Cashwerkz.

2020 Annual Report

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Contents

CHAIRMAN'S ADDRESS

On behalf of the board of directors (Board) of Cashwerkz Limited (Cashwerkz), I am pleased to present to members the Annual Report of the company and its controlled entities (group) for the financial year ended 30 June 2020 (FY20).

2020: The new foundation to enabling sustainable growth and integrated value

During the half-year activities for FY20 the Board reviewed the; strategic direction of the group, capability of our technology, talent and processes inherent in our operations, and the performance against various targets. As a result the Board saw the need to effect change that altered the trajectory of the group, invigorated the ability to innovate in technology and introduced a scalable and new business model that expanded our market reach.

To bring this to fruition, in April 2020, the group recruited Jonathan Lechte as Chief Executive Officer to drive this new agenda, required revenue growth and increase in shareholder value. During his short tenure with the group, Jon has delivered a clear pathway to executing our strategy, diversifying into bonds and other products, as well as building the cash products offered via our unique platform. We have launched Bond Income, our leading bonds business and attracted key talent to drive this scalable segment forward. We have also launched our Incubator Business, Fund Income, to innovate in the cash and fixed interest asset class and attract market leading capability and product offerings through sustainable partnership agreements.

In a very short period, the group has created Australia's newest Cash and Fixed Interest Ecosystem, that combines proprietary and best in class technology which is highly scalable, with an innovative business structure to cater to a much broader market. Attracting key talent has also been effective given the culture, technology and business model on offer to the marketplace. Across cash, bonds, and fixed interest, the group can solve for retail and wholesale investors through our new model, in the most innovative way. We expect the product and segment innovation to continue and look forward to the next reporting period.

In May, the group completed a $5M capital raise during a very challenging COVID-19 period, to support the innovation and business model we now have. This capital is being deployed on talent, technology integration and the new busines models to generate revenue and FUM growth.

The Board sincerely thank all shareholders for their support and look forward to sharing updates this year on our progress given the hard work completed to date. We have worked diligently on our model and technology enhancement, as promised to the market, so that we can move quickly to become Australia's leading Cash and Fixed Interest Fintech Business.

Board Roles

Another aspect of positioning the group for success is defining the role of board members to provide oversight and to better represent shareholders' interests. The current board comprises:

- John Nantes – Executive Chairman;
- Craig Swanger – Director;
- Michael Hackett – Director;
- Nathan Leman – Director;
- Brook Adcock – Director.

Commitment to Industry Standards and Values

The group is committed to ensuring our compliance systems are adequate to fulfill and support the increasingly sophisticated requirements for Financial Services Companies.

Under the Corporations Act, our AFSL obligations are to operate efficiently, honesty and fairly across all business segments. The Cashwerkz Platform provides cash and term deposits in one ecosystem, where investors can make informed and transparent decisions with their money in an efficient and fair way. There are more than 50 banks on the platform competing for capital who are able to attract investors based upon their brand and rate offering. This ecosystem in itself demonstrates what Fintechs can do to further their obligations in financial services for the good of not just the industry but all entities who are impacted by it.

With our Bond Income and Fund Income businesses, we have invested heavily in technology and compliance to provide the right resources, audit regime, business controls, investor confidence and market transparency, again reflecting our commitment to our AFSL and broader financial service requirements.

The group is committed to the following values to underpin the expectations of our people and how we interact with our clients and the broader community:

- Trustworthiness;
- Meritocracy;
- Honesty;
- Fairness;
- Diligence.

Employee Share Option Plan (ESOP)

To ensure top talent is recruited and retained, the Board considers participation in a long term incentive scheme structured around equity based compensation; an effective way of rewarding staff appropriately. The ESOP aligns the interests of employees with shareholders and rewards employees for delivering value to shareholders through share price appreciation. The ESOP includes not only required hurdles and strike prices to be met, but also tenure and vesting requirements to be met to ensure that the program is effective for all. Staff of the group are therefore rewarded for appropriately creating shareholder value and living up to the values and expectations requested of them.

Trustees Australia Limited Update

The Board have previously announced that Trustees Australia was under review to best understand its' value to the group. As a result of the Incubator model, called "Fund Income", Trustees Australia has become part of an important attraction strategy for Cashwerkz. New fund managers require the use of a Responsible Entity and Trustees Australia can deliver on this service. Retaining Trustees Australia for Fund Income and looking to grow it's service levels is prudent in the current environment and offers Cashwerkz a competitive edge to attract experienced managers.

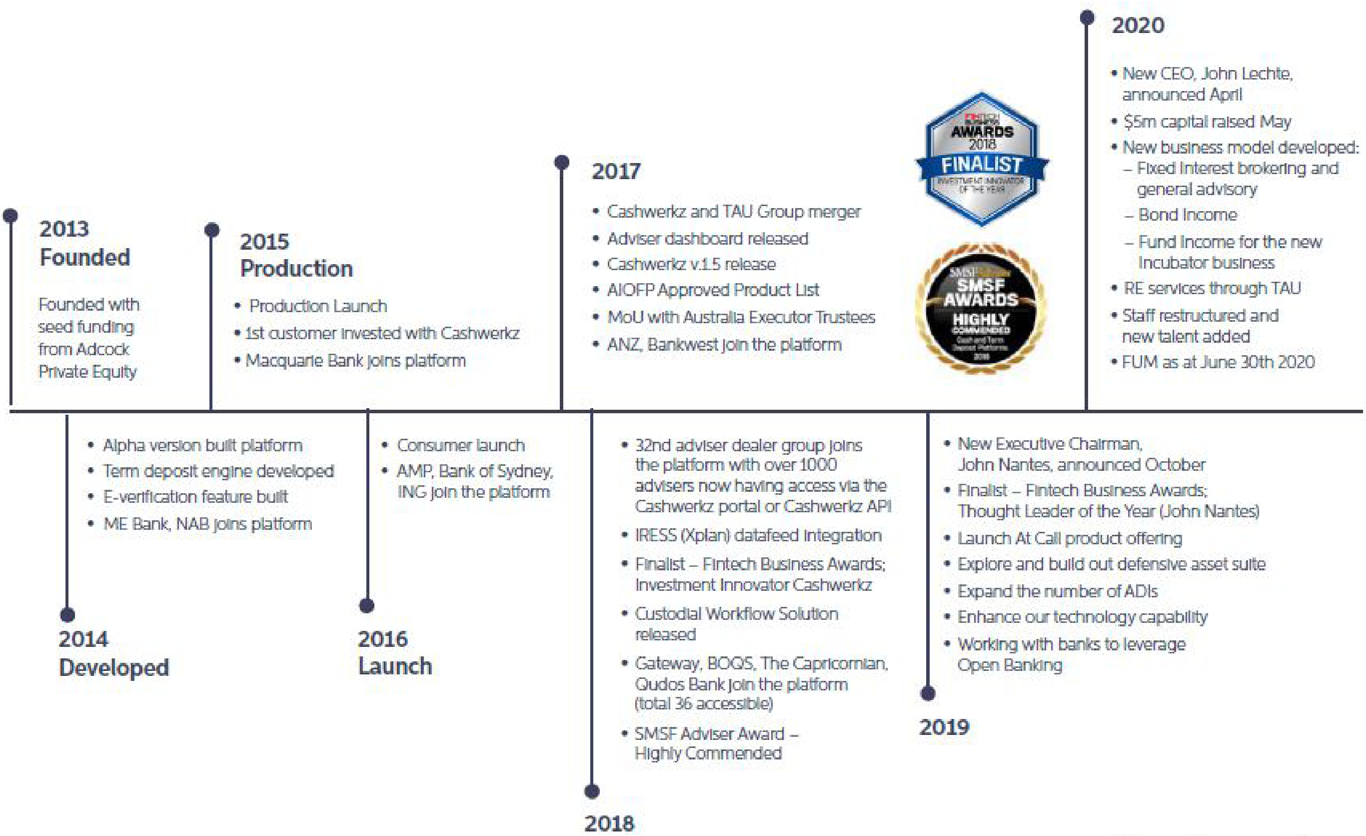
Words of appreciation

I would like to extend my appreciation to our management team, staff, and business associates for their commitment and contribution towards the group. In a very short period we have transformed the business, built a new ecosystem for the group to attract clients, increased our revenue and FUM capability as a result of offering more complex products and services, and furthered our innovation in technology and sales processes.

Many thanks to my fellow directors for providing support to Jon and myself amidst the tough operating environment that we have all been in since March, as well as supporting and guiding the significant business model enhancements we have been working towards.

Lastly, I would like to extend my gratitude to our loyal shareholders for their support and trust in us to deliver upon our objectives. The annual report reflects the performance to 30 June 2020, where the main drivers for success were focussed on cash and term deposit income. As a result the changes made through the addition of Jon Lechte in April 2020, Cashwerkz is a significantly transformed business where revenue is to be targeted from more product offerings with higher margin scale and differing asset structures.

John Nantes - Executive Chairman



Cashwerkz.

MESSAGE FROM THE CEO

My journey with the group began at the height of the pandemic in April of 2020, so my comments mostly reflect the last quarter of financial year 2020 and then focus on the plans we have for financial year 2021 (FY21) and beyond.

The portfolio of products within the group can be looked at individually and importantly where we are generating synergies across the business. As we look at where we can grow the business our guiding principles are to be:

- The expert for income products in Australia;
- Easy and transparent to do business with; and
- Utilising the full infrastructure of the group to broaden our business.

Deposits

The deposit management technology developed by the group is both remarkable and scalable. The beauty of the system is that it can be offered to large numbers of clients, something our competition has not been able to do.

We now have the right system, user interface, market connections, people and marketing and we believe a large book is achievable in the years to come. To speed up our time to market we have focused on three main initiatives:

Customers and automation initiatives

- We continue to focus on our customer experience through improvements and automation of our administration processes to enable us to execute the scale of business that retail term deposits require. In the past few months we have added great technology to enable clients to sign up easily while remaining compliant with AUSTRAC and our more than 50 banking partners.
- Implementation of the Helpdesk to streamline internal communications and provide better customer service. We are using the latest technologies to implement metrics to improve communications with customers and provide reporting on the success of this desk.
- We also are launching a number of CMA "Cashhub" – where clients can have a central at-call cash account which enables them to easily invest; and
- Transfer money.
- Institutional deposit broking - we have retained the services of some of the most experienced and well connected brokers in Australia, to significantly lift the size of our term deposit and at-call books.

Bonds

As we build our bond capability, we are ensuring we use institutional grade partners to bring an industrial-grade comfort level to our clients using our service. Our deposit technology already enables investors to monitor their investments 24/7 and we intend to extend this to bond investors, so that all investments will be visible on our system with daily valuations. Research, comparative value analysis and portfolio building and evaluation, will all be available to our clients within coming months to provide a seamless integration across deposits and direct bond holdings.

New hires

We have hired brokers, settlements, legal and compliance, technology and finance professionals. In the past two months the group has hired 15 people in line with our projections. Our cost base has risen in line with budgets and our hiring plans are also on schedule.

Revenue

Our revenue from existing business has remained stable, with new revenue from wealth managers beginning to materialise. Our bond trading revenue is not material as the service went live in August, although it is in line with our planned rollout.

New Funds Incubator business

Using the existing licences across the group, we have decided to open an incubator business for start-up funds in Australia. The business will be called Fund Income and the Board of Fund Income will be confirmed by the end of September 2020. Our focus in the early days at least will be on fixed income and debt related funds as this is our current expertise. We have the infrastructure in place to launch and support new debt fund entrants. The rationale for establishing this business has been demand driven as we have the key assets within the group, however we have additionally entered into agreements with key players in this industry to provide an institutional business rigour to a boutique-business feel.

Summary

The group has historically not been able to build the required portfolio to ensure profitability. We are enhancing our offering and widening the client base to include Institutional clients and we expect that this will greatly improve our business and also give us a wider client base to discuss our bond offering with.

The business of selling direct bonds is new to the group, so we need to add all aspects required to get to scale. This time consuming process is in place and we are now operational and looking forward to expanding the business quickly under the Bond Income banner.

The Fund incubation business, Fund Income, is also newly launched but we have been researching this market for some time. We feel there is sufficient evidence that we will get to scale quickly and build on our platform's vision, to be an authority on Fixed Income markets in Australia.

Jon Lechte - Chief Executive Officer

DIRECTORS REPORT

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES

The group is comprised of Cashwerkz Limited (ASX Code: CWZ), Cashwerkz Technologies Pty Ltd (Cashwerkz Technologies), Cashwerkz FI Limited (Cashwerkz FI) and Trustees Australia Limited (Trustees Australia) and leverages technology to deliver an innovative and streamlined approach to investing in fixed income, at call and bond investments to meet the growing demand for a trusted, reliable and secure platform where investors and financial professionals can manage their income investments seamlessly.

On the 14 August 2020, Cashwerkz Limited and Cashwerkz FI Limited commenced trading as Bond Income.

Through our trading desk, the group delivers custom income solutions and access to wholesale markets across cash, term deposits, fixed bonds and floating rate notes.

The principal activities of the group during the year were:

Financial Services Activities comprising:

- Operation and investment in the Cashwerkz Platform in Cashwerkz Technologies through a wide-range of cash and fixed income products from more than 50 banks;
- Fixed interest broking and general advisory piloted by Cashwerkz FI; and
- Responsible Entity services provided via Trustees Australia Limited.

The traditional business of the group has been focused on end-investors using the Cashwerkz Platform to research the best term deposit rates and then investing in their choice. While the active funds on the platform has been growing, the rate of growth has not been sufficient and in the half-year activities for FY20 the Board reviewed the business model and as a result has enhanced the principal activities for FY21.

The operation and continued investment in the Cashwerkz Platform will continue in FY21 given the value and technological advantage of this division. The fixed interest broking business has evolved into our Bond Income business, and the group has also introduced our Fund Income business. These activities will reflect the core of the group going forward as a result of the learnings gained from FY20.

