2020-2021

ANNUAL REPORT

Income Asset Management Group

(formerly Cashwerkz)

IAM
INCOME ASSET MANAGEMENT

Contents

2021 Highlights

In the 2021 financial year, Income Asset Management Group (IAM) has continued its evolution to deliver investors and portfolio managers a wider range of income investments, while positioning itself for accelerated revenue growth.

Our vision

"To provide investors and portfolio managers with the most trustworthy and capable platform for research, execution and management of their income investments."

Our new brand

We have recently changed our name from Cashwerkz Limited to Income Asset Management Group Limited, reflecting the broader scope of income asset services we now deliver.

IAM INCOME ASSET MANAGEMENT

238%

YOY increase in total revenue

Pillars

The pillars of our business gives them breadth and flexibility to leverage our capabilities for our clients collectively and individually

	FUNDS	CASH MARKETS	CAPITAL MARKETS
New naming to better reflect our breadth	IAM INCOME ASSET MANAGEMENT	IAM INCOME ASSET MANAGEMENT	IAM INCOME ASSET MANAGEMENT
Our capabilities	*We partner with fund managers*	*Focus on active cash management for professionals*	*Bond trading and debt capital markets*

Capital management

$14M Successful capital raise

Successful issuance of our own CWZ Note
6% coupon + attaching 50c option

FORTLAKE ASSET MANAGEMENT

Fortlake Asset Management

- Our first incubator fund
- Providing clients with access to world-leading fixed income capability in a boutique firm
- Access to infrastructures of JP Morgan, TGM and Link Market Services
- Early stage performance

TGM

Tactical Global Management Ltd

Shareholder approved proposed investment in Tactical Global Management Ltd (TGM), expanding our equity investments and FX capability

24 YEARS
Proven global experience

AUD$29.0bn
Funds under management

33
Bespoke client portfolios

Chairman's report

John Nantes, Executive Chairman

On behalf of the board of directors (Board) of our newly named Income Asset Management Group Limited (IAM), I am pleased to present the Annual Report of the company and its controlled entities (Group) for the financial year ended 30 June 2021.

Delivering on our promise

We committed to our shareholders to fundamentally and innovatively build Australia's leading Income and Asset Management business.

We promised to:

1. Deliver a more market-relevant cash and treasury management business, while protecting our **Funds Under Management (FUM)** and adding talent to our technology and business model.
2. Innovate in the Bonds asset class, to grow FUM, revenue and client numbers quickly, through improved technology use and recruitment of A-grade talent.
3. Build a new Fund Manager incubation business and acquire important positions in these leading Asset Managers. The business is built on investing in the best talents in their fields in Australia, and globally.
4. Protect our capital position and balance sheet. Removing financial uncertainty of the Group.
5. Operate ethically — putting our clients first, challenging the industry on anti-competitive behaviour (like charging exit fees and low transparency), and adhering to our core values of being the most trusted, honest, fair, diligent and meritocratic financial services company in our field.

I'm pleased to report we have delivered on our promises — transforming our business to be fit for a future that enables us to deliver our ambitious business objectives. Having begun, our momentum is now beginning to accelerate.

Over the past year, we have recruited key talent across the business to support our transformation and growth. We have conducted a successful capital raising of $14 million, securing our balance sheet.

We have created a Bond and Debt Capital Market offering from the ground up, leveraging proprietary and institutional grade technology, and best-in-class talent. This has enabled us to transform the revenue trajectory of the Group.

In December 2020, we issued our own bond which is paying a 6% p.a. coupon. We also gave investors a potential equity involvement through a $0.50, 3-year option.

To expand our investment offering, we have established our asset management capability through our partnerships with Fortlake Asset Management and Tactical Global Management Ltd.

Our unique business model

We have built a highly synergistic business. Our divisions and fund managers help feed each other through their own sales conversions, deal-flow, and product innovation initiatives. We have transformed from a basic linear revenue model to a highly diversified, and higher-margin, investment management business.

Unlike our competitors, we have created a complete eco-system of income investment offerings, that can deliver across multiple revenue streams. In this way, we believe we can achieve strong FUM/FUA growth per business unit and accelerate client-acquisition.

Our addition of TGM as a fund manager will also enable us to accelerate our international presence and growth.

In just a short period, our revenue, client numbers and FUA/FUM has grown strongly, and we are excited about our trajectory leading into the 2021-22 financial year.

Led by talent

Our business is led by a diverse range of experienced and highly talented people, who are committed to delivering the best corporate governance for our industry and community.

Our CEO, Jon Lechte, was recruited just ahead of the 2021 financial year. Over the past financial year, he has built out our exciting dynamic business model with the right people and culture.

Jon has led the way with his work ethic, smart and humble approach to solving problems in our industry. He has formed a talented Executive Team with proven performance in their fields, and a commitment to transforming our industry through our model.

Jon has also attracted the very best of talent in our IAM Funds business. While this has added cost through talent acquisition, we have reduced headcount in other areas where the efficiencies of our business model allowed. We are now better positioned to scale strongly, based upon our expertise and selected resourcing.

In 2021, we announced the appointment of key people in extremely important roles. Bianca Burt leads our IAM Cash Markets Business, Kyle Lambert and James Shillington our IAM Capital Markets Business, and Jonathan Baird our IAM Funds business.

Further, we added Alexandra Coleman to our Trustees Australia Limited (TAL) board to independently chair this important area. In addition, we appointed Peter Coad to independently chair our IAM Funds Pty Ltd board with Kylie-Ann Richards as a non-executive director on this board.

The inclusion of Dr Christian Baylis, founder of Fortlake, and Dr Peter Higgs, founder of TGM and chair of Fortlake into our asset management business creates global opportunities.

In August 2021, we announced the appointment of Fiona Dunn to the IAM Board. With our growing Funds business and our appetite for greater levels of sophistication to solve for our industry, Fiona is a valuable addition to our team. Fiona has extensive experience in research, funds management and platforms, and is currently the Chair of JANA Investment Advisers. She has also held directorship roles in Acorn Capital, Platypus Asset Management, Wingate Asset Management and Federation Alliance Limited, and executive roles at Australian Unity, Perpetual and Credit Suisse.

I would also like to thank my fellow board members Brook Adcock and Craig Swanger for their contribution and support over the past year.

Our people are committed to our purpose. That includes looking after each other, acting ethically at all times, and making a positive contribution to our local communities. With talent, performance, and professionalism, they humbly strive to make every client better off, drive fairness and transparency in the business, and look out for each other through these constantly changing and challenging times.

Community

Our work in the community during a challenging social time has been extended to a strategic partnership with The Smith Family — Australia's leading children's education charity.

The Smith Family provides young Australians from disadvantaged backgrounds with the extra tools and support they need to succeed at school, so they can create better futures for themselves.

As part of our commitment to corporate social responsibility, we will donate **$150 for every client who opens an IAM Capital Markets account**.

For almost 100 years, The Smith Family has been tackling the problem of poverty, one child at a time. Through their flagship Learning for Life program, they are helping children overcome their circumstances by providing long-term support for their education in three distinct ways. They provide financial support for school essentials, like uniforms and books. They provide access to additional learning programs before and after school — tailored to each child's individual needs. And they match each child with a dedicated team member at The Smith Family to help them get to school, stay at school and go on to further training or work.

Accelerating into 2022

We are looking to accelerate from 2021 into 2022 by leveraging our unique model, acquisitions, revenue synergies, talent and technology use. Through TGM we can start to expand solutions globally, while continuing to grow and scale our offering and market share in Australia. We have already invested in our footprint, so we do not need to add material cost to grow. Our momentum is on track with our projections — pointing to a promising year ahead.

Last year, we promised to transform the company to make it fit for the future — something we are proud to have achieved. In the coming year, we commit to building our model, and taking on the income and asset management industry, to become a successful business and trusted name in our industry.

Importantly, on behalf of the Board and all of our people, we would like to thank our supporters, including you, our shareholders, who have made the choice to trust us with your capital.

We are extremely appreciative of this and motivated to do our best work to ensure you are rewarded. Finally, thank you to Blue Ocean Equities. Your support has helped us attract great shareholders throughout the past year, and through the required capital raises.

We are very proud of what we have achieved this year — and the whole team is excited to deliver even more in 2022.

John Nantes, Executive Chair

Chief Executive Officer's report

Jon Lechte, CEO

2021 will be remembered for huge market volatility, a booming asset market, and negative cash returns compared to inflation. It has also been a year when it became harder than ever to find a decent return on income investments.

The past year has seen significant change within our business. The time is now right to evolve our identity to match our broader reach. We have recently changed our name from Cashwerkz to **Income Asset Management Group Limited**, reflecting the broader scope of income asset services we now deliver. We will soon embark on a marketing campaign to lift the recognition of our new brand, to help us become a known and trusted name in the income-investing market.

At Income Asset Management Group (IAM), we will provide our clients and advisors, with a suite of investment alternatives to consider, before making an investment.

Over the past financial year, we have continued to transform our business model to meet this goal, adding product capability beyond our traditional deposits-based model. Broadly speaking, our products can be categorised into Cash Markets, Capital Markets and Asset Management.

Transitioning for success — Cash Markets

This year, we continued our evolution away from the traditional Cashwerkz deposit model, to create a more robust and growth-oriented business for the future. The low-rate environment means our deposits business has faced significant challenges. To counter this, we have focused on developing our Treasury Management Services (TMS) consultancy arm. This service provides investment and banking expertise to companies and investment platforms, to assist them get a better return from money that traditionally has been placed on deposit.

Getting to scale — IAM Capital Markets

Our BondIncome business has been focused on selling bond investments directly to investors. Our decision to rebrand to IAM Capital Markets is an acceptance that the business has grown beyond a simple bond brokerage. In recent months, we have been the lead manager on a number of new bond issues and have provided advice on establishing bond programs.

Within IAM Capital Markets, we offer investors a choice between a low-cost trading platform and a full service brokerage model for those seeking advice from our team of experts.

In just a few months of trading, we have successfully established ourselves in the Australian debt market. Our daily trading revenue continues to grow, with each successive month showing an increase in turnover. We are also building our recurring revenue with loan-syndication income and fees from distribution into cash deposits and asset management. The new issue or capital markets part of the business has been inundated with opportunities and will be a driver of revenue growth going forward.

Asset management — building momentum

Our FundIncome business, launched late in 2020, will also be rebranded — to IAM Funds. This division is a key focus of the Group, a revenue channel that will provide huge growth in recurring income in the next few years.

As previously announced, the first two partnerships within IAM Funds are Fortlake Asset Management (Fortlake) and Tactical Global Management (TGM). These partnerships significantly enhance our asset management capabilities in income and low-volatility investing — with specific expertise in environmental and sustainable investments.

Fortlake Asset Management (FAM)
The returns posted by FAM have been consistently above the cash market benchmark, but also well above peers in the Fixed Income funds market. The benchmark Fortlake Real Income Fund has returned 6.5% since December when it started trading. Additionally, the high-yield Sigma Opportunities Fund has returned 13.9% for the same period.

The FAM distribution team have now connected all of the funds to the major investment platforms and work is underway to have the funds rated. With this groundwork in place, we expect FAM to achieve very significant growth in the next financial year.

Tactical Global Management (TGM)
The details are still being finalised, but we'll soon launch a new global sustainable equity fund, that can be combined with a protection overlay to reduce volatility and drawdowns. While equities are traditionally growth assets, the protection overlay will smooth the peaks and troughs, to provide a return that is more income-focused — aligning with our vision and purpose.

Importantly, TGM also offers a range of currency hedging products.

Trustees Australia (TAL), our in-house Responsible Entity, has also continued to grow its contribution to the Group's success. We have rebuilt the Trustees Australia processes and compliance culture, to enable it to grow with our needs and compete for business externally.

In coming months, we have several transactions poised to add deal-flow and revenue. Over time we expect TAL will create real value for shareholders.

Strong Momentum

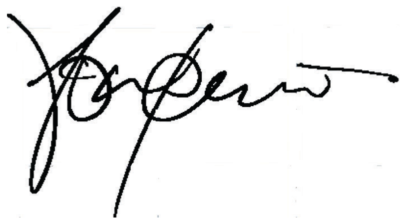
The clear strategic intent, strong revenue momentum across the business and enhanced capital position has put us in a stronger financial position than this time last year, removing the financial uncertainty of the Group.

Looking forward

We believe that the work we have done this year has set the foundations to build a boutique investment platform for private and institutional investors. We aim to achieve the scale to compete both in Australia and overseas, and to rival the major players for assets and revenue.

As we execute our plans, we will continue to adhere to our principle of fairness. We will be transparent, trustworthy and fair with our clients and our staff, while abiding by our responsibility to our shareholders.

Looking ahead, we will strive to build a consistently profitable platform that provides investors with the best alternatives for income investing. We will do so with a level of transparency not seen before in the Australian corporate bond market, ensuring that both analysts and individual shareholders have the information they require to make informed investment decisions.



Jon Lechte, Chief Executive Officer

Directors' Report

In this report from our directors, we provide an update on the key activities and operations from the past financial year.

Principal activities

Our expertise across the debt and equity markets, and the derivatives of both, puts us in a strategic position that is hard for competitors to counter or replicate. With the addition of strategic investments in Fortlake Asset Management and proposed investment in Tactical Global Management Ltd, we are aligning our business to succeed in the asset class of choice — income asset management.

We continue to expand our integrated solutions across income investments, enabling us to transact with the best and largest family offices, advisory practices and corporations.

We have a solution that captures a large part of all investments made in the income-focused space. We use the best technology, harnessed by seasoned professionals with a common goal. We will not compete in growth-asset investing, but we are obsessed with dominating 'our' space.

Our entities

At 30 June 2021, the Group comprised the entities shown in the table below. Following the end of the reporting period, shareholder approval was received to rename the Group to better reflect our strategic direction and operating capabilities.

The following entities and Australian Financial Services Licensees remain in operation. However, as part of our brand transition they have changed their names to better reflect the products and services offered.

At 30 June 2021...	Renamed to...
Cashwerkz Limited	Income Asset Management Group imited (ASX: INY)
Cashwerkz FI Limited	IAM Capital Markets Limited
Cashwerkz Technologies Pty Ltd	IAM Cash Markets Pty Ltd
Fund Income Pty Ltd	IAM Funds Pty Ltd
Trustees Australia Limited (Trustees Australia)	No change

Our structure

The Group structure remained relatively unchanged over the reporting period. The Group's primary business units are:

IAM Capital Markets (formerly named BondIncome)	IAM Cash Markets (formerly Cashwerkz platform)	IAM Funds (formerly FundIncome)	Trustees Australia Ltd
Provides fixed interest broking, general advice for clients and facilitates the arranging and distribution of fixed income products.	Provides access to a wide range of At Call and Term Deposits through 60+ domestic and international banks, plus Treasury Management Services.	Provides incubator services to new and established fund managers. It enables the launch and growth of these services, through use of our AFSLs, management services, distribution and marketing.	Provides Responsible Entity services.

