

# **BIR Financial Limited**

**ABN 14 074 009 091**

## **Annual Report**

for the year ended

30 June 2022

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## **CORPORATE DIRECTORY**

**BIR FINANCIAL LIMITED**  
**ABN 14 074 009 091**

### **Directors**

Tomasz Murmylo	Non-Executive Chairman
Jody Elliss	Non-Executive Director
Michael Stuke	Executive Director

### **Company Secretary**

Gregory Starr

### **Registered Office**

Suite 104  
109 Oxford Street  
Bondi Junction NSW 2022

Tel: (02) 9386 0500

Website: [www.birfinancial.com.au](http://www.birfinancial.com.au)

### **Principal Place of Business**

Suite 104  
109 Oxford Street  
Bondi Junction NSW 2022

Ph: (02) 9386 0500

### **Postal Address**

BIR Financial Limited  
Suite 104  
109 Oxford Street  
Bondi Junction NSW 2022

### **Share Register**

Automic Pty Ltd  
Level 5  
126 Phillip Street,  
Sydney NSW 2000

Phone Number: 1300 288 664

From Overseas: +61 2 9698 5414

Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### **Auditors**

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

### **Securities Exchange Listing**

Australian Securities Exchange  
(Home Branch – Sydney)  
ASX Code: BIR

## **DIRECTORS' REPORT**

Your Directors submit the annual financial report of BIR Financial Limited ("BIR" or "the Company") for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

### **Directors**

The names of Directors who held office during the financial year and up to the date of this Report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Appointed	Resigned
Mr Tomasz Murmylo	10 November 2021	-
Mr Jody Elliss	30 August 2022	-
Mr Michael Stuke	29 November 2019	-
Mr Tal Silberman	31 May 2017	9 May 2022
Mr Gregory Starr	28 February 2018	31 August 2022

### **Information on Directors**

#### **Mr. Tomasz Murmylo**

##### **Non-Executive Chairman, Group Chief Executive Officer and Pulse Markets Business Development Manager**

Appointed Director 10 November 2021

Mr Murmylo is the founder and Principal of Business Tax & Money House, a successful boutique accounting and taxation practice located in Bondi Junction. Mr Murmylo has a Master of International Taxation (University of Sydney).

Mr Murmylo specialises in taxation planning, business structuring, strategic financial decisions, management, and a variety of compliance challenges that businesses face.

#### **Mr. Gregory Starr**

##### **Non-Executive Chairman (resigned 31 August 2022) and Company Secretary**

Appointed Director 28 February 2018. Appointed Chairman 30 May 2022, Resigned 31 August 2022

Mr Starr is an experienced public company director holding senior board positions in a number of ASX listed companies over 20 years. He has been involved in many M&A and debt and equity financial transactions.

Over the past 3 years Mr Starr has held executive and non-executive board positions on ASX listed companies, Diatrene Resources Limited, VGI Health Technology Limited (formerly known as Azure Health Technology Limited), World.Net Services Limited and Ephraim Resources Limited.

Mr Starr brings significant corporate governance and investor relations experience in ASX listed companies to the Board. He is currently Acting CEO of Pulse Markets Pty Limited.

Mr Starr is a member of the Company's Audit Committee.

#### **Mr. Michael Stuke**

##### **Executive Director**

Appointed 29 November 2019

Mr Stuke has over 30 years of experience in banking, insurance and funds management. Having started his career at AMP Michael has held senior roles at Westpac and later on CBA where he was a general manager in group risk management. Since graduating in 1987 from the University of NSW in Computing and Mathematics, Michael has completed a number of postgraduate qualifications: CPA, F FIN and ANZIIF.

In the 3 years immediately before the end of the financial year Mr Stuke held no other listed company directorships.

**DIRECTORS' REPORT (Continued)****Mr. Jody Elliss****Non-Executive Director**

Appointed 30 August 2022

Mr Elliss has had extensive board experience with numerous public companies. Mr Elliss is director of Amran Corp Pty Ltd (www.amram.com.au), which is a significant shareholder of BIR.

The interest of each current Director in the shares and options of the Company at the date of this report is as follows:

	Number of options over ordinary shares	Number of fully paid ordinary shares
Mr Tomasz Murmylo	-	20,168,423
Mr Michael Stuke	-	-
Mr Jody Elliss	-	13,022,000

At the date of this report there are no unissued ordinary shares of the Company under options.

**Corporate Structure**

BIR Financial Limited is a limited liability Company that is incorporated and domiciled in Australia. BIR Financial Limited has no parent entity.

The Company has a wholly owned subsidiary Pulse Markets Pty Ltd (registered in Australia). Pulse Markets Pty Ltd (Pulse Markets) has a wholly owned subsidiary Selecta Funds Management Pty Ltd (registered in Australia).

**Nature of Operations and Principal Activities**

During the year ended 30 June 2022 the principal activity of BIR Financial Limited is the ongoing development of Pulse Markets' equity capital markets and brokerage activities.

**Review of Operations**

BIR owns 100% of subsidiary Pulse Markets, which is a diversified financial services business which provides a range of financial services to retail, institutional, corporate and private clients. These services include transacting equities and derivatives on the ASX and raising equity capital. These are provided by a team of experienced industry professionals. Pulse Markets is currently the key asset of the Company.

Pulse Markets' core strategy is to offer innovative financial products and investment manager capability to the financial planning market.

Pulse Markets maintains its advantage in the rapidly evolving financial services industry through its independence and leadership which is focussed on strong compliance ethics while monitoring and adapting to new market opportunities which will meet clients' needs.

On 26 July 2021 BIR announced that it has reached agreement with Moshav Custodian Pty Limited (Moshav) the holder of the existing secured convertible notes, that subject to shareholder approval, Moshav will look to subscribe for a further 2,000,000 Convertible notes on the same terms as the Convertible note subscription agreement between the company and the convertible note holder dated 6 February 2020. BIR would issue up to 2,000,000 secured convertible notes each with a value of \$1. The issue price of the notes was at a 50% discount to the face value of the convertible note. Moshav will subscribe to 2,000,000 convertible notes and will provide \$1,000,000 to the company.

On 25 October 2021 Moshav Custodians Pty Ltd (Moshav) advised the company that it had sold the 4,000,000 convertible notes it held in BIR to Wagering Technologies Pty Ltd (Wagering). On the same day, Moshav executed a deed of assignment, assigning its rights under the Convertible Notes to Wagering.

On 25 October 2021 Wagering issued a conversion notice to the company in respect of the 4 Million convertible notes held by Wagering. The conversion price of the Convertible Note is \$0.0242 per share. BIR issued 20,185,797 fully paid

**DIRECTORS' REPORT (Continued)**

ordinary shares on 27 October 2021. The balance of 155,813,294 fully paid ordinary shares will be subsequently issued, subject to shareholder approval.

On 3 November 2021 BIR announced that an Extraordinary General meeting was held and the shareholders had voted to approve the issue of the additional 2 million convertible notes to Moshav.

On 10 November 2021 Mr Thomas Murmylo was appointed as a director of the company.