On 6 May 2020, the group announced a $5M placement to sophisticated investors, with funds to be used to diversify the product offering to include domestic and international bonds and deposits, talent acquisition, marketing and to further develop the Cashwerkz Platform to support the projected growth. Since the capital raise, the group has restructured to exit personnel in redundant positions to help mitigate the incremental cost base as well as hired experienced bond brokers, research analysts, trade facilitation experts, and an experienced legal, compliance and bond settlement team. At the date of this report bond trades have commenced.

Other than the commencement of product diversification through the bond trading strategy and the $5M placement, there has been no other significant change in the scale or nature of the group’s activities in the year.

OUR BUSINESS MODEL AND OBJECTIVES

The group's business model illustrates our services to income seeking investors across all segments.

Cashwerkz Platform:

- Over 50 Authorised Deposit-taking Institutions (ADIs).
- We complete the KYC/AML requirements for the ADI’s as part of the onboarding we offer.
- Investors can invest within 3 clicks and once they are identified, they can review and open accounts without having to replicate the KYC process.
- Cashwerkz can receive commission from the ADI or charge for its’ service directly.
- The platform has a unique custodial component that can plug into existing infrastructure of brokering houses, dealer groups and their inhouse technology solutions. It can also solve for platform providers needing to offer ADI solutions for investor money.
- The platform can scale significantly given it’s efficiency gains. It creates a fairer market place for cash and term deposits, allows choice and transparency, and reduces fraud risk compared to manual processes or processes reliant on the provider having access to client money.
- It is GS007 certified. GS007 is a guidance statement issued by the Australian Auditing Standards Board and prescribes a minimum set of control requirements for service organisations offering investment management services. It also provides guidance on the preparation of controls reports and how they can be used.
- The Cashwerkz Technology Suite is regularly penetration tested for cyber security purposes, audited and reviewed.
- It is a unique platform, with large scale capability, solves for “Best Interest” requirements of all advisers in Australia and creates a marketplace where both investors and the ADI’s are advantaged.

OUR BUSINESS MODEL AND OBJECTIVES (cont'd)

Cashwerkz FI:

- Cashwerkz FI has piloted moving into bonds / fixed interest to grow our client offering, increase the revenue capability of the group and build towards a total ecosystem.
- The pilot was focussed on a distribution model of bonds and fixed interest solutions under a general advice approach.
- Given our AFSL, technology, and compliance capability, the Board formed the view that this pilot needed to evolve quickly into a mature business model.
- Jon Lechte, our CEO appointed in April was charged with bringing this to fruition and has invested in technology integration solutions, further compliance processes, and key talent to move this forward.
- As a result of this investment, the group further developed the strategy to also form an incubator model to partner with selected Funds talent in the cash and fixed interest asset class. Both Bond Income and Fund Income were originated with a view to grow into FY21.

Trustees Australia:

- Our Responsible Entity business has been reviewed to understand its future value to the group.
- The Board have agreed to retain Trustee's Australia to support the attraction strategy for Fund Income.
- New fund managers will require a Responsible Entity solution that Trustees Australia is well placed to provide given its licence.
- Trustees Australia is also able to offer its' services to the broader market and will look to do this when appropriate.

OPERATING RESULT

- The consolidated net loss attributable to members of Cashwerkz, after providing for income tax, was flat year on year at $7,351,115 (2019: $7,313,520).
- Total revenue for the year ended 30 June 2020 is $1,269,485, up 10% on the 2019 comparative of $1,152,540.
- There has been a 13% decrease in financial services revenue of $1,033,362 in 2019 to $900,200 in 2020. The $133,162 decrease is largely attributable to future trail revenue brought to account on initial application of AASB15 in the 2019 comparative and the otherwise flat result reflects delays in the on-boarding and conversion of pipeline opportunities during the year as well as market conditions generally.
- At 30 June 2020, the group has recognised $327,000 (2019: nil) in other income as a result of ATO incentives for Cash Flow Boost and JobKeeper.
- Total expenses for the year ended 30 June 2020 were $8,620,600, up 2% on the 2019 comparative of $8,466,060.
- The increase to core business operating costs in the year is predominantly from employment costs as the group increased its personnel numbers with experienced people who have the capacity to promote the Cashwerkz Platform and grow the business through the implementation of the group's bond trading strategy. Some staff were exited as part of the restructuring which helped mitigate some of these incremental labour costs.
- Included in employment expenses of $4,644,346 (2019: $4,284,397) is $316,752 (2019: $984,876) of share based payment expenses for the issue of performance options to KMP's. The performance options have been issued with performance hurdles to motivate the KMP's to strive to improve group performance and securityholder returns.

FINANCIAL POSITION

- The net assets of the group decreased by $2,265,464 to $12,141,127 at 30 June 2020, compared with $14,406,591 at 30 June 2019. This decrease is largely attributable to the amortisation of the Cashwerkz Platform of $1,037,836 and a $918,829 decrease in cash and cash equivalents held at 30 June 2020.
- The group has cash and cash equivalents of $4,234,214 (2019: $5,153,043) and has limited borrowings of $17,650 (June 2019: nil).
- On 6 May 2020, the group announced $5M had been raised in new equity capital through a placement to sophisticated investors. The funds raised will be used to diversify the product offering to include domestic and international bonds and deposits, talent acquisition, marketing and to further develop the Cashwerkz Platform to support projected growth.

The directors believe the group is in a position to expand and grow its current operations. This is reflective in our new business model that is able to earn higher revenue margins across a broader market with differentiated product offering's compared to 2019/20.

GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The group's cash and cash equivalents balance at the reporting date is $4,234,214.

The group incurred a loss for the year attributable to members of $7,351,115 (2019: $7,313,520) and net cash outflows from operating activities of $5,533,186 (2019: $5,038,200).

The Cashwerkz business of cash and term deposits has been its source of revenue, while maintaining a relatively flat expense base. As noted, Cashwerkz has introduced two new revenue streams that will contribute further revenue to the group and revenue with higher margins. The retail cash and term deposit products have historically offered 5-10 basis points (bps) in commission, with wholesale earning 3 to 5 bps. Fixed interest products can provide larger margins of the range 55bps to 200+bps dependent upon the product structure.

Cashwerkz retains the scalability of its technology platform and the growth in funds translates to growth in revenue. Cashwerkz has been able to attract top tier talent to leverage this capability, as such Cashwerkz is committed to growing it's cash and term deposit offering to generate further revenues. Cashwerkz has also attracted top tier talent to provide general advice and product solutions in fixed income products which position the company well for growth. The Bond Income business is fully operational with sales occurring immediately.

We anticipate that the Fund Income incubator will start operating in the first quarter of FY21 and will generate revenue based upon the equity ownership in each fund and distribution fees earned from placing investments with each of the Funds within the incubator.

Cashwerkz has realigned and restructured parts of its workforce to improve sales and technical capability required for the new businesses. Given the scalability of the business, Cashwerkz will target keeping a relatively flat cost base in technology and operations roles, however expects to increase its' cost base in sales roles and resources specific to the incubator to grow revenue.

Cashwerkz offers access to a Long Term Incentive (LTI) program for staff where it supports staff engagement, is aligned to revenue performance and manages cash costs for the business.

The ability of the group to continue as a going concern is principally dependent upon managing cashflow in line with available funds. The group has prepared a cash flow forecast that indicates the group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The cash flow assumptions include revenue from new product offerings for domestic and international bonds and deposits. In the event the time to setup these new product offerings is extended or the revenue from the offerings is delayed or below forecast expectations, additional funding support may be required.

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

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

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

REVIEW OF OPERATIONS

- ***CASHWERKZ PLATFORM***

  The Cashwerkz Platform streamlines investment in term deposits and other defensive assets. Our technology makes it easy to invest in a range of different instruments from many different financial institutions, by linking multiple market participants in a fast, safe and efficient way. We make researching and managing term deposits and at call accounts easy while delivering up-to-date market competitive rates for clients.

  A growing number of market participants choose to use the Cashwerkz Platform, including banks, SMSFs, dealer groups and wholesale and institutional clients, as well as custodians, fund managers, wholesale market participants and financial planners.

- ***FIXED INTEREST SPECIALISTS***

  The group provides fixed income brokerage services to a range of wholesale and institutional customers. The business is focused on adding to its experienced team of people who have the capacity to significantly grow the business.

- ***RESPONSIBLE ENTITY SERVICES***

  The group is offering a limited responsible entity service. In FY21, this capability will be leveraged for the new Fund Income business.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

In the half-year activities for FY20 the Board undertook a complete review of the business model noting:

- Cash and term deposit revenue had stalled;
- Fixed interest margins, market size and differentiation needed investment and leadership capability to grow;
- The pipeline of the business was strong, however the conversion of the pipeline was taking too long and the process to improve conversion needed attention and change;
- The technology remained market leading with the ability to improve further; and
- Key talent was needed to work with the technology and we needed to innovate to create our preferred business model.

In April, Jon Lechte was appointed as CEO and immediately began working on the strategy, adding further to it as a result of his vast experience and industry knowledge. Given the direction agreed, towards the end of FY20 Jon Lechte restructured the roles and responsibilities of the workforce, which led to some redundancies and also introduced effective performance management requirements on staff in key roles. With the Board in full support, he recruited talent into segments we identified, a process which remains ongoing, as well as invested heavily into technology and compliance solutions to ensure the business models operate efficiently, smartly and also appropriately. This work continues into FY21, however significant ground work was completed in FY20.

As a result of the investment, the group has been able to announce two new businesses, Bond Income and the new Fund Income incubator. We have also enhanced the offering of the Cashwerkz Platform. The ecosystem we have created means that the group is extremely well placed to grow it's revenue base on the back of:

- improved sales conversion and reach into dealer groups, stockbrokers and platform providers;
- significantly increased margins from offering more product solutions;
- integrated technology to other financial services businesses;
- partnerships with innovative Fixed Interest businesses looking for scale and support; and
- talented people to deliver on targets and also innovate in product to solve for client needs that are unique to the marketplace.

The group has also engaged specialist consultants within the Advised segment to improve the conversion process and increase the reach of the business into more dealer groups, stockbrokers and platform solutions.

The group's ecosystem challenges the current cash and fixed interest marketplace with innovation in technology and product, new business models, and a focus on acting in everyone's best interest who enter our environment be they investors, product owners or advisers.

BUSINESS RISK

The group consists of complementary businesses in technology development and financial services that are exposed to a range of strategic, financial, technology, operational and related risks that are inherent when operating in the fintech markets. The group has an enterprise risk management framework which, together with corporate governance, provides a framework for managing the material risks.

BUSINESS RISK (cont'd)

Financial

The availability of funding and management of capital and liquidity are fundamental to group business operations and growth.

To mitigate these issues, the group completed a capital raising with investors who have experience in investing in technology related assets. The group will continue to invest in new technology whether that be developed in-house or outsourced to ensure we are focused on activities where we can add absolute value.

The group is reducing its reliance on cash and term deposits commission revenue with the diversification into fixed income capabilities which provide higher margins.

The cost base of the group is actively managed to ensure expenditure is controlled and appropriately allocated.

Operational

The group is subject to operational risk including the availability of high quality and experienced personnel for computer technology development and financial services.

To mitigate the issue, the group has established policies, standards and training in respect of business operations, including people safety, health and wellbeing. Management continues to invest in our operational capability across processes, technology and improving our business so that it attracts and retains high calibre personnel.

Compliance

The group is subject to applicable laws, regulations and contractual arrangements and is exposed to adverse regulatory or legislative changes. Breaches or adverse changes could result in negative impacts on the group's reputation and profitability and significant fines or other adverse consequences.

To mitigate these issues, the group has a compliance framework in place and a variety of policies have been established to facilitate legal, regulatory compliance and internal protocols. Management liaises regularly with government and regulatory bodies on proposed legal and regulatory changes and the Cashwerkz Code of Conduct and training programs promote awareness of legal, regulatory and internal policy requirements.

Competition makers and new technologies

The group competes against other fintech financial service providers in an industry that is currently highly concentrated. The group faces the risk that its competitors, or a new entrant to the market, will increase its competitive position through one or more of marketing campaigns, product innovation, or through advances in technology. If this was to occur, the group may compete less effectively against its competitors and its business, financial performance and operations may be adversely affected.

To mitigate the issue, the group works closely with its' clients to address their needs and through the launch of broader income related products and services.

Cyber Security, data loss, theft or corruption

The group, through its technology platform, processes orders that contain highly confidential data. The group's business could materially be disrupted by data breaches that may affect the security of information and data concerning the group and/or its customers. This could occur through theft, unauthorised access or malicious attacks on the group's systems, processes (e.g. hacking), unauthorised disclosure of confidential customer information or loss of information (e.g. system problems). While the group undertakes measures to avoid and detect the occurrence of such security breaches, there is a risk that such measures may not be adequate.

A security breach could cause material harm to the group's reputation and accordingly may have an adverse impact on the group's ability to attract and retain new customers, growth prospects, operating results, reputation and financial performance.

To mitigate the issue, the group has implemented a data breach policy that prescribes procedures addressing these items.

General IT infrastructure/platform-related risks

The group is dependent on the performance, reliability and availability of its technology platform (including servers, the internet and its cloud-based infrastructure). Third party service providers provide some of these services. There is a risk that these systems may be adversely affected by interruption, failure, service outages or data corruption that could arise as a result of computer viruses, "bugs" or "worms", malware, internal or external use by websites, hacker attacks or other disruptions including natural disasters or power outages.

Such events outside of the group's control may lead to business disruption and delay in completion of work for customers.

There is also a risk that the group's potential growth may be constrained by a lack of scalability of the IT infrastructure. If the IT infrastructure cannot keep pace with the group's growth, it may have a detrimental impact on the group's ability to execute its growth objectives.

To mitigate the issue, the group conducts internal and external audits.

BUSINESS RISK (cont'd)

Impact of privacy laws and regulations

The group is subject to various privacy laws and regulations.

A privacy breach, due to a system failure or a compromise of security that results in the unauthorised access or release of customers' personal data may adversely affect the group's reputation. In addition to this, the current data protection and privacy regimes, to which the group is subject to, may result in the group being required to pay significant fines to regulatory bodies in relation to any privacy breach.

To mitigate the issue, the group has implemented a robust database structure with strong security that is penetrated tested regularly. Complementing this, the group only allows access to third parties via secure protocols.