Our business model

Our revenue, team, products and services support both direct and managed investments, across cash, fixed income and other defensive assets.

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

Income investor

Wholesale, Corporates,
Local Government, Not-For-Profits (NFPs)

IAM INCOME ASSET MANAGEMENT CASH MARKETS

Deposits
IAM Cash Markets

- 60+ ADI Term Deposits & At Call
- Omnibus Cash Account
- Cash optimisation
- Proprietary technology to support advisors and intermediaries

IAM INCOME ASSET MANAGEMENT CAPITAL MARKETS

Bonds
IAM Capital Markets

- Australian and international bonds
- Rated & unrated bonds
- High yield
- Bond optimisation
- Research & education

IAM INCOME ASSET MANAGEMENT FUNDS

Asset Management
IAM Funds

- Tier-one infrastructure
- Broad universe of funds
- Bespoke MDA and IMA
- Responsible Entity services

FORTLAKE ASSET MANAGEMENT TGM

Treasury Management Services

1. **IAM Cash Markets** (formerly Cashwerkz Platform)

IAM
INCOME ASSET MANAGEMENT
CASH MARKETS

Our active cash management solutions remain a key pillar of our services model and an important enabler of growth across the business through our newly introduced Treasury Management Services solution and access to an established customer base seeking new income investment opportunities.

IAM Cash Markets — FUM
FUM increased 7.8% to $1.192bn — a pleasing result given low interest rate market and margin compression.

Our business model

- A revenue model based on brokerage commission and management fees
- Our clients include corporates, Not-For-Profits (NFPs), family offices and semi-government authorities
- 170+ middle market clients, multiple platforms and over 40 advisor groups
- Our team have worked together for over ten years, headed by Bianca Burt, a senior executive with over 15 years in the deposit broking industry

Our services

- Cash Management Account — offering up to 0.40% interest at call
- Risk management
- Liquidity management
- Bespoke financial instruments providing enhanced yield
- Legal structures to support investment mandates
- Access to 60+ global and domestic ADIs, both rated and unrated
- Deposit portfolio optimisation and managed portfolio services

Treasury Management Services (TMS)

An innovative solution unlocking new opportunities.
Designed for corporates, family offices and not-for-profits, TMS brings together institutional-grade products, management and governance to create a comprehensive solution for managing and optimising cash management, liquidity and income investment. A partnership of three specialist businesses, TMS combines a suite of innovative services to help clients plan, implement and manage cash, income investments and currency exposures.

Cross-product functionality

Giving you access to a broad range of specialist treasury management, investment mandate products and services.

Relationship management

Unlocking the best opportunities for placements with a broad panel of providers.

Funding management

Cash laddering, liquidity ratios and concentration management.

Real-time portfolio management

Enabling you to dynamically manage your cash allocation and currency exposures to harness emerging opportunities.

Compliance management

Including investment mandate compliance, concentration checks and benchmarking.

Operations and finance support

Including documentation, settlements, corporate actions.

Risk management

Helping you seamlessly manage liquidity risk, market risk and credit risk.

Legal structures

Giving you and your clients control and security through a managed account and experienced responsible entity.

Medium term outlook

The Cash Markets team are actively repositioning themselves to provide full Treasury Management Services including providing access beyond traditional deposits to Negotiable Certificate of Deposit (NCDs), Transferable Certificates of Deposits (TCDs) and through our partnership access to the RBA repurchase agreements (Repos) to provide liquidity.

We have launched our own Cash Management Account (CMA). This provides an alternative for the current At Call bank solutions, enhancing the client's overall investment experience when investing in Bonds, Cash or Funds.

2. IAM Capital Markets (formerly BondIncome)

IAM Capital Markets has rapidly evolved into providing direct investors with access to the OTC and listed bond market as well as leading many debt capital management mandates.

Our business model

- A revenue model based on brokerage commission and primary issuance fees
- Our clients include wholesale investors, corporates and family offices
- We have a team of fixed income professionals skilled in structuring and facilitating unrated debt for Australian corporates with a strong focus on the non-bank sector

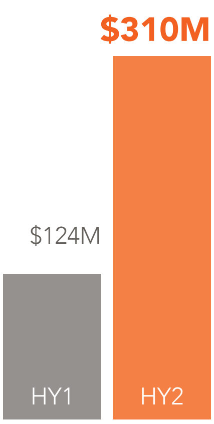
Our services

- Bond trading
- Primary issuance of bonds
- Collaborating with major investment banks
- Portfolio optimisation
- External research — BondAdvisor
- Flexible funding structures, including secured, subordinated and inflation-linked debt securities
- Tenors out to 7 years without the requirement for a credit rating
- Specialist in midcap issues for public and private companies
- Partnered syndicate approach to expand distribution base and broaden secondary liquidity
- Cornerstone participation to reduce deal risk
- Regular post-deal interaction to assist with future capital plans, such as refinancing

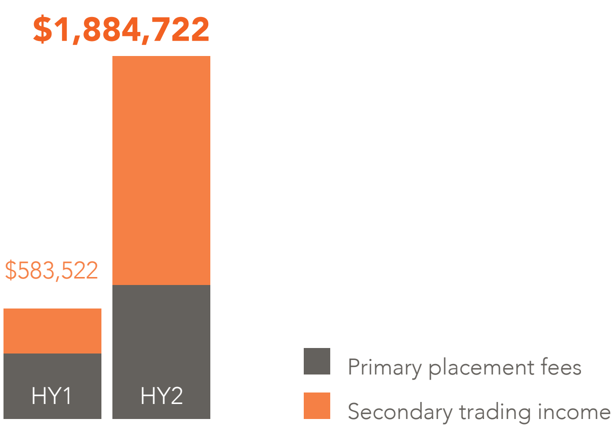
Medium term outlook

IAM Capital Markets is positioned to benefit from transaction activity. It continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors. It also continues to pursue opportunities for enhancements to the underlying services and products to ensure investors gain access to fair and transparent markets.

IAM Capital Markets Fund Under Advice



IAM Capital Markets Revenue



3. IAM Funds (formerly FundIncome)

IAM Funds provides incubation and growth services that enable highly rated fund managers to quickly grow their businesses or establish their own unique funds.

We work with multiple global suppliers of custody, legal and compliance, finance, and technology. Using our experience, we provide a compelling proposition to fund managers to leverage our financial services licence structures, distribution, technology and infrastructure assets.

Our model ensures a new fund can be launched in months to gain critical mass sooner. We provide the infrastructure, regulatory compliance and distribution capability, so investment managers can focus on managing a high-performance fund.

Our business model

- Trustees Australia has been providing responsible entity services since 1987
- We provide a bespoke service for top-tier investment managers looking to establish their own funds
- We partner with global providers to empower fund managers to succeed
- We take care of day-to-day management allowing fund managers to focus on what they do best
- We support new managers with working capital and equity investors so they can scale up quickly
- We target 25% investment in fund managers to ensure we have a meaningful alignment with the fund manager

Our services

Trustees Australia Ltd (TAL):

- Responsible entity services for managed investment schemes (MIS)
- IMA, MDAs
- Custody services
- Extensive AFSL capabilities across a variety of asset classes
- Multiple cash management account structures to suit early-stage fund managers

Medium term outlook

Our fund business is well-positioned to support our existing fund managers, Fortlake Asset Management and TGM Ltd, to grow their funds under management. We are actively working with these managers to grow their assets under management.

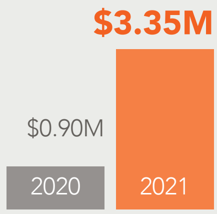
Operating result

272%

Operating Revenue

Operating revenue increased 272% to $3.35m (2020: $0.90m)

Total revenue has increased 238% to $4.29m (2020: $1.27m)



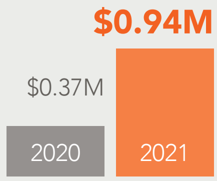
154%

Other Sources of Revenue

Other sources of revenue increased 154% to $0.94m (2020: $0.37m)

R&D grants aligned with the development of our proprietary technology platform increased 100% to $0.88m (2020: $nil)

JobKeeper support decreased 82% to $0.06m (2020: $0.33m)



Cash expenses 63%

Expenses

Total expenses increased 127% to $19.59m (2020: $8.62m).

Cash expenses increased 63%

- Total expenses include non-cash costs of $7.36m (2020: $1.8m) that consist of:
  - Depreciation and amortisation of $1.42m (2020: $1.46m)
  - Share based payments of $5.94m (2020: $0.32m)

    The share-based payments have been issued to preserve cash whilst attracting market leading talent. All payments have performance and service hurdles to align remuneration with the Group's performance and shareholder returns.

The increase to core business operating costs in the year is predominantly from:

- Employment expenses as the Group changed the structure of its personnel with an increased number of experienced people who have the capacity to promote and grow the business. Some staff were exited as part of restructuring, which assisted in mitigating some of these incremental labour costs.
- Non-recurring costs for the restructuring of existing businesses and the set-up of technology, legal and compliance support for the new businesses.

Operating Cashflows

Net operating cash outflows increased 34% to $7.39m (2020: $5.53m)

- This increase reflects significant one-off costs in establishing the new businesses infrastructure and new experienced staff to drive the revenue growth.

Financial Position

Cash & Equivalents 42%

Net Assets

Net assets decreased 3% to $11.83m (2020: $12.14m)

The key assets and liabilities in the statement of financial position are:

- Increase in cash and cash equivalents to $6.030m (2020: $4.234m)
- Post 30 June 2021, a further $8.03m for the second tranche of our capital raising has been received
- Increase in investments of $1.020m (2020: $nil) in corporate bonds
- Value of investment of $2.15m (2020: $nil) in associates (Fortlake Asset Management)
- Intangible assets of $6.60m (2020: $7.65m) primarily relating to our proprietary technology platform
- Total borrowings of $3.49m (2020: $0.02m) primarily relating to issued notes.

Capital management

In December 2020 the Group issued a $4.5m Note with attaching options to wholesale investors to support the Net Tangible Asset and growth needs of the Capital Markets and Funds businesses.

In June 2021 the Group undertook a fully underwritten placement of $14m to wholesale and institutional investors. This placement was to:

- support the 25% investment in Tactical Global Management Ltd
- drive our global asset management expansion
- scale our treasury management services
- accelerate deal flow for our capital markets business
- support the ongoing marketing and distribution activities

Business risks

IAM Group consists of complementary businesses in technology development and financial services that are exposed to a range of inherent risks. The Group has an enterprise risk management framework which, together with corporate governance, provides a framework for managing the material risks.

Financial risk

The availability of funding and management of capital and liquidity are fundamental to IAM's business operations and growth.

To mitigate this risk, the Group completed two capital raisings with wholesale and institutional investors. 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 risk

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 risk

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 IAM Code of Conduct and training programs promote awareness of legal, regulatory and internal policy requirements.

Competition and new technologies

The Group competes against other financial service providers in an industry that is highly concentrated. The Group faces the risk that its competitors, or a new entrant to the market, will increase its competitive position through marketing campaigns, product innovation, or 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. The group also leverages its proprietary technology and global technology providers to remain competitive and adapt our 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. The Group undertakes penetration testing by external consultants, has undertaken GS007 audits and is implementing SOC 2 compliance reflecting the need to ensure our capabilities are institutional grade.

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.

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.

Director information

The directors of IAM Limited during the year end 30 June 2021 and up to the date of this report are listed below. Directors were in office for this entire period except where stated otherwise:

Name	Position	Date appointed / ceased
Current directors:		
John Nantes	Executive Chairman	17 August 2017 (Appointed Chair 12 October 2019)
Craig Swanger	Executive Director	1 October 2019
Brook Adcock	Non-executive director	17 August 2017
Former directors:		
Michael Hackett	Director	Retired 4 December 2020
Nathan Leman	Director	Retired 4 December 2020

Our directors

John Nantes, Executive Chairman

Qualifications

Bachelor Law,
Deakin University

Bachelor Commerce,
University of Melbourne

Bachelor of Arts,
University of Melbourne

Diploma of Financial Planning,
Deakin University Financial (tax) Adviser

Member NTAA

Member FPA

Directorships in other listed entities (past 3 years)

Wisr Limited,
executive chairman since June 2016

Experience

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 IAM and dedicates the bulk of his time to IAM and Wisr.

John holds three bachelor's degrees, in Law, Commerce and the Arts, and a Diploma of Financial Planning.

Craig Swanger, Executive Director

Qualifications

Bachelor of Commerce,
University of Queensland

Honours in Finance,
University of Adelaide

Graduate Diploma in Financial Markets,
Securities Institute of Australia

Strategy and Innovation,
Harvard University

Directorships in other listed entities (past 3 years)

Wisr Limited,
non-executive director since 2015

Experience

Craig is one of the most highly regrading fintech investment and strategy experts in Australia.

He is an advisor to, or investor in, a portfolio of 15 high-growth technology companies.

Craig has worked in investment markets for more than 25 years, including as Global Head of Macquarie Group's Global Investment Unit, with more than US$10 billion funds under management.

Brook Adcock, Non-executive 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 in other listed entities (past 3 years)

Nil

Experience

Brook is a leading Entrepreneur and Private Investor in Australia, as Executive Chairman of his own Private Equity House, Adcock Private Equity. Brook is IAM's largest shareholder.

Adcock Private Equity also has very strong positions in 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 he is a high conviction investor. Brook was the owner of Pandora Jewellery, building it to the brand we see today.

He has been actively involved in many other successful businesses, both directly at the executive or board level, and through investment of his own capital.

Company secretary

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

Current company secretary:

Vanessa Chidwari *Appointed 4 December 2020*

Vanessa is a highly experienced governance professional, with a portfolio of domestic and international clients across various sectors.

She has 12 years' private practice experience in commercial law and litigation, practising for her own account in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for ASX200 and TSX-listed companies and has held senior executive positions in the mining industry across Australia and Southeast Asia.

Vanessa holds Bachelor of Law and Bachelor of Commerce qualifications and brings a wealth of experience in corporate governance, mergers and acquisitions, board advisory and capital raising in the listed company space. She currently acts as company secretary and governance advisor to six ASX-listed companies, including FINEOS Corporation plc and Wisr Limited.

Former company secretary:

Jerome Jones *Appointed 29 August 2014 (retired 4 December 2020)*

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.

Director meetings

The Board meets each month in person or video conference. Directors meet twice a year 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 Group of the modest size and structure of IAM.

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 monthly 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	Eligible to attend	Attended
John Nantes	10	10
Craig Swanger	10	10
Brook Adcock	10	9
Michael Hackett[1]	5	5
Nathan Leman[2]	5	5

1. Michael Hackett retired as a director on 4 December 2020
2. Nathan Leman retired as a director on 4 December 2020

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.