On 8 December, following discussions with Moshav, BIR advised that it would not be proceeding with the issue of the Convertible notes which had been approved at the 3 November 2021 meeting.

On 21 December 2021 BIR announced that it will be convening a Special General Meeting of shareholders on 31 January 2022 to approve the issue of a further 155,813,294 shares as a consequence of Wagering issuing a conversion notice on 25 October 2021.

On 28 January 2021, BIR announced that the Extraordinary meeting scheduled for 31 January 2022 will be moved to 14 February 2022.

On 11 February BIR announced that the company had been advised by the Convertible Note holder, Wagering Technologies Pty Ltd, that it now plans to direct the company to issue the Shares pursuant to the conversion of the balance of the Convertible Notes it holds, to various non associated parties on agreement of commercial terms with those parties. As a result, the Company announced that it has cancelled the Extraordinary General Meeting scheduled for 14 February 2022.

On 18 February 2022 BIR announced that it had issued 25,000,000 fully paid ordinary shares to Niedzica Pty Ltd. These shares were issued to Niedzica Pty Ltd at the direction of Wagering Technologies Pty Ltd in partial conversion of the Convertible notes held by Wagering Technology Pty Ltd.

The company advised the market on 17 March that the dispute between the company and Mr Andrew Braund had been resolved. The dispute between Mr Braund and the company related to the termination of Mr Braund in December 2019. The cost to the company was \$200k and the company has agreed to enter into an ongoing corporate advisory agreement with Mr Braund.

On 18 March a further 30,000,000 shares were issued to Rogusz Nominees Pty Ltd (as trustee for the Rogusz superannuation fund). These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

Mr Tal Silberman resigned as Chairman and Director on 9 May 2022.

On 13 May 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

The company announce on 23 May 2022 that it had entered into a binding deed of release with Mr Andrew Braund whereby all claims arising from his termination as CEO of Pulse Markets Pty Ltd and all claims arising from the share sale agreement between Mr Braund, Pulse Markets and BIR, have been resolved. In accordance with the executed deed of release, Mr Braund received 15,000,000 fully paid ordinary shares.

Mr Greg Starr was appointed chairman on 30 May 2022. BIR also advised that Tearum Advisors Pty Ltd would, subject to shareholder approval, be issued 10,000,000 shares in lieu of amounts owed to it in relation to services previously provided by Mr Starr to Pulse Markets and BIR.

**Operating Results**

The Loss of the Company for the financial year after tax was \$3,110,764 (2021 Loss of \$1,199,469).

**Dividends**

No dividends have been paid or declared by the Company since the start of the financial year and up to the date of this report. The Directors do not recommend the payment of a dividend.

**Significant Events After Balance Date**

On 27 July 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

On 1 August Mr Greg Starr announced he was resigning as Chairman and Director of BIR. The resignation will be effective from 31 August 2022.

**DIRECTORS' REPORT (Continued)**

On 11 August 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

On 30 August 2022 Mr Jody Ellis was appointed as a Director of BIR.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial periods.

**Indemnification and insurance of Directors and Officers**

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

**REMUNERATION REPORT (AUDITED)**

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for Directors and key management personnel ("KMP") of the Company for the financial year ended 30 June 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The following persons acted as Directors during or since the end of the financial year:

Mr Gregory Starr (Non-Executive Chairman - Resigned)

Mr Tal Silberman (Non-Executive Chairman - Resigned)

Mr Tomasz Murmylo (Non-Executive Director - Current)

Mr Michael Stuke (Executive Director - Current)

Mr Jody Elliss (Non-Executive Director – Current)

*Other Key Management Personnel*

The term 'KMP' used in this remuneration report refers to the Directors.

*Remuneration philosophy*

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre Directors and employees;
- link executive rewards to shareholder value creation; and
- establish appropriate performance hurdles for variable executive remuneration.

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for reviewing compensation arrangements for the Directors and senior executives and making recommendations to the Board.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions, with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

*Remuneration structure*

In accordance with best practice Corporate Governance, the remuneration structure of non-executive Directors, senior managers and executive remuneration is separate and distinct.

*Non-executive director remuneration*

**DIRECTORS' REPORT (Continued)**

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a General Meeting. The latest determination was at the Annual General Meeting held on 31 October 2012 when shareholders approved an aggregate remuneration of \$325,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external sources as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process.

Each non-executive director was entitled to receive a fee for being a director of the Company during the Reporting Period. These amounts were inclusive of superannuation where applicable.

Directors do not receive additional fees in respect of Committee responsibilities.

Tearum Advisors Pty Ltd has been engaged by the Company to provide company secretarial and other general corporate services to the company. Mr Starr is employed by Tearum Advisors Pty Ltd and provides the company secretarial services. Mr Starr does not receive directors' fees.

The remuneration of individual non-executive Directors for the year ended 30 June 2022 is detailed in Table 1 below.

*Senior Manager and Executive Director Remuneration*

The Company has a system of remuneration for its senior management that consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

*Fixed Remuneration*

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

*Variable Remuneration*

In normal circumstances, the Company would implement variable remuneration in the form specified below but as the business of Company is currently being reorganised there is no variable remuneration component currently in place or otherwise planned at this time.

The Company's variable remuneration policy would be structured around short and long-term incentives as follows:

The objective of the short-term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available would be set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

The Company will introduce a long term incentive plan to reward Directors, employees and certain consultants in a manner that aligns this element of remuneration with the creation of shareholder wealth.

*Performance Based Remuneration*

There was no performance based remuneration paid to directors during the financial year.

*Compensation Options Issued to Key Management Personnel*

No options were granted as equity compensation benefits to Key Management Personnel during the years ended 30 June 2022 or 30 June 2021.

*Shares Issued to Key Management Personnel on Exercise of Compensation Options*

No key management personnel exercised options during the years ended 30 June 2022 or 30 June 2021.

*Remuneration structure*

In accordance with best practice Corporate Governance, the remuneration structure of non-executive Directors, senior managers and executive remuneration is separate and distinct.



**Remuneration of KMP****Table 1: KMP remuneration for the years ended 30 June 2022 and 30 June 2021**

		Short-Term benefits			Post-employment		Equity	Other	Total	
		Salary & Fees	Bonuses	Non-Monetary Benefits	Super-annuation	Prescribed benefits	Options			Performance Related
		\$	\$	\$	\$	\$	\$	\$	\$	%
Mr Tal Silberman	2021	49,864	-	-	4,736	-	-	-	54,600	-
	2022	37,398	-	-	3,552	-	-	-	40,950	-
Mr Gregory Starr**	2021	NIL	-	-	NIL	-	-	-	NIL	-
	2022	NIL	-	-	NIL	-	-	-	NIL	-
Mr Tomasz Murmylo	2021	-	-	-	-	-	-	-	-	-
	2022	15,533	-	-	1,631	-	-	-	17,164	-
Mr Michael Stuke***	2021	181,864	-	-	4,736	-	-	-	186,600	-
	2022	211,865	-	-	4,736	-	-	-	216,601	-
<b>Total</b>	<b>2021</b>	<b>231,728</b>	-	-	<b>9,472</b>	-	-	-	<b>241,200</b>	-
<b>remuneration</b>	<b>2022</b>	<b>264,796</b>	-	-	<b>9,919</b>	-	-	-	<b>274,715</b>	-

Note:

\*The Company has agreed to pay non – executive Directors \$50,000 per annum. The remuneration will be paid quarterly and is inclusive of all payments for membership of committees and is exclusive of superannuation.