INFORMATION ON DIRECTORS

The following persons held office as directors of Cashwerkz during or since the end of the year. The names and details of the directors are:

Name	Position	Appointed
John Nantes	Executive Chairman	17 August 2017 (Chairman appointment 12 October 2019)
Craig Swanger	Director	1 October 2019
Michael Hackett	Director	25 July 1986 (Chairman retirement 12 October 2019)
Nathan Leman	Director	24 November 2010
Brook Adcock	Director	17 August 2017

DIRECTORS

John Nantes	Chairman
Qualifications	Bachelor Law – Deakin University Bachelor Commerce – The University of Melbourne Bachelor of Arts – The University of Melbourne Diploma of Financial Planning – Deakin University Financial (tax) Adviser Member NTAA Member FPA
Directorships held in other listed entities in the past 3 years	Wisr Limited – executive chairman since 2016
Interest in Cashwerkz shares & options	John Nantes has a relevant interest in 7,980,265 shares in Cashwerkz at 30 June 2020.
John has over 24 years experience in Financial Services, Private Equity, Tax and Accounting, Corporate Finance, Capital Markets, and M&A. John is also the Executive Chairman of Wisr, a leading fintech in Australia, as well as a non-executive director for Thinxtra, a public non-listed IOT technology company and advises Adcock Private Equity in a CEO capacity. John is a Responsible Manager of Cashwerkz, and dedicates the bulk of his time to Cashwerkz and Wisr. John has a strong reputation for building growth businesses especially those reliant on technology and innovation, having previously also held roles such as; Group Head of WHK/Crowe Horwath Wealth Management, CEO Prescott Securities, and Executive roles at St George Bank/ Bank SA and advisory and leadership advisory roles at Colonial State Bank.	

DIRECTORS

Craig Swanger	Director
Qualifications	Bachelor of Commerce – University of Queensland Graduate Diploma in Financial Markets – University of Adelaide
Directorships held in other listed entities in the past 3 years	Wisr Limited – non-executive director since 2015
Interest in Cashwerkz shares & options	Craig Swanger has a relevant interest in 76,923 shares in Cashwerkz at 30 June 2020.
Craig is one of the most highly regarded fintech investment and strategy experts in Australia. He is an adviser to or investor in a portfolio of 12 high growth companies, ranging from very early stage companies such as Care360 to rapidly scaling fintechs such as the ASX listed Wisr (ASX: WZR) and newly licensed neobank, Xinja Bank. Craig has worked in investment markets for more than 25 years, which included a role as Global Head of Macquarie Group's Global Investments Unit, where he built businesses in 14 countries across funds management, wealth, insurance and banking.	

Michael Hackett	Director
Qualifications	Bachelor of Commerce - University of Queensland ACA Financial Planning Specialist
Directorships held in other listed entities in the past 3 years	Australian Dairy Nutritionals Limited – director from May 2009 to current Australian Adventure Tourism Group Limited - director from June 1988 to August 2018
Interest in Cashwerkz shares & options	Michael Hackett has a relevant interest in 22,021,439 shares in Cashwerkz at 30 June 2020.
Michael was the founding Chairman and Managing Director and initiating shareholder when the company was incorporated in 1986 and first listed on ASX in 1987. He holds a Commerce Degree and practised for several years as a Chartered Accountant. Michael is an associate of one of the company's substantial shareholders through private company interests. He has had extensive experience over many years in establishing, managing and operating a wide range of businesses, listed companies and property developments.	

Brook Adcock	Director
Qualifications	Strategic Financial Management Program Financial Modelling and Valuation for small, medium and fast growing companies AICD Company Directors Course 145 Pilots Course, CT4 and Macchi aircraft training Diploma of Air Force Studies Bachelor of Science
Directorships held in other listed entities in the past 3 years	Nil
Interest in Cashwerkz shares & options	Brook Adcock has a relevant interest in 67,052,179 shares in Cashwerkz at 30 June 2020.
Brook is a leading Entrepreneur and Private Investor in Australia, as Executive Chairman of his own Private Equity House, Adcock Private Equity, Brook is Cashwerkz's largest shareholder. Adcock Private Equity also has very strong positions is listed and unlisted companies across sectors such as Fintech, Healthtech and Legaltech where Brook invests and follows on regularly into companies that add value to all market participants. Brook's investment mandate has a strong ethical tilt and is a high conviction investor. Brook was the owner of Pandora Jewellery, building it to the brand we see today, and has been heavily involved in many other successful businesses both directly at the Executive or Board level, as well as through investing his own capital.	

DIRECTORS (cont'd)

Nathan Leman	Director
Qualifications	Commercial Builder and Project Manager
Directorships held in other listed entities in the past 3 years	Australian Adventure Tourism Group Limited - director from November 2010 to current
Interest in Cashwerkz shares & options	Nathan Leman has a relevant interest in 2,955,803 shares in Cashwerkz at 30 June 2020

Nathan was appointed as a director on 24 November 2010. He is a qualified project manager with over 20 years experience in project feasibilities and managing construction developments, technology acquisition and implementation projects.

He is responsible for the design and implementation of property and IT projects for the Cashwerkz group. As a director of Cashwerkz, Nathan has been appointed to the boards of most of its subsidiary entities. Nathan is also a Director of other publicly listed entities and subsidiary entities that brings experience in the Tourism and Agricultural business sectors.

COMPANY SECRETARY

The following persons held office as a company secretary of Cashwerkz during the financial year:

Jerome Jones	Company Secretary
Interest in Cashwerkz shares & options	Jerome Jones has no relevant interest in Cashwerkz shares at 30 June 2020.

Jerome was appointed company secretary on 29 August 2014. Jerome is an experienced financial and management accounting analyst with experience in Australia and the UK. He is CPA qualified with specialist skills and experience in detailed management accounting and procedure implementation in several private and ASX listed businesses.

MEETINGS OF DIRECTORS

The board meets on a monthly basis either in person or by telephone conference. Directors meet bi-annually with the group's auditor to discuss relevant issues. On matters of corporate governance, the board retains its direct interest rather than through a separate committee structure which would be inappropriate for a company of the modest size and structure of Cashwerkz.

Aside from formally constituted directors' meetings, the directors are in regular contact with each other regarding the operation of the company and particular issues of importance. Written reports on trading activities, budget and performance and operating strategies are provided to the directors on a monthly basis or as required by changing circumstances.

The number of directors' meetings and number of meetings attended by each of the company directors during the financial year are set out in the table below:

Directors	Meetings eligible to attend	Meetings attended
Michael Hackett	12	12
Nathan Leman	12	12
Brook Adcock	12	10
John Nantes	12	12
Craig Swanger	9	8

NON-AUDIT SERVICES

The board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and is satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

i) all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and,

ii) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional Ethical Standards board.

During the year ended 30 June 2020 there was no payment to external auditors for non-audit services (2019: nil).

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The group was not a party to any such proceedings during the 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.

DIVIDENDS

No dividends have been paid or declared during or since the end of the year (2019: nil).

OPTIONS

At the date of this report, the unissued ordinary shares of Cashwerkz under option are as follows:

Grant Date	Number	Exercise Price	Exercisable on or before
28 September 2018	1,000,000	$0.30	30 September 2021
28 September 2018	133,333	$0.40	30 September 2022
01 April 2020	3,210,000	$0.20	01 April 2025
01 April 2020	4,820,000	$0.30	01 April 2025
01 April 2020	8,830,000	$0.45	01 April 2025
29 July 2020	1,200,000	$0.195	31 July 2023

Option holders do not have any rights, by virtue of holding options, to participate in any issues of securities or other interests of the Company or any other entity.

There have been no other options granted over unissued securities or interests of any controlled entity within the group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

INDEMNIFICATION OF OFFICERS

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

With the escalation of the COVID-19 pandemic in March 2020, the group acted decisively, with the first priority being to protect the health and safety of our staff. There was a seamless transition to group-wide remote working that had a minimal impact on the business. The health and safety of our staff remains our first priority and the group is currently operating under a hybrid remote working and office based model relevant to staff locations and travel requirements.

In April 2020, one of the group controlled entities enrolled in the JobKeeper government assistance program for its eligible employees and all entities in the group are eligible for the Cash Flow Boost. The group has recognised a total of $327,000 in government assistance for employees from JobKeeper and Cash Flow Boost in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020. Refer Note 3(a)(iii).

In the opinion of the directors, there are no other significant changes in the state of affairs of the group that occurred during the year that are not disclosed elsewhere in this report or in the accompanying financial statements.

EVENTS AFTER BALANCE DATE

The impact of the COVID-19 pandemic is ongoing and while it has not materially impacted the group as at the signing of this report, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation has rapidly developed and is dependant on measures imposed by the Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus. The group will continue to assess any impact of COVID-19 on the business and ways to mitigate any risks to the group.

In July 2020, a lease for new Brisbane premises was executed as the Creek Street office lease expires in November 2020 and will not be renewed. The new lease is a three year lease with a two year option, and a rent free period until December 2020.

On 29 July 2020, 1,200,000 options were issued to Blue Ocean Equities Pty Ltd as part of the agreed remuneration payable for the capital raise in May 2020.

In the opinion of the directors there are no material matters that have arisen since 30 June 2020 that have significantly affected or may significantly affect the group, that are not disclosed elsewhere in this report or in the accompanying financial statements.

The financial report was authorised for issue as at the date of the Directors Declaration.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and a copy can be found at page 22.

REMUNERATION REPORT (AUDITED)

This report outlines Cashwerkz's new remuneration strategy. Parts of this are still subject to shareholder approval as indicated in the following sections, but the principles of this strategy that are outlined below have been set by the Board.

Cashwerkz's remuneration framework, as outlined in the accompanying report, reflects our commitment to deliver competitive remuneration for outstanding performance in order to attract and retain talented individuals, while aligning the interests of executives and shareholders. Most importantly in FY20, cash conservation was and continues to be the key to protect shareholder value and avoid unnecessary dilution.

As such, performance-based non-cash remuneration forms a significant portion of Cashwerkz's remuneration strategy. This is allowing us to recruit industry veterans in our strategic growth markets, paying them market remuneration when they deliver significant shareholder returns but paying cash remuneration in line with companies of Cashwerkz's current size.

As shown on the following pages, KMPs and Executive Directors (those with an ongoing executive role in the business) have been granted LTI performance rights with shareholder return triggers linked to a share price of 20cps, 30cps and 45cps, and are also subject to various minimum service standards such as term of service.

The total value of these packages has been benchmarked to relevant peers on the ASX in terms of fixed (cash) remuneration components and maximum remuneration. The share price triggers were set in consultation with KMPs, with the team collectively choosing shareholder return triggers well above those typically used by peers on the ASX, allowing us greater alignment of interests while managing the cost of the total packages.

Regarding Short-Term Incentives (STI) each year the Board will assess several factors including the quality of the results, adherence to risk management policies, achievement against individual objectives and the effectiveness of strategic initiatives implemented to determine the extent to which the overall outcomes adequately reflect actual performance and returns to shareholders.

This report is structured to provide shareholders with insights into the remuneration governance, policies, procedures and practices being applied. As we seek the support of shareholders for the approaches proposed, this report is intended to assist shareholders to engage with the Board regarding refinements and improvements that might be desirable and we look forward to your comments and support for remuneration related resolutions at the upcoming Annual General Meeting.

REMUNERATION FRAMEWORK, POLICIES AND PRACTICES AND LINK TO PERFORMANCE

Our remuneration framework

Cashwerkz's remuneration strategy is approved by the Board, based on recommendations from the Remuneration and Nominations Committee (RNC). The role of the RNC is set out in its charter, which is reviewed annually. Further details about the role and operation of the RNC are included in our Remuneration Policy on our website www.cashwerkz.com.au

REMUNERATION REPORT (AUDITED) (cont'd)

Cashwerkz Executive Remuneration Framework (2020-2023)*

*Executives refers to KMPs and Executive Directors, but the same strategy is applied to all employees via the use of fixed, STIs and ESOP allocations.

Objectives	Attract, motivate and retain executive talent required to deliver strategy	Appropriately balance fixed and at-risk components	Create reward differentiation to drive performance values and behaviours	Create shareholder value through equity alignment
Remuneration (Rem) Component	Total Remuneration (TR)	Total Fixed Remuneration (TFR)	Variable Cash Remuneration (STI)	Variable Equity Remuneration (LTI)
Amount and Range (Min Rem – Max Rem)	Min Rem 2nd-3rd quartile level for CWZ current size. Max Rem at 2nd – 3rd quartile at CWZ market cap if LTI hurdles achieved (45c by 2023)	TFR set according to similar positions at ASX companies of CWZ size today. This will result in fixed (cash) rem being at market if executives do not grow the company in line with the strategy, but well under market if they do	0-50% depending upon position. None for directors. Can be taken as equity at executive's option with 10% discount to reflect premium on cash	LTI to form 40-70% of TR. 100% of LTI is at-risk, meaning that the minimum LTI payment is nil for all executives
Conditions to exceed Min	Must pass all compliance KPIs to exceed Min Rem. In order to reach Max Rem, individual STI hurdles must be exceeded each year, share price hurdles of up to 200% growth over 3yrs must be passed, and tenure must be at least 3 years	n/a	Must pass all compliance KPIs to exceed min, then performance driven according to individual but aligned KPIs	All LTI linked to share price increases of 67%-200% from the share price of 15.0c at the time of issue. LTI also requires min service and compliance KPIs to be satisfied
Strategy behind this approach	CWZ's strategy requires executives with experience well beyond what CWZ can afford in cash rem. Further there are no guarantees of success, so the framework relies heavily upon at-risk components	Conserve cash and therefore minimise shareholder dilution	Align behaviour in short-term, including risk management and revenue growth, while conserving cash	Align executives to manage all aspects required for shareholder growth including earnings growth, compliance and attracting shareholders

Remuneration Structures for current executives.

The proposed remuneration strategy for KMPs and Executive Directors is subject to shareholder approval at the AGM later this year. The information for that approval process will include fixed, cash, LTI and total remuneration proposed for each of the existing KMPs and Executive Directors, being Jon Lechte, Matthew Loughnan, John Nantes and Craig Swanger.