The Board is also satisfied that the services disclosed below did not compromise the external auditor's independence because:

- 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
- 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 2021, there was a payment of $1,400 (2020: $nil) to the external auditors for non-audit taxation services.

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 2021 financial year.

Performance rights

At the date of this report, the unissued ordinary shares of the Company are as follows:

Grant date	Number	Exercise price	Exercisable on or before
Options granted:			
28-Sep-18	1,000,000	$0.30	30-Sep-21
28-Sep-18	133,333	$0.40	30-Sep-22
29-Jul-20	1,200,000	$0.195	31-Jul-23
24-Dec-20	9,084,000	$0.50	24-Dec-23
Performance rights granted:			
01-Apr-20	8,830,000	$0.45	01-Apr-25
01-Jul-20	2,410,000	$0.30	01-Jul-25
01-Jul-20	4,415,000	$0.45	01-Jul-25
09-Sep-20	1,640,000	$0.45	09-Sep-25
01-Oct-20	4,820,000	$0.30	01-Oct-25
06-Nov-20	5,000,000	$0.45	–
06-Nov-20	5,000,000	$0.75	–
01-Dec-20	4,815,000	$0.50	01-Dec-25
01-Dec-20	7,230,000	$0.75	01-Dec-25
04-Dec-20	5,360,000	$0.45	01-Apr-25

Holders of options and performance rights do not have any entitlement, by virtue of their holdings of performance rights or 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 Performance Rights 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 Group.

Significant changes

With the continued evolution of the COVID-19 pandemic the Group continues to adapt, with the first priority being to protect the health and safety of our staff. The Group is currently operating under a hybrid remote-working and office-based model relevant to staff locations and travel requirements.

The Group received $57,900 in JobKeeper government assistance. Refer Note 3(a)(iii).

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

Events after balance date

The Group, through the General Meeting held on 10 August 2021, received shareholder ratification and approval to:

- change the name of the Group to Income Asset Management Group Limited and change the ASX Code to ASX: INY
- issue 29,741,977 fully-paid ordinary shares at $0.27 for the second tranche of the $14 million placement
- issue 1.5 million options to Blue Ocean Equities Pty Ltd as part of the agreed remuneration payable for the placement
- to complete its 25% investment in Tactical Global Management Ltd
- In August 2021, Fiona Dunn was announced to be joining the IAM Board commencing in September

In the opinion of the directors, there are no material matters that have arisen since 30 June 2021 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 2021 has been received and is set out on page 33.

Remuneration report

Information in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

This audited remuneration report outlines IAM's remuneration strategy and framework, as set out by the Board, and subject to shareholder approval.

Our remuneration framework reflects our commitment to deliver competitive remuneration for outstanding performance. Our aim is to attract and retain talented individuals, while aligning the interests of executives and shareholders.

Cash conservation continues to be critical to protecting shareholder value. As such, performance-based, non-cash remuneration remains a significant part of IAM's remuneration strategy.

This enables us to recruit experts in our strategic growth markets, paying market remuneration when they deliver significant shareholder returns, but paying cash remuneration in line with companies of IAM's current size.

As shown on the following pages, key management personnel (KMP) and Executive Directors (those with an ongoing executive role in the business) have been granted Long Term Incentive (LTI) performance rights. These include shareholder return triggers linked to a share price ranging from 20cps to 75cps, and are 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 KMP, with the team collectively choosing shareholder return triggers well above those typically used by peers on the ASX. This has allowed 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, to determine the extent to which the overall outcomes adequately reflect actual performance and returns to shareholders.

These include:

- the quality of the results
- adherence to risk management policies
- achievement against individual objectives, and
- the effectiveness of strategic initiatives implemented.

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 proposed approaches, this report is intended to help shareholders engage with the Board regarding potential refinements and improvements.

Remuneration framework, policies and practices

A. Our remuneration framework

IAM'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 incomeam.com

B. Income Asset Management Group executive remuneration framework (2020-2023)*

*Applies to KMP and Executive Directors, but the same strategy is applied to all employees via the use of fixed Short Term Incentives (STIs) and Long Term Incentive Plan (LTIP) 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 IAM current size. Max Rem at 2nd – 3rd quartile at IAM market cap if LTI hurdles achieved	TFR set according to similar positions at ASX companies of IAM's 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 at the time of issue. LTI also requires min service and compliance KPIs to be satisfied
Strategy behind this approach	The strategy requires executives with experience well beyond what IAM 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

C. Remuneration structures for current executives

Remuneration levels will reflect the strategy outlined above. 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.

D. Employment details of members of Key Management Personnel (KMP)

The following table provides employment details of persons who, during the financial year, were KMP of the Group. No KMP remuneration was performance based.

Name	Position held	Contract details	Non-salary cash-based incentives	Shares	Options	Fixed salary/fees	Total
Directors			%	%	%	%	
J Nantes	Executive Chairman	3 months' notice	–	87.09	–	12.91	100.00
B Adcock	Non-executive Director	–	–	–	–	–	–
C Swanger	Executive Director	3 months' notice	–	94.45	–	5.55	100.00
Executives							
J Lechte	CEO	3 months' notice	–	60.86	–	39.14	100.00
M Loughnan	CCO	3 months' notice	–	71.96	–	28.04	100.00
Former Directors							
M Hackett[1]	Director	–	–	–	–	100.00	100.00
N Leman[2]	Director	–	–	–	–	100.00	100.00

1. Retired as a director on 4 December 2020

2. Retired as a director on 4 December 2020

For senior executives of IAM, employment conditions are formalised in contracts of employment. No KMP have a fixed term contract.

E. Remuneration details

Details of the nature and amount of each major element of remuneration for KMP and other executives of the Group:

	Short term benefit			Post employment	Long term benefit	Termination	Equity-based payments	
Key Management Personnel (KMP)	Salary/ Director's fees	Annual leave	Bonus	Super contributions	Long service leave	Termination benefits	Performance rights	Total
	$	$	$	$	$	$	$	$
J Nantes[1]								
2021	**198,000**	**–**	**–**	**–**	**–**	**–**	**1,335,925**	**1,533,925**
2020	198,000	–	–	–	–	–	-	198,000
B Adcock								
2021	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2020	–	–	–	–	–	–	–	–
C Swanger[2]								
2021	**60,000**	**–**	**–**	**–**	**–**	**–**	**1,021,575**	**1,081,575**
2020	45,000	–	–	–	–	–	–	45,000
J Lechte[3]								
2021	**200,000**	**10,972**	**–**	**19,000**	**221**	**–**	**357,870**	**588,063**
2020	50,000	4,421	–	4,750	941	–	316,572	376,684
M Loughnan[4]								
2021	**200,000**	**14,222**	**–**	**19,000**	**177**	**–**	**598,975**	**832,374**
2020	–	–	–	–	–	–	–	–
Former KMP								
M Hackett[5]								
2021	**62,500**	**–**	**–**	**7,034**	**–**	**58,681**	**–**	**128,215**
2020	150,000	7,210	–	14,250	2,867	–	–	174,327
N Leman[6]								
2021	**28,000**	**–**	**–**	**–**	**–**	**–**	**–**	**28,000**
2020	56,750	–	–	–	–	–	–	56,750
H Ortiz[7]								
2021	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2020	195,376	–	–	30,677	(6,704)	125,000	–	344,349
Total 2021	**748,500**	**25,194**	**–**	**45,034**	**398**	**58,681**	**3,314,345**	**4,192,152**
Total 2020	695,126	11,631	–	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 Limited, an entity associated with John Nantes. Refer to Note 22: Related Party Transactions.
2. This amount is paid in accordance with a contract arrangement with Revolver Capital Pty Limited, an entity associated with Craig Swanger. Refer to Note 22: Related Party Transactions.
3. Jon Lechte was appointed as CEO on 1 April 2020.
4. Matthew Loughnan was appointed as CCO on 1 July 2020.
5. Michael Hackett retired as a director on 4 December 2020.
6. This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Limited, an entity associated with Nathan Leman. Refer to Note 22: Related Party Transactions. Nathan Leman retired as a director on 4 December 2020.
7. Hector Ortiz resigned on 15 April 2020.

Performance rights granted as Share-based Payments

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

Grant date	Fair value at grant date	Grant value	Reason for grant	Percentage vested during the year	Percentage lapsed during the year	Percentage remaining as unvested	Expiry date for vesting	Range of possible values relating to future payments
	$	$	Note	%	%	$		
Granted during 2021:								
J Nantes								
4/12/20	0.32	371,200	(i)	100	–	–	1/4/25	n/a
4/12/20	0.31	539,400	(ii)	–	100	–	1/4/25	n/a
4/12/20	0.21	680,520	(iii)	–	–	100	1/4/25	n/a
C Swanger								
4/12/20	0.32	246,400	(i)	100	–	–	1/4/25	n/a
4/12/20	0.31	483,600	(ii)	–	100	–	1/4/25	n/a
4/12/20	0.21	466,520	(iii)	–	–	100	1/4/25	n/a
M Loughnan								
1/7/20	0.14	216,675	(i)	100	–	–	1/7/25	n/a
1/7/20	0.11	267,510	(ii)	–	–	100	1/7/25	n/a
1/7/20	0.05	229,580	(iii)	–	–	100	1/7/25	n/a
Granted during 2020:								
J Lechte								
1/4/20	0.07	213,465	(i)	100	–	–	1/4/25	n/a
1/4/20	0.05	249,789	(ii)	100	–	–	1/4/25	n/a
1/4/20	0.04	338,189	(iii)	–	–	100	1/4/25	n/a

(i) Performance Rights were issued as part of the Group's LTIP and vest immediately upon granting subject to meeting the share price hurdle and the exercise price is $nil.

(ii) Performance Rights were issued as part of the Group's LTIP and vest upon 1 year minimum service subject to meeting the share price hurdle and the exercise price is $nil.

(iii) Performance Rights were issued as part of the Group's LTIP and vest upon 2 years minimum service subject to meeting the share price hurdle and the exercise price is $nil.

Number of performance rights granted as remuneration

All LTI equity is subject to a voluntary escrow in line with the Group's LTIP. There are generally shareholder return triggers linked to a share price and minimum service standards such as terms of service attached to the grant of performance rights.

			Grant details		Exercised		Expired	
Name	**Balance at 1 July 2020**	**Issue Date**	**No.**	**Value $**	**No.**	**Value $**	**No.**	**Balance at 30 June 2021**
J Nantes	–	4/12/20	6,080,000	1,591,120	(1,160,000)	(371,200)	(1,740,000)	3,180,000
C Swanger	–	4/12/20	4,510,000	1,196,520	(770,000)	(246,400)	(1,560,000)	2,180,000
J Lechte	16,860,000	1/4/20	–	–	(8,030,000)	(463,254)	–	8,830,000
M Loughnan	–	1/7/20	8,430,000	713,765	(1,605,000)	(216,675)	–	6,825,000
Total	16,860,000		19,020,000	3,501,405	(11,565,000)	(1,297,529)	(3,300,000)	21,015,000

	Balance at 30 June 2021	**Vested no.**	**Unvested no.**
J Nantes	3,180,000	–	3,180,000
C Swanger	2,180,000	–	2,180,000
J Lechte	8,830,000	–	8,830,000
M Loughnan	6,825,000	–	6,825,000
Total	21,015,000	–	21,015,000

The fair value of performance rights 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.

Description of performance rights issued as remuneration

Details of the performance rights 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 $
1/4/20	Income Asset Management Group Limited	1:1	1/4/25	$0.20	$0.07	nil
1/4/20	Income Asset Management Group Limited	1:1	1/4/25	$0.30	$0.05	nil
1/4/20	Income Asset Management Group Limited	1:1	1/4/25	$0.45[1]	$0.04	nil
1/7/20	Income Asset Management Group Limited	1:1	1/7/25	$0.20	$0.14	nil
1/7/20	Income Asset Management Group Limited	1:1	1/7/25	$0.30	$0.11	nil
1/7/20	Income Asset Management Group Limited	1:1	1/7/25	$0.45[1]	$0.05	nil
4/12/20	Income Asset Management Group Limited	1:1	1/4/25	$0.25	$0.32	nil
4/12/20	Income Asset Management Group Limited	1:1	1/4/25	$0.35	$0.31	nil
4/12/20	Income Asset Management Group Limited	1:1	1/4/25	$0.45[1]	$0.21	nil

Award values at grant date were determined using a Monte Carlo, Black-Scholes or binomial pricing method. Details relating to performance criteria required for vesting have been provided in the Performance rights granted as Share-based Payments table on page 27.

1. Executive Directors and KMP voluntarily elected for these performance rights to vest at $0.45 and escrow them to a $0.75 price hurdle. This was done to align their interests with those of shareholders.

F. KMP Shareholdings

The number of ordinary shares in Income Asset Management Group Limited held by each of the KMP of the Group during the financial year is as follows:

	Balance at 1 July 2020	Granted as remuneration	Other market transactions[1]	Other changes	Balance at 30 June 2021
Current KMP:					
B Adcock	67,052,179	–	–	–	67,052,179
J Nantes	7,980,265	1,160,000	–	115,384	9,255,649
C Swanger	76,923	770,000	–	–	846,923
J Lechte	1,538,461	8,030,000	1,950,000	–	11,518,461
M Loughnan	–	1,605,000	150,000	–	1,755,000
Total	76,647,828	11,565,000	2,100,000	115,384	90,428,212

[1.] Other market transactions are a result of KMP or their related parties trading shares on the open market.

	Balance at 1 July 2020	Granted as remuneration	Other market transactions	Other changes	Balance at date ceased as KMP
Former KMP:					
M Hackett[1]	22,021,439	–	–	–	22,021,439
N Leman[2]	2,955,803	–	–	–	2,955,803
Total	24,977,242	–	–	–	24,977,242

[1.] Michael Hackett retired as a director on 4 December 2020

[2.] Nathan Leman retired as a director on 4 December 2020

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

G. KMP Other Equity Transactions

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

H. Participation in IAM Notes

On 24 December 2020, Income Asset Management Group Limited issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested (refer Note 15(ii)). Below is a list of KMP who participated in the issue and their relevant interest from the issue. The issue of options to KMP was subject to shareholder approval and subsequently approved on 10 August 2021.

