**
CURRENT		
Trade payables	8,989,028	8,674,802
Unearned income	4,741,089	2,116,500
Other creditors and accruals	40,853	6,124
	13,770,970	**10,797,426**

NOTE 13: TAX BALANCES

	Consolidated Group	
	2021	**2020 restated**
	$	**$**
Current asset (liabilities)		
Income tax asset (payable)	101,326	(92,914)
Non-current assets		
Deferred tax assets	96,223	562,824
Non-current liabilities		
Deferred tax liabilities	255,686	425,974

NOTE 13: TAX BALANCES (CONTINUED)

	Balance as at 30 June 2021	Recognised in Profit and Loss	Balance as at 30 June 2020 restated
	$	$	$
Deferred Tax Assets			
Annual Leave, other accruals and provisions for doubtful debts	8,188	(818)	9,006
Deferred expenses	40,743	(513,566)	554,309
Tax losses	47,292	47,292	-
Others	-	491	(491)
	96,223	**(466,601)**	**562,824**

	Balance as at 30 June 2021	Recognised in Profit and Loss	Balance as at 30 June 2020 restated
	$	$	$
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	(740)	4,504	(5,244)
Deferred revenue	(254,946)	166,070	(421,016)
Others	-	(286)	286
	(255,686)	**170,288**	**(425,974)**
Net Amount	**(159,463)**	**(296,313)**	**136,850**

NOTE 14: FINANCIAL LIABILITIES

	Consolidated Group	
	2021	**2020**
	$	**$**
CURRENT		
Payables to Link investors	11,104,602	1,859,564
Payables to Masti investors	1,759,930	24,503,672
Total current financial liabilities	**12,864,532**	**26,363,236**
NON-CURRENT		
Payables to Link investors	23,957,041	7,358,442
Payables to Masti investors	65,964,056	30,467,023
Total non-current financial liabilities	**89,921,097**	**37,825,465**

NOTE 15: ISSUED CAPITAL

	Consolidated Group	
	2021	**2020**
	$	**$**
2,486,378 fully paid ordinary shares	858,324	858,324
Total Share Capital	**858,324**	**858,324**

Ordinary shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

a. **Movements in issued capital**

Fully paid ordinary shares:		
At the beginning of the reporting period	858,324	858,324
Shares issued during the year	-	-
At the end of the reporting period	**858,324**	**858,324**

b. **Capital management**

Management controls the capital of the Group in order to maintain a satisfactory debt to equity ratio and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. Currently, the Group does not consider it necessary to finance its operations through debt capital. Accordingly, the Group's only material financial liabilities at the end of the reporting period are trade and other payables.

Management manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

NOTE 16: CAPITAL AND LEASING COMMITMENTS

There are no operating lease commitments on the basis the group is on a month by month agreement (2020: Nil).

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities at balance date (2020: Nil).

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 19: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with profit for the year

	Consolidated Group	
	2021	**2020**
	$	**$**
Net profit After Tax	**244,499**	**174,888**
Non-cash items:		
Amortisation	22,746	37,834
	22,746	**37,834**
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(4,764,600)	3,558,923
Increase in prepayments	(3,969,193)	-
Increase in trade and other payables	348,953	987,025
Increase in unearned income	4,741,089	-
(Increase)/decrease in deferred tax assets	(83,689)	651,458
Decrease in current tax liabilities	(194,240)	(107,764)
Increase/(decrease) in deferred tax liabilities	250,728	(560,310)
	(3,670,952)	**4,742,054**
Net cash provided by operating activities	**(3,403,707)**	**4,742,054**

NOTE 20: RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

a. **Entities that exercise control over the Group**

The ultimate parent entity, which exercises control over the Group, is Instreet Investment Australia Ltd.

b. **Controlled Entities**

Controlled entities are entities over which Instreet Investment Australia Ltd has the power to govern the financial and operating policies so as to obtain benefits from their activities. As intercompany transactions and balances involving controlled entities are eliminated on consolidation, controlled entities are considered related parties only in the case of the parent entity's separate financial statements. A list of controlled entities is provided in Note 10.

c. **Key management personnel of the Group**

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

d. **Other related parties of the Group**

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

NOTE 20: RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (i.e. at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

NOTE 21: FINANCIAL RISK MANAGEMENT

(i) *Other related parties – director-related entities:*

	2021	2020
	$	$
Loans receivable from Instreet Investments Limited	-	550,788
Loans receivable from Raiz Invest Limited	199,183	199,183
Loans receivable from James Poon	261,300	250,000
Management services fees paid to Raiz Invest Limited	465,618	405,188
Corporate authorised representative fee paid to Instreet Investments Limited	1,259,194	999,765
Amounts paid/payable to GHR Financial Planning Pty Ltd on behalf of Ian Rae for Director Fees	20,000	20,000
Total Paid/Payable to Director Related Entities	**2,205,295**	**2,424,924**