These proposed remuneration levels will reflect the strategy outlined above. In particular, Cashwerkz's performance hurdles, particularly for the LTI, are at the higher end of the market (ASX peer companies) in terms of degree of difficulty. Any LTI award will only have value to the executive if the performance hurdles are met to enable vesting to occur, and for performance rights related awards, if the share price on vesting exceeds the trigger price.

In the event of serious misconduct or a material misstatement in the company's financial statements, the RNC can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

In addition, all executives above have entered into a voluntary escrow agreement in which they have agreed to retain all remuneration-related equity for their full tenure plus a minimum of 12 months (other than as required to cover any income tax liabilities relating to this equity). This was not a condition of the LTI Plan, but agreed collectively by the executives.

REMUNERATION REPORT (AUDITED) (cont'd)

D. Employment details of members of key management personnel (KMP)

The following table provides employment details of persons who, during the financial year, were members of KMP of the group. No KMP remuneration was performance based. The table illustrates the proportion of remuneration that was non-performance based.

Name	Position held	Contract details	Non-salary cash based incentives	Shares	Options	Fixed salary / fees	Total
Directors			%	%	%	%	%
J Nantes	Chairman	3 months notice	-	-	-	100	100
M Hackett	Director	N/A	-	-	-	100	100
N Leman	Director	N/A	-	-	-	100	100
B Adcock	Director	N/A	-	-	-	100	100
C Swanger[1.]	Director	N/A	-	-	-	100	100
Executives							
J Lechte[2.]	CEO	3 months notice	-	-	85	15	100
H Ortiz[3.]	CEO	6 months notice	-	-	-	100	100

[1.] Appointed Director 1 October 2019.

[2.] Appointed CEO 1 April 2020.

[3.] Resigned as CEO 1 April 2020 and resigned from Cashwerkz 15 April 2020.

No KMP's have a fixed term contract.

For senior executives of Cashwerkz, employment conditions are formalised in contracts of employment.

E. Remuneration details for the year ended 30 June 2020

Details of the nature and amount of each major element of remuneration for KMP and other executives of the group during the financial year:

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Options	
2020	**$**	**$**	**$**	**$**	**$**	**$**	**$**
J Nantes[1.]	198,000	-	-	-	-	-	198,000
M Hackett	157,210	-	14,250	2,867	-	-	174,327
N Leman[2.]	56,750	-	-	-	-	-	56,750
B Adcock	-	-	-	-	-	-	-
C Swanger[3.]	45,000	-	-	-	-	-	45,000
J Lechte[4.]	54,421	-	4,750	941	-	316,752	376,864
H Ortiz	195,376	-	30,677	(6,704)	125,000	-	344,349
Total	**706,757**	**-**	**49,677**	**(2,896)**	**125,000**	**316,752**	**1,195,290**

[1.] This amount is paid in accordance with a contract arrangement with CJN Advisory Pty Ltd, an entity associated with John Nantes. Refer to Note 19: Related Party Transactions.

[2.] This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Ltd, an entity associated with Nathan Leman. Refer to Note 19: Related Party Transactions.

[3.] This amount is paid in accordance with a contract arrangement with Revolver Capital Pty Ltd, an entity associated with Craig Swanger. Refer to Note 19: Related Party Transactions.

[4.] Jon Lechte was appointed on 1 April 2020.

REMUNERATION REPORT (AUDITED) (cont'd)

Options Granted as Share-based Payments

The terms and conditions relating to performance rights granted as remuneration during the year to KMP are as follows:

Name	Remuneration Type	Grant Date	Grant Value $	Reason for Grant Note	Percentage Vested / Paid during Year %	Percentage Forfeited during Year %	Percentage Remaining as Unvested %	Expiry Date for Vesting	Range of Possible Values Relating to Future Payments
J Lechte	Perfromance Rights	01/04/2020	213,465	(i)	100	-	-	01/04/2020	n/a
J Lechte	Performance Rights	01/04/2020	249,789	(ii)	-	-	100	01/04/2021	n/a
J Lechte	Performance Rights	01/04/2020	338,189	(iii)	-	-	100	01/04/2022	n/a

(i) Performance Rights were issued as part of the group's LTIP and vest immediately upon granting.

(ii) Performance Rights were issued as part of the group's LTIP and vest upon 1 year minimum service.

(iii) Performance Rights were issued as part of the group's LTIP and vest upon 2 years minimum service.

Number of Options Granted as Remuneration

All LTI equity is subject to a voluntary escrow which requires that no shares are sold until 1 year after exit from the Group. There are no other market or performance conditions attached to the LTI's.

		Grant Details			Exercised		Forfeit	
	Balance at 01/07/2019	Issue Date	No.	Value ($)	No.	Value ($)	No.	Balance at 30/06/2020
M Hackett	2,000,000	-	-	-	-	-	2,000,000	-
N Leman	2,000,000	-	-	-	-	-	2,000,000	-
B Adcock	2,000,000	-	-	-	-	-	2,000,000	-
J Nantes	4,000,000	-	-	-	-	-	4,000,000	-
H Ortiz	1,206,897	-	-	-	-	-	1,206,897	-
J Lechte	-	01/04/2020	16,860,000	801,443	-	-	-	16,860,000
TOTAL	**11,206,897**		**16,860,000**	**801,443**	**-**	**-**	**11,206,897**	**16,860,000**

		Vested	Unvested
	Balance at 30/06/2020	No.	No.
J Lechte	16,860,000	3,210,000	13,650,000
	16,860,000	**3,210,000**	**13,650,000**

The fair value of options granted as remuneration as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period.

REMUNERATION REPORT (AUDITED) (cont'd)

Description of Options Issued as Remuneration

Details of the options granted as remuneration to those KMP listed in the previous table are as follows:

Grant Date	Issuer	Entitlement on Exercise	Dates Exercisable	Exercise Price	Value at Grant Date	Amount Paid/ Payable by Recipient
				$	$	$
01/04/2020	Cashwerkz Limited	1:1	01/04/2025	$0.20	$0.067	nil
01/04/2020	Cashwerkz Limited	1:1	01/04/2025	$0.30	$0.052	nil
01/04/2020	Cashwerkz Limited	1:1	01/04/2025	$0.45	$0.038	nil

Option values at grant date were determined using a binomial method.

Details relating to performance criteria required for vesting have been provided in the Options Granted as Share-based payments table.

F. Remuneration details for the year ended 30 June 2019

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Shares and options	
2019	**$**	**$**	**$**	**$**	**$**	**$**	**$**
M Hackett	150,000	-	14,250	2,862	-	174,174	341,286
N Leman[1]	38,750	-	-	-	-	174,174	212,924
B Adcock	-	-	-	-	-	174,174	174,174
J Nantes[2]	198,000	93,183	-	-	-	348,348	639,531
H Ortiz	241,324	100,000	32,426	3,183	-	114,006	490,939
Total	**628,074**	**193,183**	**46,676**	**6,045**	**-**	**984,876**	**1,858,854**

1. This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Ltd, an entity associated with Nathan Leman. Refer to Note 17: Key Management Personnel (KMP) Interests.

2. This amount is paid in accordance with a contract arrangement with Nantes Business Advisory Pty Ltd, an entity associated with John Nantes. Refer to Note 17: Key Management Personnel (KMP) Interests.

G. KMP Shareholdings

The number of ordinary shares in Cashwerkz held by each of the KMP of the group during the financial year is as follows:

Listed fully paid ordinary shares

30 June 2020	Balance at 01/07/2019	Granted as remuneration	Purchased / (sold)	Net change other	Balance at 30/06/2020
Michael Hackett	21,867,593	-	153,846	-	22,021,439
Nathan Leman	2,878,880	-	76,923	-	2,955,803
Brook Adcock	54,239,679	-	12,812,500	-	67,052,179
John Nantes	7,749,496	-	230,769	-	7,980,265
Craig Swanger	-	-	76,923	-	76,923
Jon Lechte	-	-	1,538,461	-	1,538,461
Hector Ortiz	-	-	-	-	-
Total	**86,735,648**	**-**	**14,889,422**	**-**	**101,625,070**

REMUNERATION REPORT (AUDITED) (cont'd)

30 June 2019	Balance at 01/07/2018	Granted as remuneration	Net change other	Purchased / (sold)	Balance at 30/06/2019
Michael Hackett	18,099,178	-	3,693,786	74,629	21,867,593
Nathan Leman	2,878,880	-	-	-	2,878,880
Brook Adcock	39,696,339	-	19,243,340	(4,700,000)	54,239,679
John Nantes	4,499,496	-	-	3,250,000	7,749,496
Hector Ortiz	-	-	-	-	-
Total	**65,173,893**	**-**	**22,937,126**	**(1,375,371)**	**86,735,648**

The above tables represent KMP's relevant interest in shares.

H. KMP Other Equity Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

I. KMP loan amounts payable

There are no KMP loan amounts payable at 30 June 2020.

J. KMP Contracts for Services

Other than as disclosed in Employment details of members of key management personnel (KMP) and other executives (refer point D), there are no formal employment contracts in place for any other key management personnel in the group.

K. Transactions with Key Management Personnel

From time to time Key Management Personnel may purchase or supply goods or services from or to the group.

These transactions are made on an arms-length commercial basis and are outlined below:

- John Nantes is a director of CJN Advisory Pty Ltd (CJN Advisory), who undertakes responsible manager and consulting services work for the group. During the 2020 year, $198,000 (2019: $291,183) was paid by the group to CJN Advisory and at 30 June 2020 the group had no (2019: $16,500) oustanding amounts with CJN Advisory.
- Nathan Leman is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertakes project management and consulting work for the group on a cost recovery basis. During the 2020 year, $56,750 (2019: $38,750) was paid by the group to Mikko. At 30 June 2020 the group owed Mikko $5,500 (2019: $5,115).
- Craig Swanger is a director of Revolver Capital Pty Ltd (Revolver Capital). Revolver Capital undertakes project management and consulting work for the group on a cost recovery basis. During the 2020 year, $45,000 (2019: nil) was paid by the group to Revolver Capital and at 30 June 2020 the group had no (2019: nil) outstanding amounts with Revolver Capital.
- Nathan Leman is a director of Australian Adventure Tourism Group Limited (AATG), who utilise the services of the Cashwerkz administration team on a cost recovery basis. During the 2020 year, $29,964 (2019: $50,648) was charged by the group to AATG and at 30 June 2020 AATG had no (2019: $5,581) outstanding amounts with Cashwerkz.
- In the 2019 comparative, interests associated with Cashwerkz directors, Brook Adcock and Michael Hackett, converted 4,771,278 CRPS on issue to 23,856,390 fully paid ordinary shares on 24 December 2018. Included in the conversion amount was accrued interest on the CRPS of $213,039.

This report of the directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the board of directors.

John Nantes
Executive Chairman

28 August 2020

CORPORATE GOVERNANCE STATEMENT

The group is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

This Statement reports on the group's key governance principles and practices. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

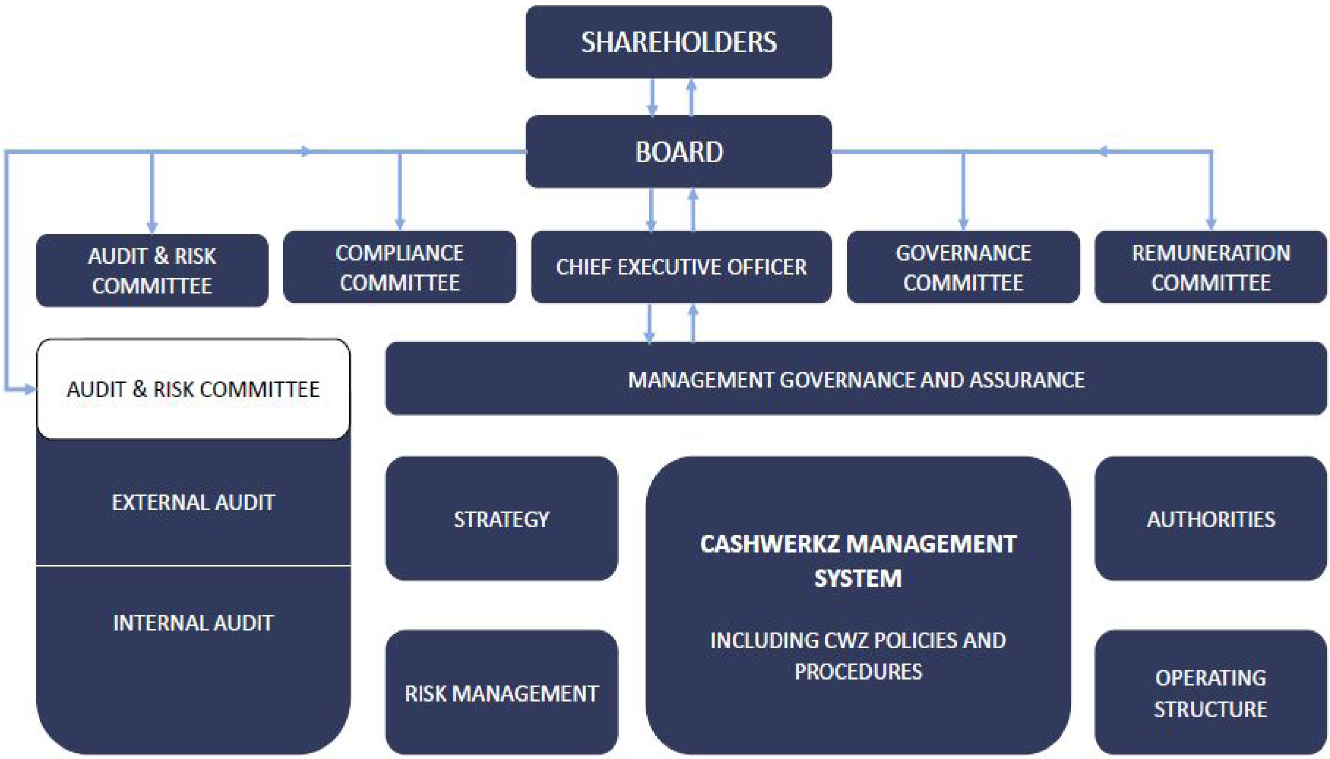
The Board monitors the operational and financial position and performance of the group and oversees the business strategy, including approving the strategic goals of the group and considering and approving its business plan and the associated subsidiary entities and corporate budgets.