KMP	Notes ($)	Options (no.)
B Adcock	725,000	1,450,000
J Nantes	50,000	100,000
J Lechte	500,000	1,000,000
M Loughnan	50,000	100,000

I. 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.

J. Transactions with KMP

From time to time KMP 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 2021 year, $198,000 (2020: $198,000) was paid by the Group to CJN Advisory and at 30 June 2021 the Group had no (2020: $nil) outstanding amounts with CJN Advisory.
- **Former director Nathan Leman** is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertook project management and consulting work for the Group on a cost recovery basis. During the 2021 year, $28,000 (2020: $56,750) was paid by the Group to Mikko. At 30 June 2021, the Group had no outstanding amounts with Mikko (2020: $5,500).
- **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 2021 year, $60,000 (2020: $45,000) was paid by the Group to Revolver Capital and at 30 June 2021 the Group had no (2020: $nil) outstanding amounts with Revolver Capital.
- **Former director Nathan Leman** is a director of Australian Adventure Tourism Group Limited (AATG), who utilise the services of the IAM administration team on a cost recovery basis. During the 2021 year, $1,235 (2020: $29,964) was charged by the Group to AATG and at 30 June 2021 AATG had no (2020: $nil) outstanding amounts with IAM.

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

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 Corporate Governance Statement reports on the Group's key governance principles and practices. These 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 IAM 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 IAM 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 (incomeam.com) 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 IAM Management System. The website is updated regularly to ensure it reflects the Group's most current corporate governance information.

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DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INCOME ASSET MANAGEMENT GROUP LIMITED (FORMERLY CASHWERKZ LIMITED)

As lead auditor of Income Asset Management Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Income Asset Management Group Limited and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney, 31 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue and operational income	3(a)	4,292,167	1,269,485
Business operating expenses		(2,843,329)	(1,337,953)
Employment expenses	3(b)(ii)	(12,637,848)	(4,644,346)
Finance costs	3(b)(i)	(421,888)	(25,859)
Depreciation and amortisation expense		(1,415,613)	(1,463,412)
Property operating expenses		(116,320)	(64,750)
Other expenses		(2,200,202)	(1,084,280)
Share of net profit from associate		49,387	–
Loss before income tax		(15,293,646)	(7,351,115)
Income tax expense	4	–	–
Loss for the year attributable to members		(15,293,646)	(7,351,115)
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		(15,293,646)	(7,351,115)
Earnings per share	25	**Cents**	**Cents**
Basic earnings per share		(7.5)	(4.0)
Diluted earnings per share		(7.5)	(4.0)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
Current Assets			
Cash and cash equivalents	5	6,029,545	4,234,214
Trade and other receivables	6	888,073	476,720
Financial assets at fair value through profit or loss	7	1,019,773	–
Other assets	8	536,367	346,581
Total Current Assets		8,473,758	5,057,515
Non-Current Assets			
Right of use assets	9	415,551	244,779
Intangibles	10	6,598,254	7,648,166
Investments accounted for using the equity method	11	2,149,437	–
Property, plant & equipment	12	215,222	168,270
Other non-current assets	13	630,387	–
Total Non-Current Assets		10,008,851	8,061,215
Total Assets		18,482,609	13,118,730
Current Liabilities			
Trade and other payables	14	2,294,286	455,343
Lease liabilities	9	244,548	198,901
Borrowings	15	29,898	17,650
Provisions	16	370,640	213,222
Total Current Liabilities		2,939,372	885,116
Non-Current Liabilities			
Lease liabilities	9	212,603	60,782
Borrowings	15	3,457,903	–
Provisions	16	45,927	31,705
Total Non-Current Liabilities		3,716,433	92,487
Total Liabilities		6,655,805	977,603
Net Assets		11,826,804	12,141,127
Equity			
Issued capital	17	38,372,712	30,867,822
Reserves	18	6,886,842	435,409
Retained earnings		(33,432,750)	(19,162,104)
Total Equity		11,826,804	12,141,127

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

Cash Flows from Operating Activities	Note	2021 $	2020 $
Receipts from customers and other sources of income		2,851,111	1,203,752
Payments to suppliers and employees		(11,293,531)	(6,753,364)
Net proceeds from sale of financial instruments at fair value through profit or loss		1,253,016	–
Interest received		1,101	42,285
Finance costs paid		(199,546)	(25,859)
Net operating cash flows	5(b)	(7,387,849)	(5,533,186)

Cash Flows from Investing Activities			
Payment for property, plant & equipment	12	(121,399)	(10,762)
Payment for intangible assets	10	–	(3,549)
Loan to associate	13(i)	(500,000)	–
Net payment for office bonds		(99,959)	–
Payment for equity-accounted investment	11	(50)	–
Net investing cash flows		(721,408)	(14,311)

Cash Flows from Financing Activities			
Proceeds from issue of notes	15(ii)	4,500,000	–
Proceeds from issues of shares		5,969,666	5,000,000
Cost of raising capital		(312,546)	(214,637)
Proceeds from related party borrowings	15(iv)	5,572,370	106,987
Repayment of related party borrowings	15(iv)	(5,572,370)	–
Proceeds from borrowings		80,932	–
Repayment of borrowings		(68,684)	(89,337)
Repayments of lease principal	9(c)	(264,780)	(174,345)
Net financing cash flows		9,904,588	4,628,668
Net increase / (decrease) in cash held		1,795,331	(918,829)
Cash at the beginning of the year		4,234,214	5,153,043
Cash at the end of the financial year	5(a)	6,029,545	4,234,214

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Issued Capital Ordinary $	Option Reserve $	Retained Earnings $	Total $
Balance at 1 July 2020		30,867,822	435,409	(19,162,104)	12,141,127
Loss attributable to members of parent entity for the year		–	–	(15,293,646)	(15,293,646)
Total comprehensive loss for the period		–	–	(15,293,646)	(15,293,646)
Transaction with owners, in their capacity as owners and other transfers					
Contributions of equity, net of transaction costs	17(a)(i)	5,585,120	72,000	–	5,657,120
Share based payment	24(iv)	20,000	–	–	20,000
Issued note — option premium reserve	15(iii)	–	1,260,000	–	1,260,000
Contingent consideration reserve	11(c)(i)	–	2,100,000	–	2,100,000
Share based payments — employee scheme	24(iii)	–	5,942,203	–	5,942,203
Exercise of performance rights	18(a)	1,899,770	(1,899,770)	–	–
Transfer of share based payment reserve		–	(1,023,000)	1,023,000	–
Total transactions with owners		7,504,890	6,451,433	1,023,000	14,979,323
Balance at 30 June 2021		38,372,712	6,886,842	(33,432,750)	11,826,804

	Note	Issued Capital Ordinary $	Option Reserve $	Retained Earnings $	Total $
Balance at 1 July 2019		26,082,459	1,103,533	(12,779,401)	14,406,591
Cumulative adjustment upon adoption of new accounting standard — AASB 16		–	–	(16,464)	(16,464)
Balance at 1 July 2019 (restated)		26,082,459	1,103,533	(12,795,865)	14,390,127
Comprehensive income for the period					
Loss attributable to members of parent entity		–	–	(7,351,115)	(7,351,115)
Total comprehensive loss for the period		–	–	(7,351,115)	(7,351,115)
Transaction with owners, in their capacity as owners and other transfers					
Contributions of equity, net of transaction costs	17(b)(i)	4,785,363	–	–	4,785,363
Share based payments	24(i)(a)	–	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

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1: Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of Income Asset Management Group Ltd (IAM) and controlled entities (the Group). IAM is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, IAM, 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: Parent Information.

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 (IAM) 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 21: 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. 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 deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

IAM 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.

C. Fair Value of Assets and Liabilities

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

D. Property and Office Equipment

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

Office equipment

Office equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and accumulated impairment. In the event the carrying amount of office 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(G)) for details of impairment.

The carrying amount of office 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 capitalised lease assets, 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.

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

Class of Fixed Assets	Depreciation Rate (years)
Leasehold improvements	7
Office equipment	3–10

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.

E. Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability 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.

F. 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.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

1. 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.

2. Fair value through profit and loss

   Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

   (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

   (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss as net trading income.

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.

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.

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.

G. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include 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.

H. Investments Using Equity

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 programs 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 the Group 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.

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 of 10 years. The remaining useful life is 6.1 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 of 20 years.

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 and rights may be determined using either a Black-Scholes, Monte Carlo 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 personal 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 personal 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 corporate 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.

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. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

P. 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.

Q. 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.

R. Revenue and Other Income

Revenue Recognition

Financial services revenue

Revenue is recognised for the major business activities using the methods outlined below:

1. Net trading income

   The Group operates a fixed income trading business trading in bonds. The Group, trading as the principal, sells bonds to, or buys from, its clients and the fixed income market. Bond trading income is recognised on the trade date, which is the date the Group meets the requirements to recognise the financial asset.

2. Revenue from contracts with customers

   Revenue from contracts with customers is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and their revenue can be reliably measured.

   - Fee Revenue includes placement or arrangement fees derived from bonds. Placement fees arise where the Group arranges for a number of investors to participate in the acquisition of fixed rate securities to be issued on the primary markets by an issuer intending to raise capital. As consideration for the arrangement of the issue, the Group earns an arrangement or placement fee. Revenue is recognised when the customer has received the benefit of the service such that the performance obligation has been met — that is at the time when agreement is reached with individual investors to acquire notes, or with an underwriter to take up any remaining notes. The revenue may be reduced for rebates, or for underwriting fees.

   - Services revenue — the Group provides responsible entity services and other administrative services to funds. Revenue is measured at the time when the performance obligation is met and services are transferred.

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 interest method.

S. Responsible Entity Obligations

The Group 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. The Group 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 trusts. At the end of the reporting period, to the directors' knowledge the assets of the trust's are sufficient to meet their liabilities.

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

T. 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.

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 software and bringing them to their current state, refer Note 10: Intangible Assets.

There has been no impairment charge recognised during the year (2020: Nil).

(iv) Estimation of useful lives of software

At each reporting date the Group re-evaluates 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 (2020: 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, Monte Carlo 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 may affect the value of share based payments recorded in the financial statements.

Key Judgements

(i) Future Tax benefit of Tax Losses

At 30 June 2021, 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".

U. New and Amended Accounting Policies Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period but determined that their application to the financial statements is either not relevant or not material.

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.

Statement of Financial Position	**2021**	**2020**
Assets	**$**	**$**
Current assets	3,694,090	775,667
Non-current assets	11,049,362	8,416,352
Total assets	14,743,452	9,192,019
Liabilities		
Current liabilities	1,379,212	168,797
Non-current liabilities	3,716,433	11,331
Total liabilities	5,095,645	180,128
Equity		
Issued capital	38,372,712	30,867,822
Reserves	6,886,842	435,409
Retained earnings	(35,611,747)	(22,291,340)
Total Equity	9,647,807	9,011,891
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(14,343,408)	(9,055,509)
Total comprehensive loss	(14,343,408)	(9,055,509)

Contingent liabilities and guarantees

The parent company does not have any contingent liabilities or guarantees in place for the year ended 30 June 2021.

Other contingent matters of the company, or the Group, are mentioned in Note 19: Commitment and Contingencies.

Contractual commitments

At 30 June 2021, the parent company had not entered into any contractual commitments (2020: $nil).

Note 3: Revenue and Expenses

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

(a) Revenue and operational income	Note	2021 $	2020 $
• Brokerage and commissions		853,638	886,514
• Placement fees		1,043,698	–
• Service fees		34,811	13,686
Revenue from contracts with customers	(i)	1,932,147	900,200
Net trading income	(ii)	1,421,479	–
Total operating revenue		3,353,626	900,200
Other sources of revenue	(iii)	938,541	369,285
Total revenue		4,292,167	1,269,485

(i) Revenue disaggregation

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

Service lines:

• financial services	1,932,147	900,200

Timing of revenue recognition

Services transferred to customers:

• at a point in time	1,932,147	900,200

(ii) Net trading income

• Income from financial instruments held at fair value through profit or loss	1,421,479	–

(iii) Other sources of revenue

• Interest — unrelated	1,101	42,285
• ATO Incentives	57,900	327,000
• R&D tax incentives	879,540	–
	938,541	369,285

(b) Expenses

(i) Finance costs

• Bank loans and overdrafts	1,721	1,693
• Lease liabilities	36,279	24,166
• Interest paid	383,888	–
	421,888	25,859

(ii) Employee benefits expense

• Wages and salaries costs	6,013,735	3,984,551
• Superannuation	509,779	361,924
• Employee benefits provisions	172,131	(18,881)
• Share based payment expenses	5,942,203	316,752
	12,637,848	4,644,346

Note 4: Income Tax Expense

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

	2021 $	2020 $
(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		
Prima facie tax payable / (benefit) on loss from ordinary activities before income tax at 26% (2020: 27.5%):	(3,976,348)	(2,021,557)
Add /(less)		
Tax effect of:		
• current period tax losses not recognised	2,573,664	1,901,066
• net amount of expenses not currently deductible	1,629,037	205,466
• other income not included in assessable income	(226,353)	(84,975)
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 dependent on compliance with conditions of deductibility imposed by Taxation law.

Temporary differences	(378,006)	(387,853)
Tax losses	9,974,152	8,792,466
Capital losses	418,865	460,751
Net unbooked deferred tax assets	10,015,011	8,865,364

The Group has unconfirmed revenue losses of $39,896,609 (2020: $25,097,230) and capital losses of $1,825,410 (2020: $1,675,458).

These losses can only be carried forward to offset against taxable profits made in future income years if the Group can satisfy the Continuity of Ownership Test (COT), or failing COT, the Business Continuity Test (BCT) in respect of those losses. Whilst the Group is of the view that it has satisfied the necessary criteria, it has not sought any independent advice to confirm whilst it is still in a loss making position.

Note 5: Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank and on hand	6,029,545	4,234,214
	6,029,545	4,234,214

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

The fair value of cash, cash equivalents and overdrafts is $6,029,545 (2020: $4,234,214).

(a) Reconciliation of Cash

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

	Note	2021 $	2020 $
Cash at bank and in hand		6,029,545	4,234,214
	26	6,029,545	4,234,214

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

	2021 $	2020 $
Net loss after income tax	(15,293,646)	(7,351,115)
Adjustment of non cash items		
Fair value changes (unrealised)	(50)	–
Amortisation and depreciation	1,415,613	1,463,412
Bad debts	6,545	–
Share based payment expenses	5,962,203	316,752
Interest paid	222,342	–
Share of profits from associates	(49,387)	–
Changes in assets and liabilities, net of the effects of movements in subsidiaries		
Increase in receivables and other current assets	(556,998)	(87,056)
Increase in financial assets at fair value	(10,438)	–
Increase in trade creditors	744,327	143,702
Increase in provisions	171,640	(18,881)
Net operating cash flows	(7,387,849)	(5,533,186)

(c) Changes in Liabilities arising from Financing Activities

	1 July 2020 $	Cash flows $	Non-cash movements $	30 June 2021 $
Short-term borrowings	17,650	12,248	–	29,898
Lease liabilities	259,683	(264,780)	462,248	457,151
Long term borrowings	–	4,500,000	(1,042,097)	3,457,903
	277,333	4,247,468	(579,849)	3,944,952

Note 6: Trade and Other Receivables

Current	Note	2021 $	2020 $
Trade debtors		355,441	95,170
Other receivables		532,632	381,550
Total current receivables	(i)	888,073	476,720
Financial Assets classified as loans and receivables			
Trade and other receivables			
• Total current		888,073	476,720
Financial assets	26	888,073	476,720

(i) Significant management judgement — expected credit loss provision

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 credit worthy ADI's and other institutions with no material balances past due.