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and hedged financial assets and liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies, are as follows:

	Note	Consolidated Group	
		2021	2020
		$	$
Financial assets			
Cash and cash equivalents	6	4,471,558	8,426,053
Trade and other receivables	7	6,554,057	1,269,963
Financial assets	8	102,791,640	64,194,711
Total financial assets		**113,817,255**	**73,890,727**
Financial liabilities			
Trade and other payables	12	13,770,970	8,680,926
Financial liabilities	14	102,785,629	64,188,701
Total financial liabilities		**116,556,599**	**72,869,627**

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Board’s overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk.

a. **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 Group. The Group’s objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans. There is no significant credit risk exposure on available-for-sale financial assets and held-to-maturity investments.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board of Directors has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses or obtaining security by way personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

The financial products issued by Instreet Structured Investment Pty Limited (Issuer) are secured obligations of the Issuer. The Issuer may not be able to meet its obligations but has granted Investors a charge which is held on trust by the Security Trustee (Australian Equity Trustee). If the Issuer fails to (i) make a payment or delivery on its due date; or (ii) meet any other obligation and in the Security Trustee's opinion the failure is materially adverse to the investors and cannot be remedied (or has not been remedied within 5 business days of written notice), the Security Trustee may enforce the charge. In this case the investors are unsecured creditors of the provider of the Hedge assets. Investors' rights of recourse against the Issuer on a default are limited to the assets subject to the charge. This structure has the effect of passing through the credit rating of the provider of the hedge asset and protecting different financial product series from cross-liability issues (other than on an insolvency of either the Issuer or the provider of the hedge asset). The Issuer will only deal with investment-grade or better bank or a subsidiary of an investment-grade or better bank.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 7.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is greater than the financial liabilities due for settlement. The Group manages its liquidity risk through the following mechanisms:

– preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;

– maintaining a reputable credit profile;

– managing credit risk related to financial assets;

– only investing surplus cash with major financial institutions; and

– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

	Note	Within 1 Year	1 to 5 Years	Over 5 Years	Total
		2021	2021	2021	2021
		$	$	$	$
Consolidated Group					
Financial liabilities due					
Trade and other payables (excluding deferred income)	12	(9,029,881)	-	-	(9,029,881)
Financial Liabilities	14	(12,864,532)	(89,921,097)	-	(102,785,629)
Total expected outflows		**(21,894,413)**	**(89,921,097)**	-	**(111,815,510)**
Financial assets realisable					
Cash and cash equivalents	6	4,471,558	-	-	4,471,558
Trade and other receivables	7	6,554,057	281,294	-	6,835,351
Financial assets	8	12,864,532	89,927,108	-	102,791,640
Total anticipated inflows		**23,890,147**	**90,208,402**	-	**114,098,549**
Net inflow/(outflow)		**1,995,734**	**287,305**	-	**(2,283,039)**

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	Within 1 Year	1 to 5 Years	Over 5 Years	Total
		2020	2020	2020	2020
		$	$	$	$
Consolidated Group					
Financial liabilities due					
Trade and other payables (excluding deferred income)	12	(8,680,926)	-	-	(8,680,926)
Financial Liabilities	14	(26,363,236)	(37,825,465)	-	(64,188,701)
Total expected outflows		**(35,044,162)**	**(37,825,465)**	-	**(72,869,627)**
Financial assets realisable					
Cash and cash equivalents	6	8,426,053	-	-	8,426,053
Trade and other receivables	7	1,269,963	250,000	-	1,519,963
Financial assets	8	26,363,236	37,831,475	-	64,194,711
Total anticipated inflows		**36,059,252**	**38,081,475**	-	**74,140,727**
Net inflow/(outflow)		**1,015,090**	**256,010**	-	**1,271,100**

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

The Group's exposure to interest rate risk is by cash and cash equivalents and loans receivable.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group
	Profit
	$
Year ended 30 June 2021	
+/– 1% in interest rates (interest income)	44,716
Year ended 30 June 2020	
+/– 1% in interest rates (interest income)	84,261

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 21 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments whose carrying amounts approximate their fair values. Trade and other payables exclude amounts relating to the provision of annual leave and deferred revenue, which are outside the scope of AASB 9.