The group's corporate governance model is illustrated below. The Cashwerkz Management System describes the group's way of working, enabling the group to understand and manage its business to achieve its objectives. It defines the boundaries within which the group's employees and contractors are expected to work.

The Cashwerkz Management System establishes a common approach to how we operate, wherever the location. The group, as a listed entity, must comply with the Corporations Act 2001 (Cth), the ASX Listing Rules, the Australian Financial Services Licence conditions and authorities and other Australian and international laws.

The ASX Listing Rules require the group to report on the extent to which it has followed the Corporate Governance Recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement, which was lodged with this Annual Report, discloses the extent to which the group will follow the recommendations taking into account the relatively small size of the group in determining the extent of practical implementation.

The website (www.cashwerkz.com.au) contains copies of Board and committee charters and copies of many of the policies and documents mentioned in this Statement, which form part of the Cashwerkz Management System. The website is updated regularly to ensure it reflects the group's most current corporate governance information.



Nexia Australia

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

To the Directors of Cashwerkz Limited

As lead auditor of Cashwerkz Limited I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

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

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

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

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Robertson.

AM Robertson
Director

Date: 28 August 2020

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

	Notes	2020 $	2019 $
Financial services revenue	3(a)	1,269,485	1,152,540
Business operating expenses		(1,337,953)	(1,359,586)
Employment expenses	3(b)(ii)	(4,644,346)	(4,284,397)
Finance costs	3(b)(i)	(25,859)	(214,579)
Depreciation and amortistion expense	3(b)(iii)	(1,463,412)	(1,310,626)
Property operating expenses		(64,750)	(250,691)
Other expenses		(1,084,280)	(1,046,181)
Loss before income tax		**(7,351,115)**	**(7,313,520)**
Income tax benefit / (expense)	4	-	-
Loss for the year attributable to members		**(7,351,115)**	**(7,313,520)**
Other comprehensive income			
Items will be classified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year		**-**	**-**
Total comprehensive loss for the year attributable to members		**(7,351,115)**	**(7,313,520)**
Loss attributable to:			
Members of the parent entity		(7,351,115)	(7,313,520)
Total comprehensive loss attributable to:			
Members of the parent entity		(7,351,115)	(7,313,520)
Earnings per share:	22	**Cents**	**Cents**
Basic earnings per share		(4.0)	(5.4)
Diluted earnings per share		(4.0)	(5.4)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 $	2019 $
Current Assets			
Cash and cash equivalents	5	4,234,214	5,153,043
Trade and other receivables	6	476,720	380,650
Other current assets	7	346,581	355,595
Total Current Assets		**5,057,515**	**5,889,288**
Non-Current Assets			
Intangibles	8	7,648,166	8,883,612
Right of use assets	9	244,779	-
Property, plant & equipment	10	168,270	209,140
Total Non-Current Assets		**8,061,215**	**9,092,752**
Total Assets		**13,118,730**	**14,982,040**
Current Liabilities			
Trade and other payables	11	455,343	311,641
Lease liabilities		198,901	-
Borrowings	12	17,650	-
Provisions	13	213,222	238,521
Total Current Liabilities		**885,116**	**550,162**
Non-Current Liabilities			
Lease liabilities		60,782	-
Provisions	13	31,705	25,287
Total Non-Current Liabilities		**92,487**	**25,287**
Total Liabilities		**977,603**	**575,449**
Net Assets		**12,141,127**	**14,406,591**
Equity			
Issued capital	14	30,867,822	26,082,459
Reserves	15	435,409	1,103,533
Retained earnings		(19,162,104)	(12,779,401)
Total Equity		**12,141,127**	**14,406,591**

The accompanying notes form part of these financial statements.

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

	Notes	2020 $	2019 $
Cash Flows from Operating Activities			
Receipts from customers		1,203,752	912,870
Payments to suppliers and employees		(6,753,364)	(6,068,708)
Interest received		42,285	119,178
Finance costs		(25,859)	(1,540)
Net operating cash flows	5(b)	**(5,533,186)**	**(5,038,200)**
Cash Flows from Investing Activities			
Payment for property, plant & equipment	10	(10,762)	(31,795)
Payment for intangible assets	8	(3,549)	(5,230)
Net investing cash flows		**(14,311)**	**(37,025)**
Cash Flows from Financing Activities			
Proceeds from issues of shares, net of transaction costs	14	4,785,363	9,271,534
Proceeds from issue of convertible preference shares		-	555,000
Proceeds from borrowings		106,987	-
Repayment of borrowings		(89,337)	-
Repayments of lease principle		(174,345)	-
Net financing cash flows		**4,628,668**	**9,826,534**
Net increase / (decrease) in cash held		**(918,829)**	**4,751,309**
Cash at the beginning of the period		5,153,043	401,734
Cash at the end of the financial period	5(a)	**4,234,214**	**5,153,043**

The accompanying notes form part of these financial statements.

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

	Issued Capital Ordinary	Option Reserve	Retained Earnings	Total
	$	$	$	$
Balance at 1 July 2019	**26,082,459**	**1,103,533**	**(12,779,401)**	**14,406,591**
Cumulative adjustment upon adoption new accounting policy - AASB 16	-	-	(16,464)	(16,464)
Balance at 1 July 2019 (restated)	**26,082,459**	**1,103,533**	**(12,795,865)**	**14,390,127**
Comprehensive income for the period				
Loss attributable to members of parent entity	-	-	(7,351,115)	(7,351,115)
Total comprehensive loss for the period	**-**	**-**	**(7,351,115)**	**(7,351,115)**
Tranaction with owners, in their capacity as owners and other transfers				
Contributions of equity, net of transaction costs (refer Note 14)	4,785,363	-	-	4,785,363
Share based payments	-	316,752	-	316,752
Transfer to retained earnings	-	(984,876)	984,876	-
Total transactions with owners	**4,785,363**	**(668,124)**	**984,876**	**5,102,115**
Balance at 30 June 2020	**30,867,822**	**435,409**	**(19,162,104)**	**12,141,127**

	Issued Capital Ordinary	Option Reserve	Retained Earnings	Total
	$	$	$	$
Balance at 1 July 2018	**12,158,304**	**-**	**(5,480,729)**	**6,677,575**
Cumulative adjustment upon change in accounting policy (AASB 15)	-	-	14,848	14,848
Balance at 1 July 2018 (restated)	**12,158,304**	**-**	**(5,465,881)**	**6,692,423**
Comprehensive income for the period				
Loss attributable to members of parent entity	-	-	(7,313,520)	(7,313,520)
Total comprehensive loss for the period	**-**	**-**	**(7,313,520)**	**(7,313,520)**
Tranaction with owners, in their capacity as owners and other transfers				
Contributions of equity, net of transaction costs (refer Note 14)	13,924,155	-	-	13,924,155
Share based payments	-	1,103,533	-	1,103,533
Total transactions with owners	**13,924,155**	**1,103,533**	**-**	**15,027,688**
Balance at 30 June 2019	**26,082,459**	**1,103,533**	**(12,779,401)**	**14,406,591**

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Cashwerkz Limited (Cashwerkz) and controlled entities (the group). Cashwerkz is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Cashwerkz Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 2.

The financial statements were authorised for issue as at the date of the directors declaration.

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, the *Corporations Act 2001* and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

A. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Cashwerkz Limited)and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has the right 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 controlled entities is contained in Note 18 Controlled Entities.

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.

B. Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The group's cash and cash equivalents balance at the reporting date is $4,234,214.

The group incurred a loss for the year attributable to members of $7,351,115 (2019: $7,313,520) and net cash outflows from operating activities of $5,533,186 (2019: $5,038,200).

The Cashwerkz business of cash and term deposits has been its source of revenue, while maintaining a relatively flat expense base. As noted, Cashwerkz has introduced two new revenue streams that will contribute further revenue to the group and revenue with higher margins. The retail cash and term deposit products have historically offered 5-10 basis points (bps) in commission, with wholesale earning 3 to 5 bps. Fixed interest products can provide larger margins of the range 55bps to 200+bps dependent on the product structure.

Cashwerkz retains the scalability of its technology platform and the growth in funds translates to growth in revenue. Cashwerkz has been able to attract top tier talent to leverage this capability, as such Cashwerkz is committed to growing it’s cash and term deposit offering to generate further revenues. Cashwerkz has also attracted top tier talent to provide general advice and product solutions in fixed income products which position the company well for growth. The Bond Income business is fully operational with sales occurring immediately.

The Fund Income incubator will start operating in the first quarter of FY21 and will generate revenue based upon the equity ownership in each fund and distribution fees earned from placing investments with each of the Funds within the incubator.

Cashwerkz has realigned and restructured parts of its workforce to improve sales and technical capability required for the new businesses. Given the scalability of the business, Cashwerkz expects to keep costs in operations and technology relatively flat and add costs in sales related positions where a clear multiple is achievable.

Cashwerkz offers access to a Long Term Incentive (LTI) program for staff where it supports staff engagement, is aligned to revenue performance and manages cash costs for the business.

The ability of the group to continue as a going concern is principally dependent upon managing cashflow in line with available funds. The group has prepared a cash flow forecast that indicates the group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The cash flow assumptions include revenue from new product offerings for domestic and international bonds and deposits. In the event the time to setup these new product offerings is extended or the revenue from the offerings is delayed or below forecast expectations, additional funding support may be required.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Going Concern (cont'd)

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

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

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

C. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income for the period. Current tax liabilities (assets) are 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 unused tax losses.

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

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 deffered 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 the econimic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deffered tax asset is measured on the basis that the carrying amount of such property will be recoved entirely through use.

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 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 unless the deferred tax asset relating to temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 a legally enforceable right of set-off exists, 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.

Tax consolidation

Cashwerkz Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2004. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less accumulated depreciation for buildings. Valuation assessments are also conducted by management using the same methodology applied in previous independent valuations, taking into account comparable rentals and capitalisation rates to recent new leases and sales achieved which reflect the prevailing economic conditions, to assess whether the book values represent fair values.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to be estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease is the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (Refer to Note 1(H)) for details of impairment.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Property, Plant and Equipment (cont'd)

The useful-life rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate (years)
Buildings	40
Leasehold improvements	10
Plant and equipment	10-15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

F. Leases (the group as lessee)

The group as lessee

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

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

G. 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.

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

All of the group's 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.

The group does not have any financial liabilities classified as held for trading, designated as fair value through profit or loss or any financial guarantee contracts.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost.

Measurement is on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

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

- the financial asset is managed solely to collect contractual cash flows; and
- 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 group does not measure any financial assets at fair value through profit or loss or fair value through other comprehensive income.

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 (i.e. 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.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

G. Financial Instruments (cont'd)

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 assets:

- 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 (i.e. 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.

Impairment

The group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

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 applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics and the days past due.

There are no expected credit losses in the group's financial assets.

H. Impairment of Assets

At the end of each reporting period, the group assesses whether there is any indiciation that an asset may be impaired. The assessment will include the consideration of external 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 (eg in accordance with the revaluation model in AASB 116: Property and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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.

I. Intangible assets other than goodwill

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The amortisation method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Capitalisation of platform development costs

Research costs and costs associated with maintaining software programmes are expensed in the period in which they are incurred. Development costs and software costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Cashwerkz are recognised as intangible assets and amortised from the point which the asset is ready for use when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. Intangible assets other than goodwill (cont'd)

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised platform costs are amortised on a straight line basis over the period of their expected benefit to the group being 10 years.

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful life.

Software

Software which has been externally acquired is recognised at cost of acquisition. Once the software is fully operational, the expenditure has a finite useful life of 5 years and is carried at cost less any accumulated amortisation and impairment losses.

J. Equity-settled Compensation

The group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and statement of profit and loss and other comprehensive income respectively. The fair value of options may be determined using either a Black-Scholes or Binomial pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

K. Employee Benefits

Short-term employee benefits

Provision is made for the group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

L. 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.

M. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

N. Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

O. 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 Tax Office. Receivables and payables are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

P. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

Q. Revenue and Other Income

Revenue Recognition

Financial services revenue

The sale of financial services are measured at the fair value of consideration received after taking into account any trade discounts or volume rebates allowed.

The sale of financial services represents a single performance obligation and accordingly, revenue is recognised in respect of the sale of these services at the point in time when control over the corresponding services is transferred to the customer (i.e. at a point in time for services when the services are delivered to the customer). Under AASB 15, revenue is recognised when control of the services transfer to the customer i.e. when the services have been delivered to a customer pursuant to a sales order.

Cost recovery income

The group on-charge services as incurred and are provided at a point in time to a director related entity.

Government funding

Government grants that compensate the group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Interest received

Interest income is recognised using the effective method.

R. Trustee / Responsible Entity Obligations

Cashwerkz acts as responsible entity for managed investment schemes registered with the Australian Securities and Investment Commission. A responsible entity is liable for limited obligations of its underlying trusts, and generally has a right of indemnity against the trusts' assets. These financial statements do not recognise such liabilities except to the extent that the group has committed a breach of fiduciary duty, or the extent that an underlying trust might have insufficient assets to settle its obligations. Such circumstances have not arisen. Cashwerkz has no obligation in respect of any borrowing or other liability of any trust for which it acts as responsible entity.

The Consolidated Cash Flow Statement does not reflect any cash flows attributable to the activities of the group undertaken on behalf of the trust's. At balance date, to the directors' knowledge the assets of the trust's are sufficient to meet their liabilities.

Commissions and fees earned in respect of the trust's activities are included in profit and loss, which also includes commissions and fees earned or paid from fund management activities.

S. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

S. Critical Accounting Estimates and Judgments (cont'd)

Key Estimates

(i) Impairment - general

The group assesses impairment at each reporting date by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using either fair value less costs to sell, value-in-use calculations or an alternative valuation technique which incorporate various key assumptions.

(ii) Goodwill

The group makes assessments of goodwill based on recoverable amount calculations, refer Note 8.