\*\*Mr Starr will not be paid additional fees for his role as Director as there is an existing services agreement between Tearum Advisors Pty Ltd (an entity controlled by Gregory Starr) and the Company for management services.

\*\*\*Mr Stuke was paid \$49,864 and \$4,736 superannuation for his role as Director (2021: \$54,600). There is also an existing services agreement between Mr Stuke's company, STK Digital Consulting Pty Ltd and Pulse Markets Pty Ltd, for Mr Stuke to act as Chief Operating Officer of Pulse Markets Pty Ltd. Mr Stuke was paid \$162,000 by Pulse for the year ended 30 June 2022 (2021: \$132,000).

**Optionholdings and Shareholdings of KMP****Table 2: Optionholdings of KMP**

No KMP held options in the Company in the current or previous financial year.

**Table 3: Shareholdings of KMP**

<b>30-June-22</b>					
	<b>Balance 1/07/2021</b>	<b>Received as Remuneration</b>	<b>Options Exercised</b>	<b>Net Change Other</b>	<b>Balance 30/06/2022</b>
T Silberman <sup>1</sup>	9,024,386	-	-	-	9,024,386
G Starr <sup>2</sup>	1,250,000	-	-	-	1,250,000
M Stuke	-	-	-	-	-
T Murmylo <sup>3</sup>	-	-	-	20,168,423	20,168,423

<sup>1</sup> Mr Silberman holds the shares through a 100% owned entity Silberman Holdings Pty Limited.

<sup>2</sup> Mr Starr holds the shares through a 100% owned entity Greg Starr and Associates Pty Limited.

<sup>3</sup> Mr Murmylo holds the shares through 100% owned entities Wagering Technologies Pty Limited, T-Super Pty Ltd and Satuq Investments Pty Ltd.

**Table 3: Shareholdings of KMP**

<b>30-June-21</b>					
	<b>Balance 1/07/2020</b>	<b>Received as Remuneration</b>	<b>Options Exercised</b>	<b>Net Change Other</b>	<b>Balance 30/06/2021</b>
T Silberman <sup>1</sup>	9,004,386	-	-	20,000	9,024,386
G Starr	1,250,000	-	-	-	1,250,000
M Stuke	-	-	-	-	-

<sup>1</sup> Mr Silberman holds the shares through a 100% owned entity Silberman Holdings Pty Limited.

<sup>2</sup> Mr Starr holds the shares through a 100% owned entity Greg Starr and Associates Pty Limited.

**DIRECTORS' REPORT (Continued)****Other transactions and balances with Key Management Personnel**

Other than outlined in this report and below there were no other transactions or balances with Key Management Personnel:

	<b>Paid services Fees to related entity</b>	<b>Accrued services Fees to related entity</b>	<b>Loan from related party</b>	<b>Accrued interest payable on loans</b>
T Silberman	-	-	-	-
G Starr <sup>1</sup>	161,100	157,600	-	-
T Murmylo	17,164	17,164	-	-
M Stuke <sup>2</sup>	216,600	-	-	-

<sup>1</sup> Engagement Agreement with Tearum Advisors Pty Ltd

The Company entered into an engagement agreement with Tearum Advisors Pty Ltd (ACN 613 247 279) (an entity controlled by Gregory Starr, Director and Company Secretary) (Tearum Advisors) on 20 August 2017 for Tearum Advisors (represented by Mr Starr) to provide corporate services to the Company commencing 1 August 2017. Corporate services broadly comprise:

- (a) services in relation to the upcoming development and restructuring of the Company via a new public offering;
- (b) ongoing regulatory, financial, company secretarial and investor relations services; and
- (c) other project commercial activities such as acquisition negotiation, financial modelling.

By an Agreement (and a subsequent variation letter dated 1 February 2018), the parties concluded an engagement of a monthly payment of \$18,800 plus GST and an additional 33% of this amount in Shares ("Additional Amount"). The Share component of the payment was payable in the same manner and at the same issue price as the payment of the Original Payment. In the event that the Company was unable to issue Shares to Tearum Advisors, the Company would pay Tearum Advisors in cash. In August 2020 the agreement has subsequently been amended and Tearum has agreed not to charge the Additional amount.

The agreement also contains a indemnity provided by the Company to Tearum Advisors against any actions or claims against Tearum Advisors or the Company for the provision of the services.

Either party may terminate the agreement with one month's written notice.

Shareholders' approval was not sought for this transaction. The Board considers that the service agreement was provided on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms noting that at the time the original agreement was entered into while Mr Starr was not a Director and he had no reasonable grounds to believe that he was likely to be a Director (and therefore a related party), and the revised engagement agreement is to provide Mr Starr with appropriate remuneration for the period where Mr Starr is required to perform intensive work and Mr Starr will not receive a director fee for being a Director.

<sup>2</sup> STK Digital Consulting Pty Ltd has a services agreement with Pulse Markets Pty Ltd, for Mr Stuke to act as Chief Operating Officer of Pulse Markets Pty Ltd. Mr Stuke was paid \$162,000 by Pulse for the year ended 30 June 2022 (2021: \$132,000). Mr Stuke was also paid \$49,864 and \$4,736 superannuation by BIR Financial Pty Limited for his role as Director (2021: \$54,600).

This concludes the Remuneration Report.

**Proceedings on Behalf of the Company**

During the Reporting Period, no person applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

**DIRECTORS' REPORT (Continued)****Directors' Meetings**

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each director were as follows:

	<b>Number Attended</b>	<b>Maximum Possible</b>	<b>Audit Committee<sup>1</sup></b>	<b>Nomination &amp; Remuneration Committee<sup>1</sup></b>
<b>Number of meetings held:</b>				
Mr T Murmylo	7	7	-	-
Mr T Silberman	3	4	1	-
Mr G Starr	7	7	1	-
Mr M Stuke	7	7	*	*

\* - Not a member of this committee

**Auditor Independence and Non-Audit Services**

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. This Independence Declaration is set out on page 24 and forms part of this Directors' report for the year ended 30 June 2022.

There were no non-audit services provided by our auditors, Hall Chadwick.

Signed in accordance with a resolution of the Directors.



Tomasz Murmylo  
Director  
SYDNEY, New South Wales  
31 August 2022

## **CORPORATE GOVERNANCE STATEMENT**

This statement is current as at 31 August 2022

Where matters differ from the Corporate Governance Statements in operation during the Reporting Period, this will be specified.

The Corporate Governance policy of BIR Financial Limited ("the Company") has been prepared by the Board of Directors of the Company with reference to the 4<sup>th</sup> Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations').

The ASX Principles and Recommendations are a guide for listed public companies rather than a set of prescriptive requirements in order to recognise that each company is different and should properly adopt policy that is appropriate to the organisation.