Note 7: Financial Assets at Fair Value

Current	Note	2021 $	2020 $
Unlisted investments at fair value			
• Corporate bonds		1,009,285	–
Listed investments at fair value			
• Corporate bonds		10,488	–
Total current financial assets at fair value through profit or loss	27	1,019,773	–

Note 8: Other Assets

Current	Note	2021 $	2020 $
Prepayments		362,473	142,260
Bonds and deposits	26	173,894	204,321
Total other assets		536,367	346,581

Note 9: Right of Use Assets

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

	Note	2021 $	2020 $
Right of use assets			
Leased building		1,153,165	691,140
Accumulated depreciation		(737,614)	(446,361)
		415,551	244,779

Movement in carrying amounts:

Leased building:			
Opening net carrying amount	(i)	244,779	–
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)		–	417,563
Additions	(ii)	462,025	–
Depreciation expense for the year		(291,253)	(172,784)
		415,551	244,779

(i) The Group has the following carried forward lease recognised under AASB 16.

A 4-year lease on office premises in Clarence Street, Sydney, with an expiry date of 30 November 2021. The Group has given notice it will not be taking up its three year option to extend the lease and as such the option is not included in the calculation of the lease liability.

(ii) The Group entered into the following lease recognised under AASB 16 during the year.

A 3-year lease for office premises in Adelaide Street, Brisbane, with an expiry date of 30 November 2023.

Management estimate — lease term and discount rate

The lease has a two-year option, which provides the Group opportunities to manage leases in order to align with its strategies. The extension or termination options is only exercisable by the Group; however, management has no reasonable certainty at this point in time that the option will be exercised and as such the option is not included in the calculation of the lease liability. A benchmarked borrowing rate of 5.03% has been used as the discount rate.

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

Depreciation charge related to right of use assets	291,253	172,784
Interest expense on lease liabilities (included in finance costs)	36,279	24,166

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

	2021 $	2020 $
Total principal and interest cash outflows for leases	264,780	174,345

(d) Lease liabilities

Current	Note	2021 $	2020 $
Lease liabilities		244,548	198,901
Total current lease liabilities		244,548	198,901
Non-current			
Lease liability		212,603	60,782
Total non-current lease liabilities		212,603	60,782
Total lease liabilities	26	457,151	259,683

(e) Lease liabilities maturity analysis

2021	Less than 1 year	1 to 2 years	2 to 5 years	5 + years	Total
Lease payments	269,153	173,966	59,228	–	502,347
Finance costs	(24,605)	(14,535)	(6,056)	–	(45,196)
	244,548	159,431	53,172	–	457,151
2020					
Lease payments	223,067	70,851	–	–	293,918
Finance costs	(24,166)	(10,069)	–	–	(34,235)
	198,901	60,782	–	–	259,683

Note 10: Intangible Assets

	2021 $	2020 $
Goodwill — at cost	226,316	226,316
	226,316	226,316
Software development — at cost[1]	10,420,664	11,435,510
less accumulated amortisation[1]	(4,061,141)	(4,026,853)
	6,359,523	7,408,657
Trademarks and patent — at cost	14,714	14,714
less accumulated amortisation	(2,299)	(1,521)
	12,415	13,193
Total intangibles	6,598,254	7,648,166

1. Fully amortised software development at cost and the associated accumulated amortisation of $1,014,846 has been removed from the balances.

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of intangible asset between the beginning and the end of the year:

		Goodwill	Software	Trademarks	Total
Consolidated	**Note**	**$**	**$**	**$**	**$**
Balance at 1 July 2020		226,316	7,408,657	13,193	7,648,166
Amortisation charge		–	(1,049,134)	(778)	(1,049,912)
Balance at 30 June 2021	(i)	226,316	6,359,523	12,415	6,598,254
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		226,316	7,408,657	13,193	7,648,166

(i) Intangible Assets

Goodwill relates to the subsidiary IAM Capital Markets Limited Cash Generating Unit.

Software intangibles relate to the Cash Generating Units of IAM Cash Markets and IAM Capital Markets.

As part of the financial year impairment assessment process, the Group has considered the carrying value of the intangible assets balance and note that no impairment charge is required at 30 June 2021.

The useful lives of the intangible assets were also considered to remain appropriate at 30 June 2021.

Management estimate — fair value of intangible assets

The recoverable amounts were determined based on value-in-use calculations which require the use of various assumptions. The key assumptions utilised for the assessment are a discount rate of 9.76%; an equity risk premium of 12%; a risk-free rate of 0.52%; a beta of 0.77 and terminal growth rate of 0.8%.

The calculations use the 2021 result plus cash flow projections based on financial forecasts covering a four-year period. The revenue growth rate is optimistic in the first three forecasting years, as the business gains significant scale in bond activities, dropping to 2% p.a. as a sustainable growth rate for the last year of the model as the business matures. Operating cost outflows are expected to increase in the first three forecasting years, as a result of the annualisation of incremental employment and operating expenses incurred in this financial year and moderate staff increases. Going forward into the last year of the forecast, costs are expected to increase by 3% p.a., reflecting inflation and operating cost containment as efficiencies of scale are achieved.

Sensitivity to change in assumptions

Sensitivity analysis on changes to key assumptions and cash flow projections used in the value-in-use calculations indicate that reasonable changes in the key assumptions will not cause the recoverable amount of the CGU to be less than its carrying value.

Keeping all other assumptions constant, if we were to miss our revenue targets by 22% in each period of the cash flow projections, an impairment to the recoverable amount of the CGU may arise.

Note 11: Investments Accounted for Using the Equity Method

	2021 $	2020 $
Investments accounted for using the equity method	2,149,437	–

(a) Carrying amounts

The Group holds an investment that undertakes funds management activities. Information relating to this entity is set out below:

		Ownership Interest		Carrying Value	
Name of Company	**Principal Activities**	**2021** %	**2020** %	**2021** $	**2020** $
Unlisted					
Fortlake Asset Management Pty Ltd	Funds Management	25	–	2,149,437	–
		25	–	2,149,437	–

The above entity is incorporated and has its principal place of business in Australia and is accounted for using the equity method.

On 9 November 2020, the Group announced the launch of a new funds management business, Fortlake Asset Management Pty Ltd (Fortlake), targeting institutions and investors with a range of fixed income funds. Our fund incubation business, IAM Funds Pty Ltd, has taken a 25% interest in Fortlake for $50, together with a further $2,100,000 of contingent consideration upon Fortlake achieving certain funds under management milestones and IAM achieving specified strike price hurdles.

Control of the relevant activities in Fortlake rests in the hands of Sheer Dynamics Pty Ltd who is the investment manager responsible for funds under management and holds the majority ownership interest. The Fortlake board is comprised of five directors, including one director representing IAM.

Significant management judgement — contingent consideration

The Group has identified a contingent consideration portion of the transaction as a result of an assessment of the commercial nature of the obligation and its linkage to the underlying valuation of the entity. The Group has assessed that it is probable the funds under management and strike price hurdles will be achieved and has therefore recorded the $2,100,000 at fair value as contingent consideration within the option reserve, with a corresponding increase in the carrying value of the investment in Fortlake.

Significant management estimate — impairment assessment

Impairment testing is carried out on the amount at fair value as contingent consideration payable accounted for using the equity method at each reporting date. For the purpose of impairment testing, each investment is assessed individually as each represents a separate 'cash generating unit' (CGU), with the carrying value compared to the 'recoverable amount'. The 'recoverable amount' is defined as the higher of each CGU's fair value less costs of disposal and its value in use.

As a result of this analysis, there has been no impairment to the Group's investments accounted for using the equity method in the financial year ended 30 June 2021 (30 June 2020: $nil).

(b) Summarised financial information for joint ventures

The tables below provide summarised financial information for Fortlake Asset Management Pty Ltd. The information disclosed reflects the amounts presented in the financial statements of Fortlake and not the Group's share of those amounts.

	2021
Summarised statement of financial position	**$**
Cash and cash equivalents	318,429
Other current assets	551,119
Total current assets	869,548
Total non-current assets	1,729,117
Current financial liabilities	–
Other current liabilities	(87,317)
Total current liabilities	(87,317)
Non-current financial liabilities	(500,000)
Other current liabilities	–
Total non-current liabilities	(500,000)
Net assets	2,011,348
Group share %	25.00%
Reconciliation to carrying amounts	
Opening net assets 1 July	–
Issued shares	2,000,150
Total comprehensive loss	(17,919)
Financial asset revaluation reserve	29,117
Dividends paid	–
Closing net assets	2,011,348
Group's share of net assets	502,837
Consideration premium	1,646,600
Carrying amount	2,149,437
Summarised statement of comprehensive income	
Revenue	305,029
Net loss for the year after tax	(17,919)
Other comprehensive income	–
Total comprehensive loss for the period	(17,919)
Dividends received from joint venture entities	–
Depreciation and amortisation	–
Interest income	–

At 30 June 2021, IAM's maximum exposure to loss from its interest in Fortlake is the carrying amount of the investment of $2,149,437 and a $500,000 interest free loan for working capital requirements (refer Note 13(i)).

There were no investments accounted for using the equity method in the 2020 comparative period.

There were no commitments or contingencies of joint ventures in the year ended 30 June 2021.

(c) Movement in carrying amounts

	Note	2021 $
Carrying amount at 1 July 2020		–
Purchase of shares in Fortlake		50
Contingent consideration	(i)	2,100,000
Share of profit after income tax[1.]		49,387
Carrying amount at 30 June 2021		**2,149,437**

[1.] Share of profit after income tax for the period of ownership from 9 November 2020 to 30 June 2021.

(i) Management estimate — fair valuation of contingent consideration

On establishment of Fortlake Asset Management Pty Ltd and as part of the shareholder agreement, 10,000,000 performance rights in IAM were granted to Sheer Dynamics Pty Ltd. The Group has assessed that it is probable that the rights will vest and become payable and has therefore recorded the amount, in full, as contingent consideration.

The performance rights were issued for no consideration and vest based upon Fortlake achieving certain funds under management milestones and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

Fair value at grant date (per right)	$0.21
Grant date	6 November 2020
Number of rights	10,000,000
Exercise price	nil
Expiry date	perpetual
Share price at grant date	$0.21
Expected price volatility of the Company's shares	65%
Expected dividend yield	nil
Risk-free interest rate	0.25%

Note 12: Property, Plant and Equipment

	2021	2020
	$	$
Plant and equipment owned		
• at cost	281,925	174,497
less accumulated depreciation	(181,051)	(137,851)
Total plant and equipment, net	100,874	36,646
Leasehold improvements		
• at cost	269,951	255,980
Less accumulated amortisation	(155,603)	(124,356)
Total Leasehold improvements, net	114,348	131,624
Total property, plant and equipment	215,222	168,270

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 2021	$	$	$
Balance at the beginning of the financial year	36,646	131,624	168,270
Additions	107,428	13,971	121,399
Depreciation expense	(43,200)	(31,247)	(74,447)
Balance at end of financial year	100,874	114,348	215,222

	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

Note 13: Other Non-current Assets

	Note	2021 $	2020 $
Loan to associate	(i)	500,000	–
Bonds and deposits	26	130,387	–
Total other non-current assets		630,387	–

(i) Fortlake interest free loan

On establishment of Fortlake Asset Management Pty Ltd (refer Note 11), Fund Income Pty Ltd has agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business (refer Note 19(ii)) and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The loan has been classified as non-current at 30 June 2021 and the outstanding balance is $500,000 (2020: nil). The Group has assessed the future forecasts of Fortlake and not recorded an impairment for expected credit losses in the year.

Note 14: Trade and Other Payables

	Note	2021 $	2020 $
Current — unsecured			
Trade creditors		530,683	153,330
Sundry creditors and accrued expenses		1,763,603	302,013
Total current payables		2,294,286	455,343
Financial liabilities at amortised cost classified as trade and other payables	26	2,294,286	455,343

Note 15: Borrowings

Current	Note	2021 $	2020 $
Loans — unsecured	(i)	29,898	17,650
Total current borrowing		29,898	17,650

Non-current			
Issued notes	(ii)	4,500,000	–
Issued notes — option premium	(iii)	(1,042,097)	–
Total non-current borrowing		3,457,903	–
Total borrowings	26	3,487,801	17,650

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

(ii) Issued notes

On 24 December 2020, IAM issued a 6% unsecured note with a face value of $4,500,000 and a maturity of 3 years. The borrowing will be used to fund the growth in capital requirements of the IAM Funds and IAM Capital Markets businesses. Interest is payable quarterly in arrears at a rate of 6% based on face value and notes have been measured at amortised cost.

The noteholders were also issued with two ASX listed options for every $1 invested. Each option entitles the holder to purchase one IAM share at an exercise price of $0.50 at any time during the 3-year life of the option. Refer Note (iii) below for details of the fair valuation process.

(iii) Issued notes — option premium

The option premium on the issued note represents the options on IAM shares outlined in (ii) above. The premium represents an additional borrowing cost, and is incorporated within the effective interest rate on the issued note liability.

Management estimate — fair valuation of option premium

The fair value of the options was determined using a Black-Scholes pricing model taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

Fair value at grant date (per right)	$0.14
Grant date	24 December 2020
Number of rights	9,000,000
Exercise price	$0.50
Expiry date	24 December 2023
Share price at grant date	$0.34
Expected price volatility of the Company's shares	79%
Expected dividend yield	nil
Risk-free interest rate	0.10%

The $1,042,097 balance at 30 June 2021 represents the fair value of $1,260,000 less $217,903 in effective interest for the period on the option premium.

(iv) Related party funding

Commencing in October 2020, the Group entered into a borrowing agreement with Jon Lechte (CEO), who provided a loan facility for an amount of not more than $2,500,000 (2020: $nil) at any time. The interest rate is 5.01%, repayment is to be made with 30 days' notice and the facility is to be used to purchase inventory or to facilitate settlements for the Bond Income business. The facility was utilised at various times during the year and the cumulative total proceeds received was $5,572,370 (2020: $nil) and all utilised amounts during the year had been repaid by year end. Interest on the facility of $26,809 (2020: $nil) was paid.