(iii) Impairment - software

The group determines recoverable amounts of its software on a regular basis to assess whether an impairment expense should be recognised in the current accounting period. Recoverable amount assessments are performed using various valuation methodologies that may include, capitalisation of future maintainable earnings, net present value of future cash flows, asset based methods and comparable market transactions. The group has determined its finite life intangible assets are not impaired when considering these valuation techniques in conjunction with the accumulated costs of developing its sotware and bringing them to their current state, refer Note 8.

There has been no impairment charge recognised during the year (2019: Nil).

(iv) Estimation of useful lives of software

At each reporting date the group revaluates the estimated useful lives and related amortisation charge for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

There has been no change to the useful life of the software during the year (2019: Nil change).

(v) Share-based payment transactions

The group measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Key Judgements

(i) Future Tax benefit of Tax Losses

At 30 June 2020, the directors reassessed the recoverability of the future tax benefits of tax losses and consider there is no certainty that future taxable profit will be available to enable the benefit of tax losses to be realised. At each period end the directors will reassess the recoverability of the future tax benefit of these tax losses. Furthermore, The tax benefit of these losses will only be obtained if:

- The group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and

- The group continues to comply with the conditions for deductibility of losses imposed by the relevant tax legislation.

In particular, the group's tax losses can be carried forward to offset its future income and the future income of members of its tax consolidated group, subject to the satisfaction of the Continuity of Ownership Test or the Same or Similar Business Test, and having regard to the application of the "available fraction".

In this respect the ability to utilise tax losses in the future will be dependent on specific shareholding tracing in the years of losses and the future years of income, and future events including the business activity of the group in future years of income.

T. New and Amended Accounting Policies Adopted by the Group

Initial Application of AASB 16: *Leases*

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2020 $	2019 $
Statement of Financial Position		
Assets		
Current assets	775,667	4,683,542
Non-current assets	8,416,352	8,430,495
Total assets	**9,192,019**	**13,114,037**
Liabilities		
Current liabilities	168,797	142,132
Non-current liabilities	11,331	6,620
Total liabilities	**180,128**	**148,752**
Equity		
Issued capital	30,867,822	26,082,459
Reserves	435,409	1,103,533
Retained earnings	(22,291,340)	(14,220,707)
Total Equity	**9,011,891**	**12,965,285**
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(9,055,509)	(6,804,209)
Total comprehensive loss	(9,055,509)	(6,804,209)

Contingent liabilities and guarantees

The parent company does not have any contingent liabilities or guarantees in place for the year ended 30 June 2020.

Other contingent matters of the company, or the group, are mentioned in Note 16.

Contractual commitments

At 30 June 2020, the parent company had not entered into any contractual commitments (2019: $nil).

NOTE 3: REVENUE AND EXPENSES

		2020 $	2019 $
Continuing Operations			
(a) Revenue			
Revenue from contracts with customers	(i)	900,200	1,033,362
Other sources of revenue	(ii)	369,285	119,178
Total revenue		**1,269,485**	**1,152,540**

(i) Revenue disaggregation

The group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by service line and timing of revenue recognition.

	2020 $	2019 $
Service lines:		
- financial services	900,200	1,033,362
Timing of revenue recognition		
Services transferred to customers:		
- at a point in time	900,200	1,033,362

(ii) Other sources of revenue

	2020 $	2019 $
Interest		
- unrelated parties	42,285	119,178
Government grants received		
- JobKeeper wage subsidy	27,000	-
- Cashflow Boost subsidy	300,000	-
	369,285	**119,178**

(b) Expenses

(i) Finance costs

	2020 $	2019 $
Interest on CRPS - paid to KMP related parties / Director related parties	-	213,039
Finance charges payable under finance leases	1,693	1,540
Finance costs - right of use assets	24,166	-
	25,859	**214,579**

(ii) Employee benefits expense

	2020 $	2019 $
Wages and salaries costs	3,984,551	2,924,225
Superannuation	361,924	281,321
Employee benefits provisions	(18,881)	93,975
Share based payment options	316,752	984,876
	4,644,346	**4,284,397**

(iii) Depreciation and amortisation expenses

	2020 $	2019 $
Amortisation - Cashwerkz Platform	1,037,836	1,035,000
Amortisation - other intangible assets	201,160	245,513
Depreciation - plant and equipment	51,632	30,113
Depreciation - right of use assets	172,784	-
	1,463,412	**1,310,626**

NOTE 4: INCOME TAX EXPENSE

	2020 $	2019 $
(a) The components of tax expense / (benefit) comprise		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows

	2020 $	2019 $
Prima facie tax payable / (benefit) on loss from ordinary activities before income tax at 27.5% (2019: 27.5%):	(2,021,557)	(2,011,218)
Add /(less)		
Tax effect of:		
- current period tax losses not recognised	1,901,066	1,983,067
- net amount of expenses not currently deductible	205,466	38,753
- other income not included in assessable income	(84,975)	(10,602)
Income tax expense / (benefit) attributable to entity	-	-

Applicable weighted average effective tax rates are nil due to losses.

(c) Deferred tax assets not recognised

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1: Statement of Significant Accounting Policies occur. The amount of losses ultimately available is also dependant on compliance with conditions of deductibility imposed by Taxation law.

	2020 $	2019 $
Temporary differences	(387,853)	(528,296)
Tax losses	8,792,466	6,901,738
Capital losses	460,751	460,751
Net unbooked deferred tax assets	**8,865,364**	**6,834,193**

The group has unconfirmed revenue losses of $31,972,601 (2019: $25,097,230) and capital losses of $1,675,458 (2019: $1,675,458). The group is of the view that it satisfies the necessary criteria for these losses to be made available against future taxable profit, however the ATO will not rule on the availability to carry forward the losses at a point in time, they will only rule on the ability to utilise the losses at the date of utilisation. The criteria for which the group can rely on these carry forward losses is set out in Note 1(S) Key Judgements.

The 2019 year carry forward loss amounts have been re-stated to agree to tax returns as lodged.

NOTE 5: CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	4,218,684	620,952
Short-term deposit	15,530	4,532,091
	4,234,214	**5,153,043**

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

Short-term deposits are made for varying periods of between one day and six months, depending on immediate cash requirements of the group, and earn interest at the respective short-term deposit rates. Short-term deposits are comprised of:

- $15,530 (2019: $32,091) at call with an interest rate of 0.05% (2019: 1.05%)
- 2019 - $2,500,000 maturing 6 November 2019 with an interest rate of 2.85%;
- 2019 - $1,500,000 maturing 31 July 2019 with an interest rate of 2.6%;
- 2019 - $500,000 maturing 1 July 2019 with an interest rate of 2.25%; and

The fair value of cash, cash equivalents and overdrafts is $4,234,214 (2019: $5,153,043).

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash includes cash and cash equivalents comprising the following at 30 June 2019:

	Note	2020 $	2019 $
Cash at bank and in hand		4,218,684	620,952
Short-term deposit		15,530	4,532,091
	23	**4,234,214**	**5,153,043**

(b) Reconciliation of Profit after Income Tax to Cash Flows from Operations

	2020 $	2019 $
Net loss after income tax	(7,351,115)	(7,313,520)
Adjustment of non cash items		
Amortisation and depreciation	1,463,412	1,310,626
Share based payment expenses	316,752	984,876
Interest - related parties	-	213,039
Changes in assets and liabilities, net of the effects of movements in subsidiaries		
(Increase) / decrease in receivables and other current assets	(87,056)	(95,521)
Increase / (decrease) in trade creditors	143,702	(200,457)
Increase / (decrease) in provisions	(18,881)	62,757
Net operating cash flows	**(5,533,186)**	**(5,038,200)**

(c) Changes in Liabilities arising from Financing Activities

	1 July 2019 $	Cash flows $	Initial application of AASB 16 $	Acquisition $	30 June 2020 $
Short-term borrowings	-	(89,337)	-	106,987	17,650
Lease liabilities	-	(198,511)	458,194	-	259,683
Total	**-**	**(287,848)**	**458,194**	**106,987**	**277,333**

NOTE 6: TRADE AND OTHER RECEIVABLES

	Note	2020	2019
Current		**$**	**$**
Trade debtors		95,170	118,363
Other receivables		381,550	262,287
Total current receivables		**476,720**	**380,650**
Financial Assets classified as loans and receivables			
Trade and other receivables			
-Total current		476,720	380,650
Finanical Assets	23	**476,720**	**380,650**

(a) Credit risk - trade and other receivables

The group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the group. On a geographical basis, the group has no significant credit risk exposures.

(b) Lifetime expected credit loss

The group applies the simplified approach to providing for expected credit loss prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The group has not recorded an impairment for expected credit losses in the current or prior year as all trade and other receivables are considered AAA credit worthy ADI and other institutions with no material balances past due.

NOTE 7: OTHER ASSETS

	Note	2020	2019
		$	**$**
Prepayments		142,260	169,900
Bonds and deposits	23	204,321	185,695
Total other assets		**346,581**	**355,595**

NOTE 8 INTANGIBLE ASSETS

	2020	2019
	$	**$**
Goodwill - at cost	226,316	226,316
	226,316	**226,316**
Software - at cost	11,435,510	11,435,510
less accumulated amortisation	(4,026,853)	(2,788,571)
	7,408,657	**8,646,939**
Trademarks and patent - at cost	14,714	11,164
less accumulated amortisation	(1,522)	(807)
	13,193	**10,357**
Total intangibles	**7,648,166**	**8,883,612**

NOTE 8 INTANGIBLE ASSETS (cont'd)

	Note	Goodwill[1.]	Software[2.]	Trademarks	Total
		$	$	$	$
Balance at 1 July 2019		226,316	8,646,939	10,357	8,883,612
Additions		-	-	3,549	3,549
Amortisation charge		-	(1,238,282)	(713)	(1,238,995)
Balance at 30 June 2020	(a)	**226,316**	**7,408,657**	**13,193**	**7,648,166**
Balance at 1 July 2018		226,316	9,923,902	8,676	10,158,894
Additions		-	2,918	2,312	5,230
Amortisation charge		-	(1,279,881)	(631)	(1,280,512)
Balance at 30 June 2019		**226,316**	**8,646,939**	**10,357**	**8,883,612**

(a) As part of the annual review of holding values of all intangibles the directors have reviewed the carrying values of goodwill, software and trademarks and have adopted the current carrying values at 30 June 2020.

Goodwill relates to the subsidiary Cashwerkz FI cash generating unit and software intangibles relate to the cash generating unit of Cashwerkz Technologies.

[1.] *KEY ASSUMPTIONS USED FOR CASHWERKZ FI CASH GENERATING UNIT*

The group has assessed the carrying value of the Cashwerkz FI goodwill to be not less than its recoverable value, by estimating the cash generating unit fair value less costs to sell and comparing historical and future revenue multiples of comparative ASX listed entities in the diversified financial services sector to the financial services business segment of Cashwerkz FI. These multiples are based on the observed share prices of minority parcels of shares. The implied multiples are the result of owning 100% stakes and therefore include a control premium. The group have selected a multiple of 1.5 on a control basis to apply to the selectable maintainable revenue of the continuing operations of Cashwerkz FI on a standalone basis.

[2.] *KEY ASSUMPTIONS USED FOR RECOVERABLE AMOUNT ASSESSMENT OF SOFTWARE*

The group has considered a range of generally accepted valuation methodologies in assessing the recoverable amount of its software. The recoverable amount of the group's software has been determined as the total costs incurred on the Cashwerkz Platform in order to bring it to its current state of development. On this basis the Cashwerkz Platforms recoverable amount is $10.3M.

Impairment

No impairment for the 2020 financial year has been recorded for intangible assets.

NOTE 9: RIGHT OF USE ASSETS

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

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

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

	2020
	$
Right of use assets	
Leased building	691,140
Accumulated depreciation	(446,361)
	244,779
Movement in carrying amounts:	
Leased building:	
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	417,563
Depreciation expense for the year	(172,784)
	244,779

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

Depreciation charge related to right of use assets	172,784
Interest expense on lease liabilities (included in finance costs)	24,166

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

	2020
	$
Total principal and interest cash outflows for leases	(198,511)

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	$	$
Plant and equipment owned		
- at cost	174,497	163,735
less accumulated depreciation	(137,851)	(115,853)
Total plant and equipment, net	**36,646**	**47,882**
Leasehold improvements		
- at cost	255,980	255,980
Less accumulated amortisation	(124,356)	(94,722)
Total Leasehold improvements, net	**131,624**	**161,258**
Total property, plant and equipment	**168,270**	**209,140**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

	Plant & equipment	Leasehold improvements	Total
30 June 2020	**$**	**$**	**$**
Balance at the beginning of the financial year	47,882	161,258	209,140
Additions	10,762	-	10,762
Depreciation expense	(21,998)	(29,634)	(51,632)
Balance at end of financial year	**36,646**	**131,624**	**168,270**

	Plant & equipment	Leasehold improvements	Total
30 June 2019	**$**	**$**	**$**
Balance at the beginning of the financial year	32,864	174,594	207,458
Additions	31,795	-	31,795
Depreciation expense	(16,777)	(13,336)	(30,113)
Balance at end of financial year	**47,882**	**161,258**	**209,140**

NOTE 11: TRADE AND OTHER PAYABLES

	Note	2020 $	2019 $
Current - unsecured			
Trade creditors		153,330	96,076
Sundry creditors and accrued expenses		302,013	215,565
Total current payables		**455,343**	**311,641**
Financial liabilities at amortised cost classified as trade and other payables	23	**455,343**	**311,641**

NOTE 12: BORROWINGS

	Note	2020 $	2019 $
Current			
Loan - unsecured	(i)	17,650	-
Total current borrowings	23	**17,650**	**-**

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

NOTE 13: PROVISIONS

	2020	2019
	$	$
Current		
Employee benefits	213,222	238,521
Total current provisions	**213,222**	**238,521**
Non-Current		
Employee benefits	31,705	25,287
Total non-current provisions	**31,705**	**25,287**
Opening Balance	263,808	201,052
Additional provisions	295,475	202,240
Amounts used	(314,356)	(139,484)
Closing Balance	**244,927**	**263,808**

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

The current portion for this provision includes the total amount accrued for annual leave and long service entitlements that have vested due to employees having completed the required period of service. Based on past experience the group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities as the group does not have an unconditional right to defer settlement of the amount in the event the employees wishes to leave their employment.