The Board of Directors of the Company have adopted the best practice recommendations contained in the ASX Principles and Recommendations that are deemed appropriate for the Company, given its scale and nature of operations.

This policy sets out how the Company is to comply with the ASX Principles and Recommendations and where its policy for Corporate Governance differs from the guidance.

The Board of Directors of the Company approved this policy on 31 August 2022.

### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

*Recommendation 1.1 - A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.*

The Board of Directors of the Company are responsible to the shareholders as a whole for the performance of the Company.

The Board of the Company are committed to high standards of Corporate Governance in the performance of their duties.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes the Board's functions and delegated responsibilities.

The Board has determined that its primary function is in:

- Establishing, monitoring and reviewing the strategic direction of the Company;
- Delegating management authorities;
- Ensuring the health, safety and well-being of employees;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring protection of the environment as it pertains to Company operations;
- Evaluating corporate risk and monitoring internal controls;
- Setting the Company's values and standards;
- Setting Corporate Governance policies;
- Approving master budgets and allocating financial resources;
- Reviewing financial performance to budget and amending resourcing where required;
- Approving material transactions, significant management initiatives, investment strategies and major capital purchases or divestments;
- Appointing, remunerating and/or terminating of the Chief Executive Officer and the Company Secretary; and
- Any other matter considered desirable and in the interest of the Company.

While the Company determines its next business objectives, day to day operation of the Company is delegated to Mr Tomasz Murmylo and Mr Greg Starr, who are accountable to the Board. The Board also retains certain powers that it does not delegate to management. The delegation of authority and responsibility is clearly defined in writing.

The Board's charter is available on the Company website.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

*Recommendation 1.2 - A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company holds an election of directors each year at its Annual General Meeting ('AGM'). Directors are appointed for a maximum term of three years. Retiring directors are not automatically re-appointed. A director that has been appointed during the year must stand for election at the next AGM.

Comprehensive reference checks are undertaken by the Company prior to appointing a director or putting that person forward at an AGM as a candidate, in order to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director.

The Company provides shareholders with relevant information for their consideration about the attributes of candidates in the Notice to the AGM, together with whether the Board supports the appointment or re-election.

*Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Non-executive directors are provided with a letter of appointment which:

- Sets out their key responsibilities at law;
- Provides them with a copy of the Company's Constitution (which covers term of appointment);
- Advises expected time commitments and required committee work and/or special duties;
- Requires disclosure of their relevant interests which may affect independence;
- Provides Company Policies;
- Sets out remuneration entitlements;
- Advises on indemnities; and
- Provides copies of standing Board resolutions.

Executive directors and senior executives are issued employment or service contracts which detail the above matters as well as the normal range of employment rights and responsibilities. The Board is reviewing all these arrangements in light of Recommendation 1.3 and will update, and amend where necessary, all arrangements with directors and senior executives to ensure compliance with Recommendation 1.3.

*Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company Secretary reports directly to the Board, through the Chairman and is accessible to all directors.

*Recommendation 1.5 - A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes with respect to the review and appointment of Directors.

All Directors' and employees of the Company are bound by the policies of the Company that support diversity.

While the Board will make every effort to support diversity by equitable policies and practices around the recruitment of Directors and the recruitment and/or promotion of employees, the Board does not believe it is feasible or appropriate to adopt Recommendation 1.5 (a), (b) and (c) at this time for the reasons set out below:

**CORPORATE GOVERNANCE STATEMENT (Continued)**

- The Company currently has a Board of three members. This makes the setting of quotas impractical at this time; and
- The Company's wholly owned subsidiary, Pulse Markets Pty Ltd currently has two employees.

The Company was not compliant with Recommendation 1.5 (a), (b) and (c) during the reporting period for the reasons specified above. The Company will periodically review its position in regard to these recommendations and adopt changes where appropriate.

The Company will report annually on the diversity of the Board and workforce in general as a further method of highlighting diversity and the importance that the Board places on a diverse workforce.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

The Company's diversity strategies include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing succession plans to ensure that there are no impediments to diversity;
- encouraging female participation across a range of roles in the Company;
- reporting on the relative proportion of women and men in the workforce at all levels of the Company;
- articulating a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- developing programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development.

At the date of this report, the Company has no employees. No women are currently represented on the Board.

No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators need to be disclosed.

*Recommendation 1.6 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Board of Directors conduct an annual formal written Peer Review for each member of the Board to evaluate the performance and contribution of each member, both in respect of their participation on the Board and any relevant Board Committees.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;
- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company's continuous disclosure policy.

The Board conducted a self-evaluation during the review period, which the Board considers to be appropriate for the size of the Company and the nature of its business.

*Recommendation 1.7 - A listed entity should (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The performance of the Senior Executives has been evaluated by the Board on an ongoing basis through the review period.

**CORPORATE GOVERNANCE STATEMENT (Continued)****PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

*Recommendation 2.1 - The board of a listed entity should (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

Given the size of the Company and the size of the Board it is not practical to have a separate Remuneration and Nomination Committee. The Board acts as a combined Remuneration and Nomination Committee and accordingly, the Company was not in compliance with Recommendation 2.1 during the reporting period. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendations of candidates for any position of new director are considered by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, availability to commit to the Board's activities and the potential for the candidate's skills to augment the existing Board. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

*Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.*

Given the size of the Board and the current operations of the Company, the Board does not maintain a formal skills matrix for the Board. Accordingly, the Company was not in compliance with Recommendation 2.2 during the reporting period.

However, the individual directors and the Board as a whole, recognise the importance for the Board to have the skills, knowledge, experience and diversity of background and expertise required to effectively guide the Company over time in response to market developments, opportunities and challenges.

The Board recognises certain core skills that are required for the Board to ensure effective stewardship of the Company. These include business and strategic expertise, experience with financial markets, industry knowledge, financial skills, project management experience and ethical management skills.

The current Board members represent individuals that have extensive business and industry experience. The aim, when considering Board member attributes, is to consider whether collectively they can deliver outcomes in accordance with the Company's business objectives and in doing so, deliver value to shareholders.

*Recommendation 2.3 - A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.*

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Length of Service</b>	<b>Independence</b>
Mr Tal Silberman	31 May 2017	9 May 2022	4 Years 11 Months	Substantial Shareholder
Mr Gregory Starr	28 February 2018	31 August 2022	4 Year 6 Months	Company Secretary
Mr Tomasz Murmylo	10 November	Current	9 Months	Substantial Shareholder
Mr Michael Stuke	29 November 2019	Current	2 Years 9 Months	Non-independent
Mr Jody Elliss	31 August 2022	Current	-	Non-independent



**CORPORATE GOVERNANCE STATEMENT (Continued)**

The Board has reviewed the position and associations of each of the directors in office at the date of this report in terms of Recommendation 2.3 and other facts, information and circumstances. At the current time, Mr Murmylo holds a large interest in the Company's securities and is therefore not considered independent. Mr Starr is the company secretary and therefore not considered independent. Mr Stuke is the Chief Operating Officer of Pulse Markets Pty Ltd and is therefore not considered independent.