Note 16: Provisions

	2021 $	2020 $
Current		
Employee benefits	370,640	213,222
Total current provisions	370,640	213,222
Non-Current		
Employee benefits	45,927	31,705
Total non-current provisions	45,927	31,705
Opening Balance	244,927	263,808
Additional provisions	362,454	295,475
Amounts used	(190,814)	(314,356)
Closing Balance	416,567	244,927

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 17: Issued Capital

	2021 $	2020 $
Issued capital	38,372,712	30,867,822

(a) Movement in ordinary shares as of 30 June 2021:

Date	Detail	Note	Number of shares	Issue Price ($)	Issued Capital
1 July 2020	Opening balance		198,343,257		30,867,822
10 July 2020	Share based payment	(i)	153,846	$0.13	20,000
4 March 2021	Performance rights exercised	(ii)	11,321,866	$0.15	1,649,981
21 June 2021	Share placement	(iii)	22,109,875	$0.27	5,969,666
29 June 2021	Performance rights exercised	(iv)	4,820,000	$0.05	249,789
	Transaction costs				(384,546)
30 June 2021	Closing balance		236,748,844		38,372,712

(i) On 10 July 2020, IAM issued 153,846 shares at an issue price of $0.13 to a supplier for recruitment costs.

(ii) On 4 March 2021, IAM issued 11,321,866 shares at an average issue price of $0.15 upon vesting of employee performance rights.

(iii) On 21 June 2021, IAM issued 22,109,875 shares to sophisticated investors. This is tranche one of a two-tranche placement of $14M at an issue price of $0.27. Tranche two received shareholder approval on 10 August 2021 and the balance of 29,741,977 shares were issued on 16 August 2021. Funds will be used to secure a 25% stake in global investment manager Tactical Global Management Limited (TGM), enhance marketing and distribution capabilities, further develop the IAM Capital Markets business and scale and capitalise on demand for treasury management services.

(iv) On 29 June 2021, IAM issued 4,820,000 shares at an average issue price of $0.05 upon vesting of employee performance rights.

(b) Movement in ordinary shares as of 30 June 2020:

Date	Detail	Note	Number of shares	Issue Price ($)	Issued Capital
1 July 2019	Opening balance		159,881,719		26,082,459
13 May 2020	Share placement	(i)	25,110,577	$0.13	3,264,375
30 June 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, IAM issued a total of 38,461,538 shares to sophisticated investors. The placement of $5M at an issue price of $0.13 was to be used to diversify the product offering to include domestic and international bonds and deposits, talent acquisition, marketing and to further develop the IAM Platform to support projected growth.

(b) 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 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.

Income Asset Management Group Ltd, Trustees Australia Limited, IAM Capital Markets Limited and IAM Cash Markets Pty Ltd 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 19: Commitments and Contingencies.

Note 18: Reserves

	2021 $	2020 $
Option reserve	7,909,842	435,409

(a) Movement in options / performance rights as of 30 June 2021:

Date	Detail	Note	No. of options / performance rights	Option Reserve ($)
1 July 2020	Opening balance		17,993,333	435,409
29 July 2020	Capital raise transaction cost		1,200,000	72,000
6 November 2020	Contingent consideration reserve	11(c)(i)	10,000,000	2,100,000
24 December 2020	Issued notes — option premium reserve	15(ii)	9,000,000	1,260,000
Jul 2020 – Jun 2021	Share based payments — employee scheme		42,185,866	5,942,203
Jul 2020 – Jun 2021	Performance rights exercised		(16,141,866)	(1,899,770)
30 June 2021	Performance rights lapsed		(3,300,000)	(1,023,000)
30 June 2021	Closing balance		60,937,333	6,886,842

(b) Movement in options / performance rights as of 30 June 2020:

Date	Detail	Note	No. of options / performance rights	Option Reserve ($)
1 July 2019	Opening balance		12,340,230	1,103,533
31 December 2019	Director performance options	(i)	(10,000,000)	(870,874)
30 June 2020	Performance rights	(i)	(1,206,897)	(114,002)
Jul 2020 – Jun 2021	Share based payments — employee scheme		16,860,000	316,752
30 June 2020	Closing balance		17,993,333	435,409

(i) Performance options and rights were forfeited during the 2020 comparative year and $984,876 was transferred from the option reserve to retained earnings.

(c) Options / Performance Rights

There are 60,937,333 (2020: 17,993,333) options and performance rights on issue at 30 June 2021.

Note 19: Commitments and Contingencies

(i) Responsible Entity and AFSL Licence Obligations

The Group holds the following financial services licences under section 913B of the Corporations Act 2001:

Name	Licence No.
Income Asset Management Group Limited (IAM)[1] (Formerly Cashwerkz Limited)	260033
IAM Capital Markets Limited (Formerly Cashwerkz FI Limited)	283119
IAM Cash Markets Pty Ltd (Formerly Cashwerkz Technologies Pty Ltd)	459645
Trustees Australia Limited (Trustees Australia)	260038

1. This licence is currently dormant and we have applied to ASIC to cancel

As a condition of licence authorisation, each licensee is required to maintain a number of base level financial requirements and Trustees Australia has additional financial requirements as a result of being licenced to provide Responsible Entity services. At 30 June 2021, all entities meet the base level requirements and Trustees Australia meets its additional financial requirements.

(ii) Fortlake interest free loan

On establishment of Fortlake Asset Management Pty Ltd, IAM Funds Pty Ltd has agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The outstanding loan balance is $500,000 at 30 June 2021 (refer Note 13(i)).

There are no other commitments and contingencies reported at 30 June 2021.

Note 20: 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 (retired 4.12.2020)
Nathan Leman	Director (retired 4.12.2020)
Brook Adcock	Non-executive Director
Craig Swanger	Executive Director
Jon Lechte	CEO
Matthew Loughnan	CCO

(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 2021.

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:

	2021 $	2020 $
Short term	773,694	706,757
Post employment	45,034	49,677
Other long-term	398	(2,896)
Termination payments	58,681	125,000
Share-based payments	3,314,345	316,752
	4,192,152	1,195,290

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 costs of superannuation contributions made during the year.

Other long-term benefits

These amounts represent the movement in long service leave benefits accruing during the year.

Termination benefits

These are amounts payable as a result of either i) the Group's 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 21: Controlled Entities

(a) Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(A). The country of incorporation of all subsidiaries is also the principal place of business.

Particulars in relation to controlled entities	Country of incorporation	Note	Class of Equity	2021 Percentage Owned	2020 Percentage Owned
Parent Entity:				%	%
Income Asset Management Group Limited (formerly Cashwerkz Limited)	Australia	(i)			
Wholly Owned Controlled Entities					
IAM Capital Markets Limited (Formerly Cashwerkz FI Limited)	Australia		ordinary	100	100
Trustees Australia Limited	Australia		ordinary	100	100
IAM Cash Markets Pty Ltd (Formerly Cashwerkz Technologies Pty Ltd)	Australia		ordinary	100	100
Australian Share Registers Pty Ltd (dormant)	Australia		ordinary	100	100
IAM Funds Pty Ltd (formerly Fund Income Pty Ltd)	Australia		ordinary	100	–
Cashwerkz Group Trust (dormant)	Australia		units	100	100

The financial year of all controlled entities is the same as that of the holding company.

(i) The ultimate controlling entity of the Group is Income Asset Management Group Ltd.

(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 22: Related Party Transactions

Related parties of the IAM Group are:

- controlled entities.
- key management personnel and their associates.
- director related entities.
- joint ventures accounted for under the equity method.

Entities with significant influence over the Group are:

- Relevant interests associated with Director, Brook Adcock, own 27.28% (2020: 33.81%) of the ordinary shares in IAM at the date of this report.

Transactions with related parties

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

The following transactions occurred with director related parties:

- 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 year, $198,000 (2020: $198,000) was paid by the Group to CJN Advisory and at 30 June 2021 the Group had no (2020: nil) outstanding amounts with CJN Advisory.

- 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 year, $60,000 (2019: $45,000) was paid by the Group to Revolver Capital and at 30 June 2021 the Group had no (2020: nil) outstanding amounts with Revolver Capital.

- Former director Nathan Leman is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertook project management and consulting work for the Group on a cost recovery basis. During the year, $28,000 (2020: $56,750) was paid by the Group to Mikko. At 30 June 2021 the Group had no (2020: $5,500) outstanding amounts with Mikko.

- Former director Nathan Leman is a director of Australian Adventure Tourism Group Limited (AATG), who utilised the services of the IAM administration team on a cost recovery basis. During the 2021 year, $1,235 (2020: $29,964) was charged by the Group to AATG and at 30 June 2021 AATG had no (2020: nil) outstanding amounts with IAM.

The following transactions occurred with directors:

- On 24 December 2020, IAM issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested (refer Note 15(ii)). Below is a list of directors who participated in the issue and their relevant interest from the issue. These amounts were subject to shareholder approval and subsequently approved on 10 August 2021.

	Notes ($)	Options (No.)
Brook Adcock	725,000	1,450,000
John Nantes (indirect holdings)	50,000	100,000

Interest on the notes of $24,715 has been expensed in finance costs.

The following transactions occurred with KMP:

- On 24 December 2020, IAM issued a 6% unsecured note and each noteholder was also issued 2 options for every $1 invested (refer Note 15(ii)). Below is a list of KMP who participated in the issue and their relevant interest from the issue.

	Notes ($)	Options (No.)
Jon Lechte	500,000	1,000,000
Matthew Loughnan	50,000	100,000

Interest on the notes of $17,540 has been expensed in finance costs.

Loans from related parties:

- Commencing in October 2020, the Group entered into a borrowing agreement with Jon Lechte (CEO), who provided a loan facility for an amount of not more than $2,500,000 (2020: $nil) at any time. The interest rate is 5.01%, repayment is to be made with 30 days' notice and the facility is to be used to purchase inventory or to facilitate settlements for the Bond Income business. The facility was utilised at various times during the year and the cumulative total proceeds received was $5,572,370 (2020: $nil) and all utilised amounts during the year had been repaid by year end. Interest on the facility of $26,809 (2020: $nil) was paid.

Loans to related parties:

- On establishment of Fortlake Asset Management Pty Ltd, IAM Funds Pty Ltd has agreed to provide an interest free loan to Fortlake of up to $500,000 per annum for three years to a maximum total of $1,500,000. The loan is to be used by Fortlake for the sole purpose of meeting the working capital requirements of its funds management business and in accordance with an agreed business plan. There is no fixed repayment date for the loan, however Fortlake can only pay dividends after repayment of the loan in full. The outstanding loan balance is $500,000 at 30 June 2021 (refer Note 13(i)).

Note 23: Segment Information

The Group has only one operating segment based on the information provided to the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)). Therefore, as the results are the same as the consolidated entity, no reconciliation of operating segment information has been presented. The disaggregation of revenue is reported in Note 3(a).

Note 24: Share Based Payments

(i) Employee share scheme

The Group established the Long Term Incentive Plan (LTIP) on 30 November 2016 as an incentive scheme to recognise and motivate employees to strive for Group performance. The Group considers that the LTIP reflects our commitment to deliver competitive remuneration in order to attract and retain high calibre professionals to the Group, while prudently managing the Group's cash reserves and aligning the interests of executives and shareholders.

The LTIP allows the Board to grant performance rights and/or options to eligible employees. An eligible employee of the Group is an employee (including a director employed in an executive capacity) and any other person who is declared by the Board to be eligible to receive a grant of performance rights or options.

The number available to be granted is determined by the Board and is generally based on shareholder return triggers linked to a share price and are also subject to various minimum service standards such as term of service.

Set out below are performance rights and options granted under the plan during the year:

Grant date	Expiry date	Hurdle price	Note	Exercise price	Balance at 1 July 2020	Granted during year	Vested & issued during the year	Lapsed during the year	Balance at 30 June 2021	Vested & exercisable at 30 June 2021
Performance rights										
01/04/2020	01/04/2025	0.20	(a)	–	3,210,000	–	(3,210,000)	–	–	–
01/04/2020	01/04/2025	0.30	(a)	–	4,820,000	–	(4,820,000)	–	–	–
01/04/2020	01/04/2025	0.45*	(a)	–	8,830,000	–	–	–	8,830,000	–
01/07/2020	01/07/2025	0.20	(b)	–	–	1,605,000	(1,605,000)	–	–	–
01/07/2020	01/07/2025	0.30	(b)	–	–	2,410,000	–	–	2,410,000	–
01/07/2020	01/07/2025	0.45*	(b)	–	–	4,415,000	–	–	4,415,000	–
09/09/2020	09/09/2025	0.45	(c)	–	–	1,640,000	–	–	1,640,000	–
01/10/2020	01/10/2025	0.20	(d)	–	–	3,210,000	(3,210,000)	–	–	–
01/10/2020	01/10/2025	0.30	(d)	–	–	4,820,000	–	–	4,820,000	–
31/10/2020	31/07/2021	0.25	(e)	–	–	1,366,866	(1,366,866)	–	–	–
01/12/2020	01/12/2025	0.50	(f)	–	–	4,815,000	–	–	4,815,000	–
01/12/2020	01/12/2025	0.75	(f)	–	–	7,230,000	–	–	7,230,000	–
04/12/2020	01/04/2025	0.25	(g)	–	–	1,930,000	(1,930,000)	–	–	–
04/12/2020	01/04/2025	0.35	(g)	–	–	3,300,000	–	(3,300,000)	–	–
04/12/2020	01/04/2025	0.45*	(g)	–	–	5,360,000	–	–	5,360,000	–
Options										
24/12/2020	24/12/2023	–	(h)	$0.50	–	84,000	–	–	84,000	84,000
					16,860,000	42,185,866	(16,141,866)	(3,300,000)	39,604,000	84,000

* In the reporting period, Executive Directors and senior management have voluntarily agreed to raise the hurdle price from $0.45 to $0.75 by way of escrow.

The weighted average exercise price of rights exercised during the year is $nil.

The performance rights outstanding at the end of the year have an exercise price of $nil and a weighted average remaining contractual life of 3.7 years.

The options outstanding at the end of the year have an exercise price of $0.50 and a weighted average remaining contractual life of 2.48 years.

Set out below are performance rights and options granted under the plan in the comparative period:

Grant date	Expiry date	Hurdle price	Note	Exercise price	Balance at 1 July 2019	Granted during year	Vested & issued during the year	Balance at 30 June 2020	Vested & exercisable at 30 June 2020
Performance rights									
01/04/2020	01/04/2025	0.20	(a)	–	–	3,210,000	–	3,210,000	–
01/04/2020	01/04/2025	0.30	(a)	–	–	4,820,000	–	4,820,000	–
01/04/2020	01/04/2025	0.45	(a)	–	–	8,830,000	–	8,830,000	–
						16,860,000	–	16,860,000	–

(a) Fair value of performance rights granted to an employee in a prior period — 1 April 2020

The performance rights were issued for no consideration and vest based on the employee fulfilling specified service periods and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Black-Scholes pricing model taking into account the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument. Volatility over the last 5 years has been used as the expected future share price volatility over the life of the rights.