	Note	Carrying Amount	Fair Value
		2021	2021
		$	$
Financial assets			
Cash and cash equivalents (i)	6	4,471,558	4,471,558
Trade and other receivables (i)	7	6,554,057	6,554,057
Financial assets	8	102,791,640	102,791,640
Total financial assets		**113,817,255**	**113,817,255**
Financial liabilities			
Trade and other payables (i)	12	9,029,881	9,029,881
Financial Liabilities	14	102,785,629	102,785,629
Total financial liabilities		**111,815,510**	**111,815,510**

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	Carrying Amount	Fair Value
		2020	2020
		$	$
Financial assets			
Cash and cash equivalents (i)	6	8,426,053	8,426,053
Trade and other receivables (i)	7	1,519,964	1,519,964
Financial assets	8	64,194,711	64,194,711
Total financial assets		**74,140,728**	**74,140,727**
Financial liabilities			
Trade and other payables (i)	12	8,680,926	8,578,196
Financial Liabilities	14	64,188,701	64,188,701
Total financial liabilities		**72,869,627**	**72,766,897**

NOTE 22: FAIR VALUE MEASUREMENTS

The Group measures and recognises its financial products at fair value on a recurring basis after initial recognition.

The Group does mark to market valuations of its financial products at 30 June 2021.

a. **Fair Value Measurements**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

NOTE 22: FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

			30 June 2021		
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Financial assets	8	6,010	102,785,630	-	102,791,640
Total financial assets carried at fair value		**6,010**	**102,785,630**	**-**	**102,791,640**
Financial liabilities					
Financial liabilities	14	-	102,785,629	-	102,785,629
Total financial liabilities carried at fair value		-	**102,785,629**	**-**	**102,785,629**

			30 June 2020		
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Financial assets	8	6,010	64,188,701	-	64,194,719
Total financial assets carried at fair value		**6,010**	**64,188,701**	**-**	**64,194,719**

NOTE 22: FAIR VALUE MEASUREMENTS (CONTINUED)

		30 June 2020			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**	
Financial liabilities					
Financial liabilities	14	-	64,188,701	-	64,188,701
Total financial liabilities carried at fair value		**-**	**64,188,701**	**-**	**64,188,701**

NOTE 23: PARENT INFORMATION

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2021	2020
Statement of financial position	**$**	**$**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	15,307	10,340
Trade and other receivables	291,723	233,973
Other Assets	4,000	-
TOTAL CURRENT ASSETS	**311,030**	**244,313**
NON-CURRENT ASSETS		
Financial assets	1,010,281	1,010,281
Deferred Tax Assets	8,515	11,000
TOTAL NON-CURRENT ASSETS	**1,018,796**	**1,021,281**
TOTAL ASSETS	**1,329,826**	**1,265,594**
LIABILITIES		
CURRENT LIBILITIES		
Trade and other payables	215,408	117,933
TOTAL CURRENT LIABILITIES	**215,408**	**117,933**
TOTAL LIABILITIES	**215,408**	**117,933**
NET ASSETS/(LIABILITIES)	**1,114,418**	**1,147,660**

NOTE 23: PARENT INFORMATION (CONTINUED)

EQUITY		
Issued capital	858,324	858,324
Retained Earnings	256,094	289,336
TOTAL EQUITY	**1,114,418**	**1,147,660**
Statement of comprehensive income		
Profit / (loss) for the year	(32,750)	(353,908)
Other comprehensive income for the year, net of tax	-	- -
Total comprehensive income for the year	**(32,750)**	**(353,908)**

NOTE 24: COMPANY DETAILS

The registered office and the principal place of business of the company is

Instreet Investment Australia Ltd

Level 11, 2 Bulletin Place

Sydney NSW 2000

Instreet Investment Australia Ltd and Controlled Entities

ABN 24 622 827 589

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Instreet Investment Australia Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 38, are in accordance with the *Corporations Act 2001* and:

   a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company and consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

……..

George Lucas (Director)

Dated the 30th day of November 2021

INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES
ABN 24 622 827 589

AUDITOR'S REPORT TO THE MEMBERS OF
INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES

Opinion

We have audited the financial report of Instreet Investment Australia Ltd (the Company) and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the director's declaration.

In our opinion:

a. the accompanying financial report of Instreet Investment Australia Ltd and controlled entities are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

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

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. 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.

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.

INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES
ABN 24 622 827 589

AUDITOR'S REPORT TO THE MEMBERS OF
INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Group'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 Group'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 Group 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.

**INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES
ABN 24 622 827 589**

**AUDITOR'S REPORT TO THE MEMBERS OF
INSTREET INVESTMENT AUSTRALIA LTD
AND CONTROLLED ENTITIES**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 our audit.

Hall Chadwick

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney, NSW 2000

DREW TOWNSEND
Partner
Dated: 30 NOVEMBER 2021