The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of other directors, as appropriate.

*Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.*

Having regard to Recommendation 2.4 above, the Company is not in compliance in relation to the Board arrangements at the date of this Report. The Board supports the intent of this recommendation and will seek to comply once circumstances permit upon the development of the Company's new business plans.

*Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

Having regard to Recommendation 2.5 above, the Company was not in compliance. The Board will monitor compliance with this recommendation as the business of the Company is developed and will advise any necessary changes in the future, if required.

*Recommendation 2.6 - A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.*

The Company has a formal induction process for new directors. New directors are provided with copies of Company policy documents, key legal requirements for directors, the Company's Constitution and are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of directors. They are also provided information on insurances, indemnities and the processes for accessing independent legal advice if required. There are also processes of induction for disclosures, key personal information, safety and business procedures and practices.

Directors receive a formal letter of appointment setting out the key terms and conditions relevant to that appointment. Due to the small size of the Company's Board, directors generally undertake their own continuing education.

The Board periodically reviews the skills, knowledge and experience of the directors as a group to assess whether there are any gaps and if there is any need for additional professional development.

**PRINCIPLE 3: INSTIL A CULTURE OF ACTING ETHICALLY AND RESPONSIBLY**

*Recommendation 3.1 - A listed entity should disclose and articulate its values.*

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

The Company has a published set of Values which supplements the Code of Conduct (see Recommendation 3.2) and which provides guidance to Directors, officers and employees.

*Recommendation 3.2 - A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.*

The Company has a Code of Conduct that binds Directors, officers and employees, which sets out the Company's values and the expectations the Company has of its Directors, officers and employees.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

The Company Secretary is responsible for the investigation of any possible breaches of the Company's Code of Conduct with findings presented to the Chairman and/or the Board as appropriate.

The Company has adopted a Code of Conduct which can be found on the Company website at [www.birfinancial.com.au](http://www.birfinancial.com.au).

**CORPORATE GOVERNANCE STATEMENT (Continued)**

As part of the Code of Conduct, the Company has adopted a Share Trading Policy which summarises the law relating to insider trading and sets out the policy of the Company on directors, officers, employees and consultants dealing in shares of the Company. The Share Trading Policy is available on the Company's website at [www.birfinancial.com.au](http://www.birfinancial.com.au).

The intent of this Trading Policy is to:

- Educate all persons associated with the Company about their obligations when trading in the Securities of the Company;
- To prevent a breach of the Insider Trading provisions of the Act by persons associated with the Company;
- To ensure a proper market for the Company's Securities is maintained that supports shareholder and investor confidence;
- To ensure that persons associated with the Company can continue to support the Company by acquiring Securities in the Company when it is legal to do so, on a fair and equitable basis that is substantively the same as other investors; and
- To comply with the ASX Listing Rules.

*Recommendation 3.3 – A listed entity should: (a) have and disclose a whistle blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

The Board has adopted a Whistle blower Policy which can be found on the Company's website at [www.birfinancial.com.au](http://www.birfinancial.com.au).

The policy:

- encourages disclosure of any misconduct or conflicts of interest;
- provides protection for persons making a report of such misconduct or conflict of interest; and
- provides that all allegations are thoroughly investigated with suitable action taken where necessary.

All material incidents under the policy are to be reported to the Board.

*Recommendation 3.4 – A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.*

The Board has adopted an Anti-Bribery and Anti-Corruption Policy which can be found on the Company's website at [www.birfinancial.com.au](http://www.birfinancial.com.au).

The intent of the policy is to ensure that all employees, consultants, officers and directors of the Company:

- are aware of what constitutes bribery and corruption;
- avoid any activity which may lead to or suggest a breach of the policy; and
- are aware of the procedures to be followed in the event that a breach of the policy has occurred or may occur.

The Board is to be informed of material breaches of the policy by the Company Secretary.

**PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

*Recommendation 4.1 – The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

**Audit Committee**

Given the size and nature of the Company, and in particular the size of the Board, the Company does not currently have an Audit Committee, and so the Company is not currently in compliance with Recommendations 4.1(a)(1) and (2). The Board as a whole has the responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

When established, the Audit Committee has a Charter to govern its activities that has been approved by the Board of Directors. The Board as a whole ensures additional assurance regarding the reliability of financial information for inclusion in the financial reports.

While the Company supports the intent of Recommendation 4.1, it is impractical to comply in all respects at this time. The Company will monitor changes in the future with the intent of moving toward full compliance when achievable.

Meetings of the Audit Committee were not held throughout the year as, given the size of the Board, matters were discussed by the full Board.

The Audit Committee, when established, and as an interim measure the Board as a whole, ensures the integrity of the financial policies of the Company, reviews the integrity of the Company's financial reporting and the independence of the external auditor.

The Board as a whole also reviews the audited annual and half-year financial policies and any reports which accompany published financial policies.

Appointment of the external auditor and their fees is also the responsibility of the Audit Committee when established and as an interim measure the Board as a whole.

**External Auditors**

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

It is the policy of Hall Chadwick, the Company's current external auditor, to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services (if any), is provided in the notes to the financial policies in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

*Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial policies for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial policies comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Company does not currently have any executive staff but intends to comply with this Recommendation 4.2 in future reporting.

*Recommendation 4.3 - A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by its external auditor.*

The Company's Continuous Disclosure Policy requires the Board to review and approve all material announcements. Similarly, the Board will review and approve all periodic reports that are not required to be audited or reviewed by the Company's external auditor.

**PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

*Recommendation 5.1 - A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1.*

The Chairman, with advice from the Company Secretary where appropriate, is responsible for bringing continuous disclosure matters to the attention of the Board of Directors. To ensure the timely disclosure of pertinent matters, the Company Secretary has the delegated authority to disclose routine matters of fact to the ASX without reference to the Board. The Company Secretary is also delegated to take all reasonable actions to comply with urgent disclosure matters in the event that the Board is unable to meet or communicate in a timely manner, including calling a trading halt if required. These matters of continuous disclosure policy are documented in standing resolutions of the Board.

The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

*Recommendation 5.2 – A listed entity should ensure that the board receives copies of all material announcements promptly after they have been made.*

Copies of all material announcements are circulated to the Board promptly after they have been made to enable the Board to have oversight of the nature and quality of information being disclosed by the Company.

*Recommendation 5.3 – A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

The Continuous Disclosure Policy requires all new and substantive investor or analyst presentations be released to the market prior to the presentation.

**PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

*Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website.*

The Company maintains information in relation to corporate governance policies, directors and senior executives, Company Policies, Annual Reports, ASX announcements and contact details on the Company's website which can be found at [www.birfinancial.com.au](http://www.birfinancial.com.au).

**Recommendations 6.2, 6.3 and 6.4**

*A listed entity should have an investor relations program that facilitates effective two-way communication with investors (6.2).*

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders (6.3).*

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands (6.4).*

The Company is committed to promoting effective communications with shareholders by ensuring they and the investment market generally are provided with full and timely disclosure of its activities and providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner. The Company provides shareholders with periodic updates on its business. Shareholders are encouraged to communicate by electronic means and to participate at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals.