NOTE 14: ISSUED CAPITAL

	2020	2019
	$	$
Issued capital	30,867,822	26,082,459

(a) Movement in ordinary shares:

Date	Detail	Number of shares	Issue Price ($)	Issued Capital
01 Jul 2019	Opening balance	159,881,719		26,082,459
13 May 2020	Share Placement (i)	25,110,577	0.13	3,264,375
30 Jun 2020	Share Placement (i)	13,350,961	0.13	1,735,625
	Transaction costs			(214,637)
30 June 2020	**Closing balance**	**198,343,257**		**30,867,822**

(i) On 13 May 2020 and 30 June 2020, Cashwerkz issued a total of 38,461,538 shares to sophisticated investors. The placement of $5M at an issue price of $0.13 will be used to diversify the product offering to include domestic and international bonds and deposits, talent acquisition, marketing and to further develop the Cashwerkz Platform to support projected growth.

(a) Movement in ordinary shares:

Date	Detail	Number of shares	Issue Price ($)	Issued Capital
01 Jul 2018	Opening balance	86,025,329		12,158,304
28 Sep 2018	Share Placement (i)	50,000,000	0.20	10,000,000
12 Dec 2018	Conversion of CRPS (ii)	23,856,390	0.20	4,771,278
	Transaction costs			(847,123)
30 June 2019	**Closing balance**	**159,881,719**		**26,082,459**

(i) On 28 September 2018, Cashwerkz issued 50,000,000 shares in a share placement to further develop the Cashwerkz platform.

(ii) On 12 December 2018, interests associated with Cashwerkz directors, Brook Adcock and Michael Hackett, converted 4,771,278 CRPS on issue to 23,856,390 fully paid ordinary shares at a conversion price of 20 cents per ordinary shares.

NOTE 14: ISSUED CAPITAL (cont'd)

(b) Options

There are 17,993,333 (2019: 12,340,230) options on issue at 30 June 2020.

(c) Capital Management

The group's debt and capital includes shares and financial liabilities, supported by financial assets. The group's capital is managed by assessing the group's financial risks and adjusting its capital structure in response to changes in those risks and in the market. Financial risk consideration includes the management of debt levels, distributions to shareholders and share issues. Given the recent volatility in financial markets and increased risks associated with high levels of gearing, the directors have elected to maintain low levels of borrowings. The strategy adopted to manage capital is consistent with prior years.

Cashwerkz Limited, Trustees Australia Limited, Cashwerkz FI Limited and Cashwerkz Group Trust hold Australian financial services licences. Conditions of each licence authorisation, require each licensee to maintain a number of minimum financial standards as set out in Note 16(c): Commitments and Contingencies.

(d) Non-cash Financing and Investing Activities

In the 2019 comparative, Blue Ocean Equities were issued 1,133,333 options as part consideration for placement fees in respect of the 28 September 2018 share placement. The fair value of the options granted as reported in the Statement of Changes in Equity is $118,657.

NOTE 15: RESERVES

NATURE AND PURPOSE OF RESERVES

Options reserve

The options reserve records items recognised as expenses on valuation of employee share options.

NOTE 16: COMMITMENTS AND CONTINGENCIES

(a) Responsible Entity Obligations

Cashwerkz Limited acts as responsible entity for managed investment schemes registered with the Australian Securities and Investment Commission. A responsible entity is liable for limited obligations of its underlying trusts, and generally has a right of indemnity against the trusts' assets. These financial statements do not recognise such liabilities except to the extent that the group has committed a breach of fiduciary duty, or the extent that an underlying trust might have insufficient assets to settle its obligations. Such circumstances have not arisen. Cashwerkz has no obligation in respect of any borrowing or other liability of any trust for which it acts as responsible entity.

	2020	2019
	$	$
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments		
Not later than 12 months	28,817	305,219
Between 12 months and 5 years	-	378,277
Greater than 5 years	-	-
Present value of minimum lease payments	**28,817**	**683,496**

The group has two non-cancellable property lease. A summary of the lease is below:

Location	Term	Expiry	Payment	Increase	Option
Sydney	4 years	30 November 2021	Advance	4.00% p.a.	3 years
Brisbane[1]	2 years	29 November 2020	Advance	3.75% p.a.	-

1. On 24 August 2020, the Brisbane office was relocated to Level 1, 262 Adelaide Street, Brisbane. As the Creek Street lease expires in November 2020 and will not be renewed. The new Brisbane office is a three year term with two year option and a rent free period until December 2020.

(c) AFS Licences

Cashwerkz Limited (Cashwerkz), Trustees Australia Limited, Cashwerkz FI Limited and Cashwerkz Group Trust hold financial services licences under section 913B of the Corporations Act 2001. These are Licences 260033, 260038, 283119 and 459645 respectively.

As a condition of licence authorisation, each licensee is required to maintain a number of base level financial requirements and Cashwerkz has some additional financial requirements as a result of Responsible Entity services. All licence holders meet their financial requirements at 30 June 2020.

NOTE 16: COMMITMENTS AND CONTINGENCIES (cont'd)

(d) Capital Expenditure Commitments

There are no capital expenditure commitments contracted for the year ended 30 June 2020.

(e) Other commitments

There are no other commitments for the year ended 30 June 2020.

(i) In applying AASB 16 the group has opted to utilise a practical expedient by not including the Brisbane lease in the right of use assets as it expires within one year of balance date and the group will not be renewing the lease.

NOTE 17: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS

(a) Names and positions held of KMP in office at any time during the financial year are:

Name:	**Position**
John Nantes	Executive Chairman
Michael Hackett	Director
Nathan Leman	Director
Brook Adcock	Director
Craig Swanger	Director (appointed 1 October 2019)
Jon Lechte	CEO (appointed 1 April 2020)
Hector Ortiz	CEO (resigned position 1 April 2020)

(b) KMP Compensation by Category

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the group's KMP for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the company and the group during the year are as follows, no other remuneration has been paid from that listed:

	2020	**2019**
	$	**$**
Short term	706,757	821,257
Post employment	49,677	46,676
Other long-term	(2,896)	6,045
Termination payments[1.]	125,000	-
Share-based payments[2.]	316,752	984,876
	1,195,290	**1,858,854**

[1.] Termination payment was a once-off payment made to Hector Ortiz who resigned 15 April 2020.

[2.] Share-based payment made to Jon Lechte as part of his remuneration package.

Short-term employee benefits

These amounts include fees and benefits paid to the Executive Chair, directors and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Further information in relation to KMP remuneration can be found in the directors' report.

Termination benefits

These are amounts payable as a result of either i) the groups decision to terminate an employees employment before the normal retirement date, or ii) an employees decision to accept voluntary redundancy in exchange for those benefits.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity settled benefit schemes as measured by the fair value of the options and shares granted.

NOTE 18: CONTROLLED ENTITIES (cont'd)

(a) Information about subsidiaries

The subsidiaries listed below have share capital consisting soley of ordinary shares. The proportion of ownership interests held by the Group. Each subsidiaries principle place of business is also its country of incorporation.

Particulars in relation to controlled entities	Principle place of business	Note	Class of Equity	2020 Percentage Owned	2019 Percentage Owned
Parent Entity:				%	%
Cashwerkz Limited	Brisbane, QLD	(i)			
Wholly Owned Controlled Entities					
Cashwerkz FI Limited	Brisbane, QLD		ordinary	100	100
Trustees Australia Limited	Brisbane, QLD		ordinary	100	100
Cashwerkz Technologies Pty Ltd	Sydney, NSW		ordinary	100	100
Australian Share Registers Pty Ltd (dormant)	Brisbane, QLD		ordinary	100	100
Cashwerkz Group Trust (dormant)	Sydney, NSW		units	100	100

The financial year of all controlled entities is the same as that of the holding company. All controlled entities are incorporated in Australia.

(i) The ultimate controlling entity of the group is Cashwerkz Limited.

(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 19: RELATED PARTY TRANSACTIONS

Related parties of Cashwerkz group are:

- controlled entities - refer Note 18.
- key management personnel and their associates - refer Note 17.
- director related entities - see below.

Entities with significant influence over the group are:

- Relevant interests associated with Director, Brook Adcock, own 33.81% (2019: 33.92%) of the ordinary shares in Cashwerkz at the date of this report.
- Relevant interests associated with the Director, Michael Hackett, own 11.10% (2019: 13.68%) of the ordinary shares in Cashwerkz at the date of this report.

Transactions with related parties

Director related entities

- John Nantes is a director of CJN Advisory Pty Ltd (CJN Advisory), who undertakes responsible manager and consulting services work for the group. During the 2020 year, $198,000 (2019: $291,183) was paid by the group to CJN Advisory and at 30 June 2020 the group had no (2019: $16,500) oustanding amounts with CJN Advisory.
- Nathan Leman is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertakes project management and consulting work for the group on a cost recovery basis. During the 2020 year, $56,750 (2019: $38,750) was paid by the group to Mikko. At 30 June 2020 the group owed Mikko $5,500 (2019: $5,115).
- Craig Swanger is a director of Revolver Capital Pty Ltd (Revolver Capital). Revolver Capital undertakes project management and consulting work for the group on a cost recovery basis. During the 2020 year, $45,000 (2019: nil) was paid by the group to Revolver Capital and at 30 June 2020 the group had no (2019: nil) outstanding amounts with Revolver Capital.
- Nathan Leman is a director of Australian Adventure Tourism Group Limited (AATG), who utilise the services of the Cashwerkz administration team on a cost recovery basis. During the 2020 year, $29,964 (2019: $50,648) was charged by the group to AATG and at 30 June 2020 AATG had no (2019: $5,581) outstanding amounts with Cashwerkz.

NOTE 19: RELATED PARTY TRANSACTIONS (cont'd)

- In the 2019 comparative, interests associated with Cashwerkz directors, Brook Adcock and Michael Hackett, converted 4,771,278 CRPS on issue to 23,856,390 fully paid ordinary shares on 24 December 2018. Included in the conversion amount was accrued interest on the CRPS of $213,039.

Terms and conditions of transactions with related parties

Transactions with related parties are made at arm's length at normal market prices and on normal commercial terms.

NOTE 20: SEGMENT INFORMATION

Management has detemined that the group operates in one reportable segment, being the financial services segment in Australia.

NOTE 21: SHARE BASED PAYMENTS

During the year ended 30 June 2020, performance options were issued to group CEO under the Long Term Incentive Plan (LTIP).

(i) The group established the LTIP to motivate executives to strive to accelerate group performance and securityholder returns. The options were issued for no consideration and carry no entitlements to voting rights or dividends of the group. The number available to be granted was determined by the board and payment is on achievement of minimum tenture hurdles.

(ii) The following performance options were granted to the CEO to take up ordinary securities:

Grant Date	Number	Exercise Price	Vesting Date	Exercisable on or before
01 April 2020	3,210,000	$0.20	01 April 2020	01 April 2025
01 April 2020	4,820,000	$0.30	01 April 2021	01 April 2025
01 April 2020	8,830,000	$0.45	01 April 2022	01 April 2025

The total fair value of options granted during the period was $801,433. These values were calculated using a binomial option pricing model applying the following inputs:

Weighted average exercise price:	$0.36
Weighted average life of the options:	5 years
Expected share price volatility:	61.71%
Weighted average risk-free interest rate:	0.36%

Vesting subsequent to grant date is subject to the holder meeting minimum employment tenure hurdles. The fair value of the options granted to the CEO is considered to represent the value of the services received over the vesting period. Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included in employment expenses in the consolidated statement of profit or loss and other comprehensive income is $316,752 (2019: $984,876) which relates to equity settled share-based payments.

(iii) A summary of movements of all options is as follows:

	2020	2019
Opening balance	12,340,230	-
Granted	16,860,000	16,518,249
Forfeited	(11,206,897)	(4,178,019)
Closing balance	**17,993,333**	**12,340,230**

The weighted average remaining contractual life of 17,993,33 options outstanding at period end was 4.54 years. The weighted average exercise price of outstanding shares at the end of the reporting period was $0.36.

Forfeited performance options

Options are forfeited if performance hurdles are not satisfied or after the holder ceases to be employed by the group, unless the board determines otherwise. During the year ended 30 June 2020, 11,206,897 were forfeited as a result of performance hurdles not satisfied.

Cancelled performance options

There were no cancelled performance options in the year ended 30 June 2020.

NOTE 21: SHARE BASED PAYMENTS (cont'd)

(iv) Options granted to suppliers in the 2019 comparative that remain exercisable are as follows:

Blue Ocean Equities were issued 1,133,333 options as part consideration for placement fees in respect of the 28 September 2018 share placement. The options were issued for no consideration and vested on issue. Details are below:

- 1,000,000 options - exercise price $0.30 and exercisable on or before 30 September 2021; and
- 133,333 options - exercise price $0.40 and exercisable on or before 30 September 2022.

For the year ended 30 June 2019, $118,657 was recorded as transaction costs in equity. At 30 June 2020, the options remain exercisable.

(v) Options granted to key management personnel in the 2019 comparative that have been subsequently forfeited are as follows:

(a) On 10 August 2018, directors were issued 10,000,000 performance options. The options were issued for no consideration, had a vesting date of 31 December 2019, an exercise price of $0.29, a performance hurdle that Total Shareholder Returns (TSR) would increase to TSR Base by 50% for 5 consecutive Trading Days and were exercisable on or before 31 December 2019. On 20 August 2018 the performance hurdle was achieved and the 10,000,000 options vested.

For the year ended 30 June 2019, $870,874 was recorded as equity settled share-based payments in employment expenses. On 31 December 2019, 10,000,000 director performance options forfeited and $870,874 was transferred from the option reserve to retained earnings.

(b) On 3 October 2018, employees were issued with 4,178,019 performance options. The options were issued for no consideration, had a vesting date of 30 June 2019, an exercise price of $0.29, a performance hurdle that $5 billion (passed through) and $4 billion (active) be on the Cashwerkz platform by 30 June 2019 and were exercisable on or before 30 June 2020. The performance hurdle was not met and accordingly the 4,178,019 were forfeited on 30 June 2019.