Number of rights	3,210,000	4,820,000	8,830,000
Fair value at grant date (per right)	$0.067	$0.052	$0.038
Hurdle price	$0.20	$0.30	$0.45
Service hurdle	1 April 2020	1 April 2021	1 April 2022
Grant date	1 April 2020	1 April 2020	1 April 2020
Exercise price	$0.00	$0.00	$0.00
Expiry date	1 April 2025	1 April 2025	1 April 2025
Share price at grant date	$0.15	$0.15	$0.15
Expected price volatility of the Company's shares	62%	62%	62%
Expected dividend yield	nil	nil	nil
Risk-free interest rate	0.36%	0.36%	0.36%

During the year $357,870 (2020: $316,752) has been recorded as a share-based payment expense.

(b) Performance rights granted to an employee — 1 July 2020

The performance rights were issued for no consideration and vest based on the employee fulfilling a specified service period and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model taking into account the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument. Volatility over the last 5 years has been used as the expected future share price volatility over the life of the rights.

Number of rights	1,605,000	2,410,000	4,415,000
Fair value at grant date (per right)	$0.135	$0.111	$0.052
Hurdle price	$0.20	$0.30	$0.45
Service hurdle	1 July 2020	1 July 2021	1 July 2022
Grant date	1 July 2020	1 July 2020	1 July 2020
Exercise price	$0.00	$0.00	$0.00
Expiry date	1 July 2025	1 July 2025	1 July 2025
Share price at grant date	$0.15	$0.15	$0.15
Expected price volatility of the Company's shares	62%	62%	62%
Expected dividend yield	nil	nil	nil
Risk-free interest rate	0.42%	0.42%	0.42%

During the year $598,975 (2020: nil) has been recorded as a share-based payment expense.

(c) Performance rights granted to employee — 9 September 2020

The performance rights were issued for no consideration and vest based on the employee fulfilling a specified service period and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of rights	1,640,000
Fair value at grant date (per right)	$0.083
Hurdle price	$0.45
Service hurdle	9 September 2022
Grant date	9 September 2020
Exercise price	$0.00
Expiry date	9 September 2025
Share price at grant date	$0.15
Expected price volatility of the Company's shares	62%
Expected dividend yield	nil
Risk-free interest rate	0.43%

During the year $56,717 (2020: nil) has been recorded as a share-based payment expense.

(d) Performance rights granted to employees — 1 October 2020

The performance rights were issued for no consideration and vest based on the employees fulfilling a specified service period and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of rights	3,210,000	4,820,000
Fair value at grant date (per right)	$0.128	$0.104
Hurdle price	$0.20	$0.30
Service hurdle	1 October 2020	1 October 2021
Grant date	1 October 2020	1 October 2020
Exercise price	$0.00	$0.00
Expiry date	1 October 2025	1 October 2025
Share price at grant date	$0.145	$0.145
Expected price volatility of the Company's shares	62%	62%
Expected dividend yield	nil	nil
Risk-free interest rate	0.36%	0.36%

During the year $786,840 (2020: nil) has been recorded as a share-based payment expense.

(e) Performance rights granted to employees — 31 October 2020

The performance rights were issued for no consideration and vest based on IAM achieving a specified hurdle price.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of rights	1,366, 866
Fair value at grant date (per right)	$0.14
Hurdle price	$0.25
Service hurdle	31 October 2020
Grant date	31 October 2020
Exercise price	$0.00
Expiry date	31 July 2021
Share price at grant date	$0.19
Expected price volatility of the Company's shares	75%
Expected dividend yield	nil
Risk-free interest rate	0.11%

During the year $191,361 (2020: nil) has been recorded as a share-based payment expense.

(f) Performance rights granted to employees — 7 December 2020 and 21 December 2020

The performance rights were issued for no consideration and vest based on the employees fulfilling a specified service period and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of rights	4,815,000	7,230,000
Fair value at grant date (per right)	$0.197	$0.15
Hurdle price	$0.50	$0.75
Service hurdle	1 December 2020	1 December 2021
Grant date	1 December 2020	1 December 2020
Exercise price	$0.00	$0.00
Expiry date	1 December 2025	1 December 2025
Share price at grant date	$0.26	$0.26
Expected price volatility of the Company's shares	62%	62%
Expected dividend yield	nil	nil
Risk-free interest rate	0.31%	0.31%

During the year $1,581,180 (2020: nil) has been recorded as a share-based payment expense.

(g) Performance rights granted to directors — 4 December 2020

The performance rights were issued for no consideration and vest based on the directors fulfilling a specified service period and IAM achieving specified hurdle prices.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of rights	1,930,000	3,300,000	5,360,000
Fair value at grant date (per right)	$0.32	$0.31	$0.214
Hurdle price	$0.25	$0.35	$0.75
Service hurdle	1 April 2020	1 April 2021	1 April 2022
Grant date	4 December 2020	4 December 2020	4 December 2020
Exercise price	$0.00	$0.00	$0.00
Expiry date	1 April 2025	1 April 2025	1 April 2025
Share price at grant date	$0.32	$0.32	$0.32
Expected price volatility of the Company's shares	62%	62%	62%
Expected dividend yield	nil	nil	nil
Risk-free interest rate	0.36%	0.36%	0.36%

During the year $2,357,500 (2020: nil) has been recorded as a share-based payment expense.

(h) Options granted to employees — 24 December 2020

Options were issued to all staff on the same terms as those issued to holders of the IAM Note (refer Note 9(iii)). The options were issued for no consideration and vested immediately with an exercise price of a $0.50.

The fair value of the options was determined using a Monte Carlo Simulation pricing model as described in note (b).

Number of options	84,000
Fair value at grant date (per option)	$0.14
Service hurdle	24 December 2020
Grant date	24 December 2020
Exercise price	$0.50
Expiry date	24 December 2023
Share price at grant date	$0.34
Expected price volatility of the Company's shares	79%
Expected dividend yield	nil
Risk-free interest rate	0.10%

During the year period $11,760 (2020: nil) has been recorded as a share-based payment expense.

(ii) Other options granted

Set out below are other options granted:

Grant Date	Expiry Date	Type	Note	Exercise Price	Balance at 1 July 2020	Granted during period	Exercisable during period	Forfeited during period	Balance at 30 June 2021	Vested & exercisable at 30 June 2021
28/09/2018	30/09/2021	Options	(a)	$0.30	1,000,000	–	–	–	1,000,000	1,000,000
28/09/2018	30/09/2022	Options	(a)	$0.40	133,333	–	–	–	133,333	133,333
01/07/2020	30/06/2023	Options	(b)	$0.20	–	1,200,000	–	–	1,200,000	1,200,000
					1,133,333	1,200,000	–	–	2,333,333	2,333,333

(a) Options granted to a supplier in a prior period — 28 September 2018

Blue Ocean Equities was issued 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 immediately. The fair value of the options was determined using the Black Scholes valuation model, taking into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument. Volatility over the last 5 years has been used as the expected future share price volatility over the life of the rights.

Number of rights	1,000,000	133,333
Fair value at grant date (per right)	$0.105	$0.099
Grant date	28 September 2018	28 September 2018
Exercise price	$0.30	$0.40
Expiry date	30 September 2021	30 September 2022
Share price at grant date	$0.28	$0.28
Expected price volatility of the Company's shares	57%	57%
Expected dividend yield	nil	nil
Risk-free interest rate	2.08%	2.08%

During the year there has been no expense (2020: nil) recorded as all options have been expensed on vesting in prior periods.

(b) Options granted to suppliers — 1 July 2020

Blue Ocean Equities was issued options as part consideration for placement fees in respect of the May and June 2020 share placements. The options were issued for no consideration and vested immediately.

The fair value of the rights was determined using a Monte Carlo Simulation pricing model as described in note (a).

Number of rights	1,200,000
Fair value at grant date (per option)	$0.06
Grant date	1 July 2020
Exercise price	$0.195
Expiry date	30 June 2023
Share price at grant date	$0.15
Expected price volatility of the Company's shares	72%
Expected dividend yield	nil
Risk-free interest rate	0.26%

During the year $72,000 (2020: nil) has been expensed as transaction costs in equity.

(iii) Total expenses arising from share-based transactions recognised during the year are as follows:

	Note	2021 $	2020 $
Employee share scheme — share-based payment expenses	3(b)(iii)	5,942,203	–
Other options granted — transaction costs		72,000	–

(iv) Shared-based payment — supplier

On 10 July 2020, IAM issued 153,846 shares at an issue price of $0.13 to a supplier for recruitment costs and $20,000 has been expensed in business operating expenses.

(v) Other Shared-based payments

- 9,000,000 options at an exercise price of $0.50 were attached to the issued note (refer Note 15(iii)), raising $4.5m of debt capital at a competitive rate of 6%. It should be noted that if these options are exercised, the Group will raise an additional $4.5m in new capital.
- 10,000,000 performance rights have been allocated as contingent consideration for the Group's investment in Fortlake Asset Management Pty Ltd (refer Note 11(c)(i)). 5,000,000 rights are at a hurdle price of $0.45 and 5,000,000 are at a hurdle price of $0.75.

Note 25: Earnings Per Share

Earnings per share	2021 cents	2020 cents
Basic loss per share	(7.5)	(4.0)
Diluted loss per share	(7.5)	(4.0)

Reconciliation of earnings to profit or loss		
Profit / (loss)	(15,293,646)	(7,351,115)

	Number of Shares	
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	202,893,213	184,209,473
Weighted average number of options / performance rights outstanding	–	–
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	202,893,213	184,209,473

All options on issue are considered to be dilutive potential ordinary securities, however they are presently anti-dilutive at 30 June 2021 as the Group is in losses.

Note 26: 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:

Financial assets	Note	2021 $	2020 $
Financial assets at amortised cost:			
• Cash and cash equivalents	5	6,029,545	4,234,214
• Trade and other receivables [1]	6	888,073	476,720
• Bonds and deposits	8,13	304,281	204,321
• Loans to jointly controlled associates	13	500,000	–
Financial assets at fair value through profit or loss:			
• Corporate bonds	7	1,019,773	–
Total financial assets		8,741,672	4,915,255

Financial liabilities	Note	2021 $	2020 $
Financial liabilities at amortised cost:			
• Trade and other payables	14	2,294,286	455,343
• Lease liabilities	9	457,151	259,683
• Borrowings	15	3,487,801	17,650
Total financial liabilities		6,239,238	732,676

[1] Excludes Prepayments

The Group's activities expose it to a variety of financial risks, namely market risk (which includes foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for monitoring the Group's risk management framework. Risk governance is managed through the Board's Audit, Risk and Compliance Committee which is responsible for monitoring adherence to the Risk Appetite Statement and Enterprise Risk Management Framework. Written policies for risk management such as balance sheet management and pricing policies are in place in order to identify and assess the risks faced by the Group, set appropriate risk limits, monitor risks and adherence to risk policies., Risk management policies are regularly reviewed to reflect changes in the activities undertaken by the Group and changes in market conditions.

The Group's compliance function provides regular training to all employees with the aim of ensuring all employees understand their responsibilities within the risk management environment.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign currency sensitivity due to the purchase and sale of bonds in foreign currencies and selling and buying foreign currency bonds in Australian dollar contracts. It is also exposed due to the purchase of foreign-denominated bonds which the Group may hold for short durations before selling to investors. Certain supplier contracts are denominated in foreign currency, but this does not constitute a material exposure.

In order to limit its exposure to foreign currency sensitivity on bonds held the Group imposes limits on the duration and value of foreign-denominated bonds it may hold.

The Group has not performed a sensitivity analysis relating to its exposure to foreign currency risk as the short-term exposure is immaterial.\ Foreign currency denominated financial assets and liabilities, translated into Australian dollars at the closing rate, are as follows:

2021	USD	GBP	NZD
Cash and cash equivalents (AUD equivalent)	349,756	2,625	–
Trade and other receivables (AUD equivalent)	8,961	–	–
Financial assets through profit and loss (AUD equivalent)	–	–	–
Trade and other payables (AUD equivalent)	(107,234)	–	–
Short-term exposure	251,483	2,625	–
2020			
Cash and cash equivalents (AUD equivalent)	–	–	–
Trade and other receivables (AUD equivalent)	–	–	–
Financial assets through profit and loss (AUD equivalent)	–	–	–
Trade and other payables (AUD equivalent)	–	–	(1,508)
Short-term exposure	–	–	(1,508)

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.

Sensitivity

The table below summarises the impact of increases/decreases in exchange rates on the Group's (after tax) profit for the year.

The analysis is based on the price sensitivity assumption that exchange rates have increased/decreased by 10% (2020: 10%) with all other variables held constant.

	2021 +/–10% $	2020 +/–10% $
Impact on after-tax profit		
USD	25,148	–
GBP	262	–
NZD	–	151
Total	25,410	151

(i) Price risk

Through its business transactions and investments, the Group is exposed to bond securities price risk. The risk is the potential for losses in Group earnings as a result of adverse market movements and arises from investments held by the Group and classified as financial assets at fair value through profit or loss.

The Group manages the price impact of market risk through exposure to bond securities by setting limits on its exposures to bonds by risk classification and in total. The performance of the Group's bond securities exposures and market risk are monitored on a regular basis.

Assets	2021	2020
Listed bond securities	10,488	–
Unlisted bond securities	1,009,285	–
Total assets at fair value through profit or loss	1,019,773	–

Sensitivity

The table below summarises the impact of increases/decreases in equity securities prices on the Group's (after tax) profit for the year and on equity.

The analysis is based on the price sensitivity assumption that prices have increased/decreased by 5% (2020: 5%) with all other variables held constant.

	2021	2020
	+/–5%	+/–5%
	$	$
Impact on after-tax profit	50,989	(50,989)
Impact on equity	50,989	(50,989)

(iii) Interest rate risk

The Group's main interest rate risk arises from holding cash and cash equivalents and borrowings with variable rates. During 2021 and 2020, the Group's cash and cash equivalents were denominated in Australian dollars. The Group's borrowings were also denominated in Australian dollars. The Group reviews its interest rate exposure as part of the Group's cash flow management and takes into consideration the yields, duration and alternative financing options as part of the renewal of existing positions.

As at the reporting date, the Group had the following cash and cash equivalents and borrowings:

	2021		2020	
	Effective interest rate	Balance	Effective interest rate	Balance
	%	$	%	$
Cash and cash equivalents	0%	6,029,545	1%	4,234,214
Bonds and deposits (bank guarantees)	0%	304,281	0%	204,321
Net exposure to interest rate risk		6,333,826		4,438,535
Other payables	0%	(28,055)	0%	(13,956)
Net exposure to interest rate risk		(28,055)		(13,956)

Sensitivity

At 30 June 2021, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, after tax profit and equity for the year would have been $60,295 lower/higher (2020: change of 100 basis points: $42,342 lower/higher).