*Recommendation 6.5 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the Company's share registry, Automic Pty Ltd.

It is also intended that Shareholders will be able to sign up to an email alert system on the Company's new website once that is completed.

**PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

*Recommendations 7.1 & 7.2*

*The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).*

*The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).*

The functions that would be performed by a risk committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly, the Company was not in compliance with Recommendation 7.1 and was not compliant during the reporting period. These

**CORPORATE GOVERNANCE STATEMENT (Continued)**

arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Risk is systematically managed through a series of applicable Company systems and policies that address the main areas of risk facing the Company, including financial and accounting controls, insurance of assets, occupational health and safety, environmental management, land access and tenure etc. The Company will also implement a systematic risk assessment program in parallel with the studies into its projects to ensure that as the Company's activities evolve, the appropriate risk management systems are enhanced or added to as required.

The Chairman or the Company Secretary reports all material risk matters to the Board at meetings of the Board and otherwise as required.

The Board reviews risks to the Company at regular Board meetings.

The Company manages material business risks under a series of risk management strategies. There is an ongoing program to identify, monitor and manage compliance issues and material business risks with a view to safeguarding the Company's investments and the integrity of its operations. The Board reviews the identification, management and reporting of risk as part of the annual budget process. More frequent reviews are undertaken as conditions or events dictate.

The Board formally assessed material business risk during the Reporting Period.

*Recommendation 7.3 - A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.*

The Board has the responsibility for ensuring the effectiveness of risk management and internal compliance and control. As part of the review process the Board considers the extent to which the risk process has been successful in retrospect with regard to the identification and mitigation of risks. This is required at all times and the Board actively promotes a culture of quality and integrity.

The Company does not have an internal audit function due to its size; however the Company's procedures and policies are subject to regular review. The Board also liaises closely with the Company's external auditor to identify potential improvements to the risk management and internal control procedures.

The Board recognises that no cost-effective internal control system will preclude the possibility of errors and irregularities. The Company has insurance policies to cover unexpected or unforeseen events and reduce any adverse consequences.

*Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

The Company does not believe it currently has material exposure to any specific environmental and social risks

**PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

*Recommendation 8.1 - The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The functions that would be performed by a Remuneration committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly, the Company was not in compliance with Recommendation 8.1 and was not compliant during the reporting period. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

**CORPORATE GOVERNANCE STATEMENT (Continued)**

The Remuneration Committee, when established and as an interim measure the Board as a whole, reviews the remuneration of the Board itself, and any Managing Director or Chief Financial Officer appointed. The Remuneration Committee, when established and as an interim measure the Board as a whole, also considers external advice and employment data to ensure the overall remuneration practices of the Company are appropriate.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the company: and
- performance incentives that allow executives to share in the success of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors. The Managing Director, once appointed, will be responsible for the general remuneration policies and practices that apply to the balance of employees within the Company.

Details of the qualifications and experience of the members of the Board are detailed in the 'Information on Directors' section of the Directors' report. The Remuneration Committee has a Charter to govern its activities that has been approved by the Board of Directors.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report.

*Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report.

The level of remuneration reflects the anticipated time commitments and responsibilities of the position having regard to the financial constraints on the Company. Senior executives may be remunerated using combinations of fixed and performance based remuneration. Salaries are set at levels reflecting market rates having regard to the financial constraints on the Company and performance based remuneration, when offered, will be linked to specific performance targets that are aligned to both short and long term objectives.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

The shareholders of the Company approved total fees payable to non-executive Directors of \$325,000 per annum at a General Meeting of the Company held on 31 October 2012.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a result of attendance at Board meetings and the discharge of other director related duties. Board members are not provided any additional remuneration in respect of any standing Board Committee memberships. There are no termination or retirement benefits for non-executive Directors.

*Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it*

The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this must be disclosed.

**OTHER GOVERNANCE MATTERS****Skills, Experience and Expertise of each Director**

A profile of each Director is contained in the Directors' Report.

**Statement on Independent Professional Advice**

If requested by a Director, the Company will pay for independent professional advice for a Director in the discharge of their duties provided that the prior approval of the Chairman is obtained.



**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BIR FINANCIAL LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BIR Financial Limited. As the lead audit partner for the audit of the financial report of BIR Financial Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Drew Townsend*

**DREW TOWNSEND**  
Partner  
Dated: 31 August 2022



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated	
	Notes	2022	2021
		\$	\$
<b>Revenue and Other Income</b>			
Revenue	2	2,942,070	2,304,890
Other Income	2	210,639	122,615
<b>Expenses</b>			
Operating Expenses	2	(2,314,586)	(1,699,660)
Salaries and employee benefits expense	2	(412,072)	(338,928)
Interest expense	2	(106,409)	(225,765)
Depreciation	2	(158,828)	(278,050)
Corporate and administration costs	2	(1,397,677)	(1,071,071)
Provision for doubtful debts	6	(77,000)	-
Fair value changes	13	(1,788,801)	-
Impairment of Financial Asset	9	(8,100)	(13,500)
<b>Loss before income tax expense</b>		(3,110,764)	(1,199,469)
Income tax expense	3	-	-
<b>Net Loss for the year</b>		(3,110,764)	(1,199,469)
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		(3,110,764)	(1,199,469)
Basic earnings (loss) per share (cents per share)	4	(2.69)	(1.48)
Diluted earnings (loss) per share (cents per share)	4	(2.69)	(1.48)

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AS AT 30 JUNE 2022**

		Consolidated	
		2022	2021
	Notes	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	69,053	197,230
Trade and other receivables	6	45,088	284,854
Indemnified deferred tax liability	14	-	80,988
Other Assets	7	23,298	21,495
<b>Total Current Assets</b>		<b>137,439</b>	<b>584,567</b>
<b>Non-Current Assets</b>			
Indemnified acquisition cost	9	-	8,100
Plant and equipment	8	-	4,471
Right of use Asset	11	-	639,477
Other Assets	7	100,000	340,519
<b>Total Non-Current Assets</b>		<b>100,000</b>	<b>992,567</b>
<b>Total Assets</b>		<b>237,439</b>	<b>1,577,134</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	630,089	665,281
Borrowings	13	2,498,117	10,440
Lease liabilities	11	-	286,604
Other liabilities		73,558	-
Provisions	12	66,731	99,854
<b>Total Current Liabilities</b>		<b>3,268,495</b>	<b>1,062,179</b>
<b>Non-Current Liabilities</b>			
Borrowings	13	-	2,191,520
Lease Liabilities	11	-	452,661
Other Liabilities		30,649	-
Indemnified Income tax Liability	14	-	80,988
<b>Total Non-Current Liabilities</b>		<b>30,649</b>	<b>2,725,169</b>
<b>Total Liabilities</b>		<b>3,299,144</b>	<b>3,787,348</b>
<b>Net Assets</b>		<b>(3,061,705)</b>	<b>(2,210,214)</b>
<b>Equity</b>			
Issued capital	15	30,147,566	27,888,293
Accumulated losses		(33,209,271)	(30,098,507)
<b>Total Equity</b>		<b>(3,061,705)</b>	<b>(2,210,214)</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Consolidated	
		2022	2021
		\$	\$
		<i>Inflows/(Outflows)</i>	
<b>Cash flows from operating activities</b>			
Receipts from customers		3,181,836	2,304,890
Payments to suppliers and employees		(3,866,541)	(2,941,859)
Other revenue		161,074	122,615
Net cash used in operating activities	5	(523,631)	(514,354)
<b>Cash flows from investing activities</b>			
Sale / (acquisition) of investments		-	-
Net cash provided by investing activities		-	-
<b>Cash flows from financing activities</b>			
Repayment of borrowings and lease liabilities		(4,546)	(347,960)
Proceeds from borrowings	13	400,000	1,000,000
Net cash provided by financing activities		395,454	652,040
Net increase/(decrease) in cash and cash equivalents		(128,177)	137,686
Cash and cash equivalents at 1 July		197,230	59,544
<b>Cash and cash equivalents at end of year</b>	5	69,053	197,230