For the half-year ended 31 December 2018, $125,931 was recorded as equity settled share-based payments in employment expenses and at 30 June 2019 this was reversed following the forfeiture of all options.

(c) On 3 October 2018, Hector Ortiz (former CEO) was issued with 1,206,897 performance options. The options were issued for no consideration, vested on issue for achievement of 2018 targets, had an exercise price of $0.29 and were exercisable on or before 30 June 2020.

For the year ended 30 June 2019, $114,006 was recorded as equity settled share-based payments in employment expenses.On 30 June 2020, 1,206,897 performance options forfeited and $114,006 was transferred from the option reserve to retained earnings.

NOTE 22: EARNINGS PER SHARE

	2020 cents	2019 cents
Earnings per share		
Basic loss per share	(4.0)	(5.4)
Diluted loss per share	(4.0)	(5.4)
Reconciliation of earnings to profit or loss		
Loss attributable to shareholders	(7,351,115)	(7,313,520)
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	184,209,473	136,532,871
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**184,209,473**	**136,532,871**

All options on issue are considered to be dilutive potential ordinary securities, however they are presently anti-dilutive at 30 June 2020 as the group is in losses.

NOTE 23: FINANCIAL RISK MANAGEMENT

The group's principal financial instruments are set out below.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2020 $	2019 $
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	5	4,234,214	5,153,043
Trade and other receivables	6	476,720	380,650
Bonds and deposits	7	204,321	185,695
Total financial assets		**4,915,255**	**5,719,388**
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	455,343	311,641
Borrowings	12	17,650	-
Total financial liabilities		**472,993**	**311,641**

(a) Financial Risk Management Policies

The main purpose of the financial instruments listed is to provide finance for the group's operations when the board considers it appropriate. The group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Risks arising from the group's financial instruments include interest rate risk, liquidity risk, share price risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. Overall these risks are considered to be minimal.

(i) Treasury Risk Management

The board considers financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The 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 reviewed by the board when necessary. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

Interest rate risk

Interest rate risk arises where the group has financial instruments exposed to rate movements. This arises on bank balances and the group also has debt exposure. The group's exposure to cash flow interest rate risk is considered minimal.

Credit risk

Credit risk arises from the risk that a counterparty will default on its obligations to the group. The group trades only with parties that it believes to be creditworthy. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. Refer note 6 for comments on concentrations of credit risk within the group.

With respect to credit risk arising from the other financial assets of the group, which comprise cash and cash equivalents, available-for-sale assets and certain derivative instruments, the group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of those instruments. The group generally does not require third party collateral.

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 manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with appropriately regulated financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 23: FINANCIAL RISK MANAGEMENT (cont'd)

(a) Financial Risk Management Policies (cont'd)

The table below presents maturity of the group's financial instruments. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates taking into consideration management expectations that group banking facilities will be extended.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Lease liabilities	(198,901)	-	(60,782)	-	-	-	(259,683)	-
Borrowings	(17,650)	-	-	-	-	-	(17,650)	-
Trade & other payables	(455,343)	(311,641)	-	-	-	-	(455,343)	(311,641)
Total expected outflows	**(671,894)**	**(311,641)**	**(60,782)**	**-**	**-**	**-**	**(732,676)**	**(311,641)**
Financial assets - cash flows realisable								
Cash and cash equivalents	4,234,214	5,153,043	-	-	-	-	4,234,214	5,153,043
Bonds & deposits	204,321	185,695	-	-	-	-	204,321	185,695
Trade and other receivables	476,720	380,650	-	-	-	-	476,720	380,650
Total anticipated inflows	**4,915,255**	**5,719,388**	**-**	**-**	**-**	**-**	**4,915,255**	**5,719,388**
Net (outflows) / inflows on financial instruments	**4,243,361**	**5,407,747**	**(60,782)**	**-**	**-**	**-**	**4,182,579**	**5,407,747**

(b) Fair value estimation

The fair value 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.

		Carrying Amount		Fair Value	
	Footnote	2020	2019	2020	2019
		$	$	$	$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	(i)	4,234,214	5,153,043	4,234,214	5,153,043
Trade and other receivables	(i)	476,720	380,650	476,720	380,650
Bonds and deposits	(i)	204,321	185,695	204,321	185,695
Total financial assets		**4,915,255**	**5,719,388**	**4,915,255**	**5,719,388**
Financial liabilities					
Financial liabilities at amortised cost:					
Lease liabilities	(ii)	259,683	-	259,683	-
Trade creditors (excluding leave accruals)	(i)	455,343	311,641	455,343	311,641
Interest bearing liabilities	(ii)	17,650	-	17,650	-
Total financial liabilities		**732,676**	**311,641**	**732,676**	**311,641**

NOTE 23: FINANCIAL RISK MANAGEMENT (cont'd)

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) Fair values are determined using amortised cost.

(c) Contingencies

The company and certain controlled entities have potential financial liabilities that may arise from certain contingencies disclosed in Note 16: Commitments and Contingencies. As explained in that note, no material losses are anticipated in respect of any of those contingencies and the fair value disclosed above is the directors' estimate of amounts that would be payable by the group as consideration of the assumption of those contingencies by another party.

(d) Sensitivity Analysis

The group has performed sensitivity analysis relating to its exposure to interest rate at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

(i) Interest rate sensitivity analysis

At 30 June 2020, the effect on profit and equity as a result of changes in the interest rate risk, with all other variables remaining constant would be as follows:

	2020	2019
Change in profit	**$**	**$**
- Increase in interest rate by 2.5%	99,363	128,826
- Decrease in interest rate by 2.5%	(99,363)	(128,826)
Change in equity		
- Increase in interest rate by 2.5%	(99,363)	(128,826)
- Decrease in interest rate by 2.5%	99,363	128,826

NOTE 24: AUDITOR'S REMUNERATION

The following total remuneration was received or is receivable by the auditor of Cashwerkz in respect of:

	2020	2019
	$	**$**
Audit and review of the financial statements	61,450	60,700
Non audit services	-	-

NOTE 25: EVENTS AFTER THE BALANCE DATE

The impact of the COVID-19 pandemic is ongoing and while it has not materially impacted the group as at the signing of this report, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation has rapidly developed and is dependant on measures imposed by the Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus. The group will continue to assess any impact of COVID-19 on the business and ways to mitigate any risks to the group.

In July 2020, the lease for the new Brisbane premises was executed as the Creek Street office lease expires in November 2020 and will not be renewed. The new lease is a three year lease with a two year option, and a rent free period until December 2020.

On 29 July 2020, 1,200,000 options were issued to Blue Ocean Equities Pty Ltd as part of the agreed remuneration payable for the capital raise in May 2020.

In the opinion of the directors there are no material matters that have arisen since 30 June 2020 that have significantly affected or may significantly affect the group, that are not disclosed elsewhere in this report or in the accompanying financial statements.

The financial report was authorised for issue as at the date of the Directors Declaration.

Cashwerkz.

DIRECTORS' DECLARATION

For the year ended 30 June 2020

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

(a) the financial statements and notes to the financial statements of the Company and of the group, as set out on pages 23 to 52, and the remuneration disclosures that are contained within the remuneration report with the Directors' Report set out on pages 15 to 20 are in accordance with the Corporations *Act 2001*, and:

  (i) give a true and fair view of the Company's and group's financial position as at 30 June 2020 and of their performance for the year ended on that date; and

  (ii) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

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

(c) the directors have been given the declarations required by s 295A of the *Corporations Act 2001.*

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

Jonh Nantes
Executive Chairman

28 August 2020

Nexia Australia

Independent Auditor's Report to the Members of Cashwerkz Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cashwerkz Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1B in the financial report, which indicates that as at 30 June 2020 the Group incurred a loss for the year of $7,351,115 and had net cash outflows from operating activities of $5,533,186. The note outlines initiatives being undertaken and indicates that continuing operations are principally dependent upon the ability to manage cashflow in line with available funds and the realization of revenue from new product offerings.

As stated in the note, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Independent Auditor's Report to the Members of Cashwerkz Limited (continued)

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Intangible Assets As at 30 June 2020 the Group has intangible assets with a carrying value of $7.6m representing 58% of the group's total assets comprising, goodwill, which is assessed at least annually for impairment, and software and trademarks which are assessed when possible impairment indicators are identified. As disclosed in Note 8 of the financial report the intangible assets are allocated to two Cash Generating Units, which indicate possible impairment due to significant losses from operations. There has been no impairment recognized in the statement of profit or loss and other comprehensive income for the year ended 30 June 2020. We focused on this area as a key audit matter due to the level of judgement involved in assessing the assets recoverable amount and the selection of assumptions which may be affected by future market or economic conditions and the utilization of the relevant asset.	With the assistance of Nexia valuation experts our procedures included, but were not limited to: • Critically evaluating managements methodologies and document the basis for key assumptions utilized in the calculation of recoverable amounts; • Assessing alternative valuation techniques to support the recoverable amount of the assets; • Assessing managements consideration of the sensitivity to a change in key assumptions that either individually or collectively would be required for assets to be considered impaired and considered the likelihood of such a movement in those key assumptions; • Performing procedures on key assumptions contained within the recoverable amount calculations and compared these to external sources in order to understand a range of reasonable outcomes and compared each scenario to the assets carrying value; • Consider whether the assets are obsolete by determining whether economic benefits are being derived from the continuing use of the assets; • Evaluate managements estimate of the remaining useful life of the assets; and • We have assessed the appropriateness of the relevant disclosures in the financial statements.

Nexia Australia

Independent Auditor's Report to the Members of Cashwerkz Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the 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 Group's ability 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:

Nexia Australia

Independent Auditor's Report to the Members of Cashwerkz Limited (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group 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.

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, actions taken to eliminate threats or safeguards applied.

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 our 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 our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nexia Australia

Independent Auditor's Report to the Members of Cashwerkz Limited (continued)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 15 to 20 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cashwerkz Limited for the year ended 30 June 2020 complies with s 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.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Robertson.

Ann-Maree Robertson
Director

Level 28, 10 Eagle Street
Brisbane QLD, 4000

Date: 28 August 2020

SHAREHOLDER INFORMATION

The following information was extracted from Cashwerkz's Register of Shareholders on 24 August 2020:

TWENTY LARGEST SHAREHOLDERS

		Fully Paid Shares	
		Shares Held	**% of Issued**
1	Adcock Private Equity Pty Ltd	66,073,038	33.29
2	Costine Pty Ltd	14,998,426	7.56
3	De Nantes Investment Co Pty Ltd	7,749,496	3.90
4	Arrakis Nominees Pty Ltd	7,500,000	3.78
5	BNP Paribas Nominees Pty Ltd	6,620,512	3.34
7	Evelyn Anderson ATF Extra Incentive Fund	4,921,559	2.48
8	Jabane Pty Ltd	4,613,050	2.32
9	CS Third Nominees Pty Limited	4,150,000	2.10
10	Citicorp Nominees Pty Limited	3,859,692	1.94
11	Emery Number 2 Pty Ltd	3,846,153	1.94
12	Ronald & Rhonda Langley	3,576,922	1.80
13	Prowerkz Pty Ltd	3,534,051	1.78
14	One Managed Investment Funds Limited	3,294,854	1.66
15	Rodney Ebsworth	3,125,000	1.58
16	Gregory Yeatman	3,000,000	1.51
17	Mikko Constructions Pty Ltd	2,878,880	1.45
18	Gailforce Marketing & PR Pty Ltd	2,253,846	1.14
19	G & N Nominees Services Pty Ltd	2,050,000	1.03
20	Myall Resources Pty Ltd	1,950,000	0.98
20	Onmell Pty Ltd	1,880,294	0.95
	Total of Top Twenty Shareholdings	**145,125,773**	**76.53**
	Total Shares on issue	**198,497,103**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	**Number of Shareholders**	**Total Units**	**%**
1 - 1000	74	26,119	0.01
1,001 - 5,000	177	417,392	0.21
5,001 - 10,000	104	811,568	0.41
10,001 - 100,000	191	7,894,538	3.98
100,001 or greater	114	189,347,486	95.39
	660	**198,497,103**	**100.00**

MARKETABLE PARCELS

At 24 August 2020, using the last traded share price of $0.16 per share, there were 51 holdings totalling 9,385 shares, which were of less than a marketable parcel ($500).

VOTING RIGHTS

On a show of hands, every member present in person or by proxy or attorney or being a corporation by its authorised representative shall have one vote. On a poll, every member who is present in person or by proxy or attorney, or being a corporation, by its authorised representative, shall have one vote for every share of which he is the holder.

SHAREHOLDER INFORMATION

HOLDER OF RELEVANT INTEREST

The names of the substantial securityholders listed in the Group's register on 24 August 2020 are:

	Shares Held	Voting Power Advised
Brook Adcock and associated entities	67,052,179	33.81%
Michael Hackett and associated entities	22,021,439	11.10%

UNQUOTED SECURITIES

Options over unissued shares

At the date of this report, there are 19,193,333 options over unissued shares in Cashwerkz.

CORPORATE DIRECTORY

Board of Directors

John Nantes
Executive Chairman

Brook Adcock
Director

Nathan Leman
Director

Michael Hackett
Director

Craig Swanger
Director

Company Secretary

Jerome Jones
Company Secretary

Registered Office

Level 1, 262 Adelaide Street
Brisbane QLD 4000

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

Corporate Office

Level 1, 262 Adelaide Street
Brisbane QLD 4000

GPO Box 6
Brisbane QLD 4001

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

Share Register

Boardroom Limited
GPO Box 3993
Sydney NSW 2001

Telephone: 1300 737 760
Facsimile: (02) 9279 0664
Email: enquiries@boardroomlimited.com.au
Web: www.boardroomlimited.com.au

Auditor

Nexia Brisbane Audit Pty Ltd
GPO Box 1189
Brisbane QLD 4001

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

Stock Exchange

Cashwerkz is listed on the ASX with ticker code CWZ

Cashwerkz Limited
ABN 42 010 653 862
Level 1, 262 Adelaide Street
Brisbane QLD 4000
GPO Box 6
Brisbane QLD 4001