(b) Credit risk

Credit risk arises from the risk that a counterparty will default on its obligations to the group, resulting in a loss to the Group, and includes potential loss of principal and interest, disruption to cash flows, and increased collection costs. The Company's credit risk arises from cash and cash equivalents, corporate bonds, deposits with banks and credit exposures to wholesale and retail customers, including outstanding receivables from unsettled transactions.

The Company has the following assets with exposure to credit risks:

	2021 $	2020 $
Cash at bank	6,029,545	4,234,214
Trade and other receivables	888,073	476,720
Bonds and deposits	304,281	204,321
Financial assets at fair value through profit or loss — corporate bonds	1,019,773	–
Loans to jointly controlled associates	500,000	–
Total	8,741,672	4,915,255

(i) Impaired trade, other and loan receivables

While cash and cash equivalents and financial assets at fair value through profit or loss are also subject to the impairment requirements of AASB 9, the identified impairment loss was nil.

Trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rate and loss allowance has been assessed as $nil as at 30 June 2021 (30 June 2020: $nil). This is because there is no history of default, revenue is generated primarily through providing brokerage services to customers who are credit worthy ADI's and other institutions with no material balances past due. Hence the recoverability of receivables can be determined with a high degree of certainty on a forward-looking basis. Furthermore, the Group also considered the classification of trade receivables as shown below. Refer to Note 1 (F) for more information on the trade receivables policy of the Group.

The Group records trade receivables and loans in the following classifications:

Neither past due nor impaired trade receivables and loans are those that are within their relevant contractual payment terms and thus have no expected credit loss due to the reasons above.

Past due but not impaired trade receivables and loans are those that have fallen outside of their contractual settlement terms. However there remains an expectation of full recovery, with no change in credit risk based on the value of the underlying bond securities and the financial position of the client or counterparty and as such there is no expected credit loss.

Past due and impaired trade receivables and loans are those that have fallen outside of the prescribed settlement terms and/or there is evidence to suggest that the client or counterparty will fail to meet their obligations and thus would result in an expected credit loss. This is $nil as at 30 June 2021 (2020: $nil).

Trade and other receivables	2021 $	2020 $
Neither past due nor impaired	735,317	476,000
Past due but not impaired	152,755	720
	888,072	476,720

Loans held at amortised cost		
Neither past due nor impaired	500,000	–

Loans to jointly controlled associates

The loan to a jointly controlled associate is considered low credit risk, has had no significant increase in credit risk during the year, and as such no loss allowance has been provided. Loans to associates are considered to be low credit risk when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. A new loan provided to an associate is only provided once the underlying prospects of the entity have been fully evaluated and found to be within our risk appetite. As such, at 30 June 2021, the expected credit loss rate in relation to the loan to associate was 0% and the loss allowance was $nil. Refer to Note 1 (H) for more information on the investments and other financial assets policy of the Group.

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings. These credit ratings are only available for cash assets and corporate bonds:

Cash	Rating agency	2021 $	2020 $
AA-	S&P	5,947,540	4,233,559
Baa1	Moody's	81,779	–
BBB	S&P	226	256
Unrated	–	–	400
Total		6,029,545	4,234,215
Corporate Bonds			
A1	Moody's	188,870	–
B+	S&P	150,000	–
Unrated	–	680,903	–
Total		1,019,773	–

Unrated bonds were purchased on 30 June 2021 and on sold into the market within 7 days. The risk of holding a high proportion of unrated bonds as a proportion of total bonds is considered low given the short holding period.

(c) Liquidity risk

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.

The table below presents maturity of the Group's financial liabilities. The financial liabilities are broken down into maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Amounts are disclosed as contractual undiscounted cash flows.

		Contractual cash outflows			
	Carrying amount	**0–30 days**	**30 days – 1 year**	**1 year +**	**Total**
2021	**$**	**$**	**$**	**$**	**$**
Trade and other payables	2,294,286	1,699,939	594,347	–	2,294,286
Lease liabilities	457,151	31,129	209,271	216,751	457,151
Borrowings	3,487,801	–	29,898	3,457,903	3,487,801
Total	6,239,238	1,731,068	833,516	3,674,654	6,239,238
2020					
Trade and other payables	455,343	337,384	117,959	–	455,343
Lease liabilities	259,683	16,782	182,119	60,782	259,683
Borrowings	17,650	1,765	15,885	–	17,650
Total	732,676	355,931	315,963	60,782	732,676

Note 27: Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss.

The Group does not subsequently measure any other assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

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

Level 1: The fair value of financial instruments that are traded in active and transparent markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices for identical financial instruments at the end of the reporting period.

Level 2: The fair value of financial instruments that are traded in active and transparent markets other than quoted market prices within Level 1 (for example, over-the-counter bonds and derivatives) is determined using valuation techniques which maximises the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If inputs are not based on observable market data, the instrument is included in Level 3.

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

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets					
Unlisted — corporate bonds		–	1,009,285	–	1,009,285
Listed — corporate bonds		10,488	–	–	10,488
Total financial assets	7	10,488	1,009,285	–	1,019,773

The fair value of listed corporate bonds is based on quoted market prices at the end of the reporting period using the period end closing price. These instruments are included in level 1.

The fair value of unlisted corporate bonds is based on independent valuations. These instruments are included in level 2.

(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	
Financial assets	**Footnote**	**2021 $**	**2020 $**	**2021 $**	**2020 $**
Financial assets at amortised cost:					
• Cash and cash equivalents	(i)	6,029,545	4,234,214	6,029,545	4,234,214
• Trade and other receivables	(i)	888,073	476,720	888,073	476,720
• Bonds and deposits	(ii)	304,281	204,321	304,281	204,321
• Loans to jointly controlled associates	(ii)	500,000	–	500,000	–
Financial assets at fair value through profit or loss:					
• Corporate bonds		1,019,773	–	1,019,773	–
Total financial assets		8,741,672	4,915,255	8,741,672	4,915,255
Financial liabilities					
Financial liabilities at amortised cost:					
• Trade and other payables	(i)	2,294,286	455,343	2,294,286	455,343
• Lease liabilities	(ii)	457,151	259,683	457,151	259,683
• Borrowings	(ii)	3,487,801	17,650	3,487,801	17,650
Total financial liabilities		6,239,238	732,676	6,239,238	732,676

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.

Note 28: Auditor's Remuneration

The following fees were paid or are payable for services provided by auditors:

	2021 $	2020 $
BDO Audit Pty Ltd		
• Auditing or reviewing the financial statements	88,867	–
	88,867	–
Nexia Brisbane Audit Pty Ltd		
• Auditing financial statements	962	61,450
	962	61,450
BDO (QLD) Pty Ltd		
• Taxation services	1,400	–
	1,400	–
Ernst & Young		
• Auditing financial statements	20,000	–
• Consulting services	18,987	–
	38,987	–
Total	130,216	61,450

On 4 December 2020, Nexia Brisbane Audit Pty Ltd resigned as auditor of the Group and BDO Audit Pty Ltd was appointed.

Note 29: Events After the Reporting Period

The Group, through the General Meeting held on 10 August 2021, received shareholder ratification and approval to:

- change the name of the Group to Income Asset Management Group Limited and change the ASX Code to ASX:INY
- issue 29,741,977 fully-paid ordinary shares at $0.27 for the second tranche of the $14 million placement
- issue 1.5 million options to Blue Ocean Equities Pty Ltd as part of the agreed remuneration payable for the placement
- to complete its 25% investment in Tactical Global Management Ltd
- In August 2021, Fiona Dunn was announced to be joining the IAM Board commencing September.

In the opinion of the directors, there are no material matters that have arisen since 30 June 2021 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.

Directors' Declaration

For the year ended 30 June 2021

In accordance with a resolution of the directors of Income Asset Management Group 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 33 to 85, and the remuneration disclosures that are contained within the remuneration report with the Directors' Report set out on pages 22 to 30 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 2021 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 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

John Nantes, Executive Chair
31 August 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Income Asset Management Group (formerly Cashwerkz Limited)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Income Asset Management Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, 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 2021 and of its financial performance for the year ended on that date; 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 *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.

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 the matter was addressed in our audit*
Valuation of Equity Accounted Investments The Group's investments accounted for using the equity method disclosed in note 11 of the financial statements amounts to $2,149,437 as at 30 June 2021. This comprises of a 25% shareholding in Fortlake Asset Management Pty Ltd which the group entered into during the year. The valuation of this investment is considered a key audit matter due to the materiality of the balance, complexity of the transaction that took place, the judgements taken by management to arrive at a valuation.	Our procedures included but were not limited to: • Assessed the key terms of the transaction to ensure that the transaction was recorded correctly at initial recognition; • Reviewed management's assessment over the accounting for the initial investment and the contingent consideration and its consistency with the accounting standards; • Assessed the subsequent measurement of the investment and related impairment analysis; • Reviewed management's assessment over "control" over the entity and lack thereof and assessment over "significant influence" in accordance with AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures respectively. • Reviewed the related disclosures in the financial statements to ensure that these were consistent with AASB 128 Investments in Associates and AASB 12 Disclosures of Interests in Other Entities.

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 2021, 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 30 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Income Asset Management Group Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 31 August 2021

ASX Additional Information

Listed Equity Securities

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Shareholders on 25 August 2021:

Twenty Largest Shareholders

		Fully Paid Shares	
		Shares Held	% of Issued
1	Adcock Private Equity Pty Ltd	72,369,334	26.91
2	J P Morgan Nominees Australia Pty Ltd	12,615,503	4.69
3	UBS Nominees Pty Ltd	10,921,453	4.06
4	BNP Paribas Noms Pty Ltd	9,866,808	3.67
5	Jonathan Lechte	8,030,000	2.99
6	HSBC Custody Nominees (Australia) Limited	7,925,420	2.95
7	De Nantes Investment Co Pty Ltd	7,749,496	2.88
8	CS Third Nominees Pty Ltd	6,505,714	2.42
9	Costine Pty Ltd	4,998,426	1.86
10	Evelyn Anderson ATF Extra Incentive Fund	4,921,559	1.83
11	Jabane Pty Ltd	4,613,050	1.72
12	Jamplat Pty Ltd	4,477,777	1.67
13	Third Return Super Pty Ltd	4,044,016	1.50
14	Matthew Loughnan	4,015,000	1.49
15	Emery Number 2 Pty Ltd	3,846,153	1.43
16	Rodney Ebsworth	3,585,648	1.33
17	Austin Hird Pty Ltd	3,443,494	1.28
18	One Managed Invt Funds Ltd	3,294,854	1.23
19	National Nominees Limited	3,053,318	1.14
20	Gregory Yeatman	3,000,000	1.12
	Total of Top Twenty Shareholdings	183,277,023	68.17
	Total Shares on issue	268,900,821	100.00

Distribution of Shareholdings

Size of Holding	Number of Shareholders	Total Units	%
1-1,000	79	26,582	0.01
1,001-5,000	209	502,431	0.19
5,001-10,000	129	1,003,341	0.37
10,001-100,000	252	9,469,013	3.52
100,001-9,999,999,999	159	257,899,454	95.91
	828	268,900,821	100.00

Listed Options

The following information was extracted from Income Asset Management Group Limited's (Company) Register of Listed Option holders on 30 August 2021:

Twenty Largest Listed Options Holders

		Listed options	
		Options Held	% of Issued
1	Adcock Private Equity Pty Ltd	1,450,000	15.96
2	Third Return Super Pty Ltd	1,000,000	11.01
3	Neate Investment Pty Ltd	1,000,000	11.01
4	Rustica Pty Ltd	700,000	7.71
5	Dom Holdings Pty Ltd	400,000	4.40
6	Ronald Brierley	400,000	4.40
7	Catherine Marson & Joseph Marson	250,000	2.75
8	Nigel Thomas	210,000	2.31
9	PW and VJ Cooper Pty Ltd	200,000	2.20
10	Notre Argent Pty Ltd	200,000	2.20
11	Mutual Trust Pty Ltd	200,000	2.20
12	Wayne Jenvey & Kirstie Sheldon	200,000	2.20
13	Lollywatch Pty Ltd	200,000	2.20
14	Matthew Brown	200,000	2.20
15	Sim Chan Venture Pty Ltd	200,000	2.20
16	Engelbert Investments Pty Ltd	150,000	1.65
17	Gregory Dyer & Deborah Dyer	130,000	1.43
18	Mark Loosemore & Jessica Loosemore	120,000	1.32
19	Hugh Abbott	110,000	1.21
20	Maclans Services Pty Ltd	100,000	1.10
	Total of Top Twenty Option Holders	7,420,000	81.68
	Total Options on Issue	9,084,000	100.00

Distribution of Listed Option Holdings

Size of Holding	Number of Option Holders	Total Units	%
1-1,000	-	-	0.00
1,001-5,000	42	84,000	0.92
5,001-10,000	-	-	0.00
10,001-100,000	21	1,680,000	18.49
100,001-9,999,999,999	19	7,320,000	80.58
	82	9,084,000	100.00

Marketable parcels

At 25 August 2021, using the last traded share price of $0.33 per share, there were 56 holdings totalling 9,848 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 they are the holder. Options and performance rights carry no voting rights.

Holder of Relevant Interest

The names of the substantial securityholders listed in the Company's register on 25 August 2021 are:

	Shares Held	Voting Power Advised
Brook Adcock and associated entities	73,348,475	27.28%

Unquoted Securities

Performance rights over unissued shares

At the date of this report, there are 47,110,000 performance rights over unissued shares in the Company held by 11 rights holders. 10,000,000 rights are held by Sheer Dynamics Pty Ltd.

Options over unissued shares

At the date of this report, there are 3,833,333 options over unissued shares in the Company, all of which are held by Blue Ocean Equities Pty Ltd..

Quoted Securities

Listed options over unissued shares

At the date of this report, there are 9,084,000 listed options over unissued shares in Company.

On-market buy-backs

There is no current on-market buy-back in relation to the Company's securities.

No securities were purchased on market by the Company during the reporting period.

Corporate Directory

Board of Directors

John Nantes
Executive Chairman

Brook Adcock
Non-executive Director

Craig Swanger
Executive Director

Company Secretary

Vanessa Chidrawi
Company Secretary

Corporate Office

66 Clarence Street
Sydney NSW 2000

Telephone	1300 784 132
Email	shareholders@incomeam.com
Web	incomeam.com

Registered Office

Level 1, 262 Adelaide Street
Brisbane QLD 4000

Telephone	1300 784 132
Email	shareholders@incomeam.com
Web	incomeam.com

Share Register

Boardroom Limited
GPO Box 3993
Sydney NSW 2001

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

Auditor

BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000

Telephone	(02) 9251 4100
Facsimile	(02) 9240 9821
Email	info.sydney@bdo.com.au
Web	bdo.com.au

Stock Exchange

IAM is listed on the ASX with ticker code INY

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