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2020</b>	27,888,293	(28,899,038)	(1,010,745)
Total comprehensive loss	-	(1,199,469)	(1,199,469)
<b>Balance at 30 June 2021</b>	27,888,293	(30,098,507)	(2,210,214)
<b>Balance at 1 July 2021</b>	27,888,293	(30,098,507)	(2,210,214)
Share issue	2,259,273	-	2,259,273
Total comprehensive income	-	(3,110,764)	(3,110,764)
<b>Balance at 30 June 2022</b>	30,147,566	(33,209,271)	(3,061,705)

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Basis of Preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements have been prepared on an accrual basis and are based upon historical costs and presented in Australian dollars. Cost is based on the fair values of the consideration given in exchange for assets. The Company is a listed public Company, incorporated in Australia and operating in Australia.

#### **(b) Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization and the settlement of liabilities in the ordinary course of business. During the year ended 30 June 2022 the company incurred a net loss of \$3,110,764 (2021 \$1,199,469) and had a deficiency of net assets of \$3,061,704 (2021 \$2,210,214) and a negative operating cashflow of (\$534,987) (2021 \$514,354).

The reliance on the assumptions underpinning the future cashflow forecast, the requirements to reduce overheads and fixed costs and raise additional working capital indicate a significant material uncertainty that may cast doubt on the group's ability to continue as a going concern and, therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business. This financial report does not reflect adjustments in the carrying value of the assets and liabilities, the reported revenue and expenses, and the balance sheet classification used, that would be necessary if the group was unable to continue as a going concern.

#### **(c) Adoption of new and revised standards**

##### **Standards and Interpretations applicable to 30 June 2022**

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual Reporting Period.

##### **New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but have no material impact on the company.

#### **(d) Statement of Compliance**

The financial report was authorised for issue on 31 August 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### **(e) Critical accounting estimates and judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **(f) Revenue recognition**

Revenue (mainly includes brokerage fees, equity capital market fees) is recognised when the services for the transaction are determined to be completed or when specific obligation is determined to be fulfilled as set forth under the terms of the engagement. The variety and number of the obligations within the contracts can make it complex and requires management judgements to determine completion of the performance condition associated with the revenue.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and it is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

### (g) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

### (h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

### (i) Income Tax

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

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible 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 the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### **(j) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **(k) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### *(i) Impairment*

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Profit and Loss and other Comprehensive Income.

#### *(ii) Derecognition and disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

### **(l) Leases**

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 (ie a lease with a 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset. 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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

#### **(m) Fair Value of Assets and Liabilities**

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

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

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

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

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

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

#### **(n) Financial Instruments**

##### **Initial recognition and measurement**

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



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 has been applied as specified in AASB 15.63.

### **Classification and subsequent measurement**

#### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

#### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- 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 when 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.

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

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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

### **Derecognition**

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

#### *Derecognition of financial liabilities*

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

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.

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 a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

- the company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

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

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

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

#### Impairment

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

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

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

The company used the general approach to impairment, as applicable under AASB 9.

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

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### Recognition of expected credit losses in financial statements

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

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

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

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

#### (o) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

#### (p) Interest-bearing loans and 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. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet 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.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Reporting Period.

### **(q) Employee leave benefits**

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

### **(r) Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

### **(s) Earnings per share**

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### **(t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of BIR Financial Limited.

### **(u) Basis of consolidation**

The financial statements of the subsidiaries are prepared for the same Reporting Period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its subsidiaries are eliminated to the extent of the Group's interests in the subsidiary. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of BIR Financial Limited.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 'Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### **(v) Intangible assets**

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

### **(w) Goodwill**

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

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

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

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

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

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated	
	2022	2021
	\$	\$
<b>NOTE 2: REVENUE AND EXPENSES</b>		
<b>(a) Revenue</b>		
Brokerage fees	907,264	1,858,533
MDA Fees	-	2,959
Equity Capital Market fees	2,034,806	443,398
	<u>2,942,070</u>	<u>2,304,890</u>

Revenue is recognised at a point in time when the service has been fulfilled and performance obligations have been met

<b>Other revenue</b>		
Interest received	167	253
Rental Income	-	14,216
Federal Government Job Keeper support payment	-	40,500
Rent Waiver	49,565	-
Cash flow boost payment	-	18,081
Debt forgiveness	50,000	-
Gain on derecognition of Right of Use Asset and Lease Liability	90,907	-
Other Income	20,000	49,565
	<u>210,639</u>	<u>122,615</u>

	Consolidated	
<b>(b) Expenses</b>	2022	2021
<b>Operating Expenses</b>	\$	\$
Commissions paid	2,292,136	1,655,160
Responsible Manager	22,450	44,500
	<u>2,314,586</u>	<u>1,699,660</u>

<b>Salaries and employee benefits expense</b>	2022	2021
	\$	\$
Salary and wages	150,423	150,204
Superannuation	15,649	14,724
Consultants	246,000	174,000
	<u>412,072</u>	<u>338,928</u>

<b>Interest Expense</b>	2022	2021
	\$	\$
Interest on Convertible notes	67,658	157,534
Interest Expense – Property Lease Liability	19,555	44,146
Interest on Wagering loan	9,411	-
Interest expense other	9,785	24,085
	<u>106,409</u>	<u>225,765</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>Depreciation</b>		
Depreciation of plant and equipment	4,471	13,439
Depreciation of Right of use asset	154,357	264,611
	<u>158,828</u>	<u>278,050</u>
	2022	2021
	\$	\$
<b>Corporate and administration costs</b>		
Professional services	211,933	317,976
Insurance	136,912	144,719
Compliance expenses	50,204	75,551
Legal fees	460,968	64,706
Telephone and internet	-	6,955
Other administrative costs	537,660	461,164
	<u>1,397,677</u>	<u>1,071,071</u>

### NOTE 3: INCOME TAX

	Consolidated	
	2022	2021
	\$	\$
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	(3,110,764)	(1,199,469)
	<u></u>	<u></u>
Prima facie income tax (benefit) @ 25% (2020: @27.5%)	(777,691)	(329,854)
	<u></u>	<u></u>
Deferred tax assets not brought to account <sup>+</sup>	777,691	329,854
	<u></u>	<u></u>
Income tax expense	-	-

<sup>+</sup> - These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

<sup>#</sup> - The Company has not yet carried out an assessment as to whether it is able to utilise current and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 4: EARNINGS/(LOSS) PER SHARE

Consolidated

	2022	2021
	\$	\$
Basic earnings/(loss) per share (cents per share)	(2.69)	(1.48)

	2022	2021
	\$	\$
Earnings – Net loss for year	(3,110,764)	(1,199,469)

Weighted average number of ordinary shares used in the calculation of:

Basic earnings per share	115,431,405	81,250,370
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The effects from the potential ordinary shares of the Group arising from the conversion of convertible notes for the financial year ended 30 June 2022 is deemed anti dilutive. Accordingly, the basic and diluted earnings per share for the current financial year are the same.

### NOTE 5: CASH AND CASH EQUIVALENTS

Consolidated

	2022	2021
	\$	\$
Cash at bank	69,053	197,230

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

#### (i) Reconciliation of loss for the year to net cash flow used in operating activities:

Loss for the year	(3,110,764)	(1,199,469)
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#### Non-Cash items and reclassifications

Interest expense	117,765	225,764
Depreciation	158,828	278,050
Impairment of Financial Assets	8,100	13,500
Fair value change	1,788,801	-
Rent waiver	(49,565)	-
Gain on derecognition of Right of use asset	90,907	-

#### Changes in assets and liabilities

Trade receivables and other assets	540,612	(32,734)
Trade and other payables	(35,192)	250,825
Provisions	(33,123)	(50,290)
<b>Net cash flows (used in) operating activities</b>	<b>(523,631)</b>	<b>(514,354)</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022	2021
A) <u>Current</u>	\$	\$
Sundry debtors	122,088	284,854
Less provision for doubtful debts	(77,000)	-
	<u>45,088</u>	<u>284,854</u>

#### B) Allowance for expected credit loss

The Group applies the general approach to providing for expected credit losses prescribed by AASB 9, where the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses. To measure the expected credit losses, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The loss allowance provision as at 30 June 2022 is determined as follows; the expected credit losses also incorporate forward-looking information.

	Total 2022	Total 2021
Expected loss rate	63%	0%
Gross carrying amount	122,688	234,688
Loss allowing provision	\$77,000	\$0

### NOTE 7: OTHER ASSETS

	Consolidated	
	2022	2021
	\$	\$
<b>Current</b>		
Prepaid Insurance	<u>23,298</u>	<u>21,495</u>
<b>Non Current</b>		
Rental Bond	-	190,519
Other Bonds	<u>100,000</u>	<u>150,000</u>
	<u>123,298</u>	<u>340,519</u>

### NOTE 8: PLANT AND EQUIPMENT

	Consolidated	
	2022	2021
Year ended 30 June 2022 - movement	\$	\$
At 1 July, net of accumulated depreciation	4,471	17,910
Additions	-	-
Depreciation charge for the year	<u>(4,471)</u>	<u>(13,439)</u>
At 30 June, net of accumulated depreciation	<u>-</u>	<u>4,471</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 9: INDEMNIFIED ACQUISITION COSTS

	Consolidated	
	2022	2021
	\$	\$
Indemnified Acquisition costs at 1 July 2021	8,100	21,600
Impairment	(8,100)	(13,500)
Indemnified Acquisition costs at 30 June 2022	-	8,100

There were \$253,369 of costs associated with the sale of Pulse Markets Pty Limited to BIR Financial Limited. This is \$168,369 in excess of the agreed amount under the Share Sale Agreement. As a result of this excess expenditure and other matters, the vendor of Pulse Markets has entered into an agreement with BIR Financial Limited to reimburse BIR Financial Limited \$270,000 when the shares received from the sale of the company are released from escrow.

During the year ended 30 June 2020, this balance was impaired by \$248,000, based on the fair value of the shares held in escrow. The balance was impaired by a further \$13,500 in the year ended 30 June 2021. In the half year ended 31 December 2021, the remaining balance was fully impaired.

### NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated	
Current	2022	2021
	\$	\$
Trade payables and accruals	630,089	665,281

### NOTE 11: LEASES

	Consolidated	
	2022	2021
	\$	\$
<b>a. Right of use assets</b>		
Buildings	-	639,477
	-	639,477
<b>b. Lease liabilities</b>		
Current	-	286,604
Non-current	-	452,661
	-	739,265

Pulse Office space was vacated 31 December 2021 and the Office lease terminated on 31 January 2022.

### NOTE 12: PROVISIONS

	Consolidated	
Current	2022	2021
	\$	\$
Provision for settlements claims and legal fees	30,000	75,000
Provision for annual leave	36,731	24,854
	66,731	99,854

The provision relates to an estimate of claims against a company which was an authorised representative of Pulses' Australian Financial Services Licence for activities which occurred in 2014. The claims are being defended by Pulse.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 13: BORROWINGS

	Consolidated	
	2022	2021
Current	\$	\$
Macquarie Premium Financing – Financing insurance premium	-	10,440
Convertible Note – Wagering Technology Pty Ltd*	2,088,706	-
Loan - Wagering Technologies Pty Ltd	409,411	-
	<u>2,498,117</u>	<u>10,440</u>
Non-Current		
Convertible Note - Moshav Custodian Pty Limited*	-	2,191,520

#### \*Convertible Notes

2,000,000 secured convertible notes ("Notes") were issued to Moshav Custodian Pty Limited (Moshav) with a face value of \$1.00 per note. Mr Tal Silberman was a director of BIR and was also a shareholder and director of Moshav. The issue price of the notes was at a 50% discount to the face value of the convertible note. The Notes were issued to Moshav on 14 February 2020. On 2 December 2020, Moshav subscribed to a further 2,000,000 convertible notes and provided a further \$1,000,000 to the company.

The Notes accrued interest at 5% per annum on the face value. The effective rate of interest was 10% on the amount loaned. Any accrued interest was payable in full on the maturity date or on the date of the conversion.

The Notes were secured over all assets of the company.

Moshav could convert the Notes to shares at a conversion price which was the aggregate face value of the convertible notes divided by the 5 day volume weighted average price of the shares as traded on the ASX immediately prior to the notice to convert being issued by Moshav to BIR.

The noteholder could not convert to a fixed number of shares at any time prior to the expiry date. Instead, the conversion entitled Moshav to a variable number of shares equal to a fixed dollar value and therefore the directors had determined that the convertible loan note issued by the company was not a compound financial instrument in accordance with para 28 and 29 of AASB 132. The amounts included in the liability and equity sections of the statement of financial position were determined in accordance with the para 32 of AASB 132, AG30 - AG32 of the standard.

On 25 October 2021 Moshav Custodians Pty Ltd (Moshav) advised the company that it had sold the 4,000,000 convertible notes to Wagering Technologies Pty Ltd (Wagering). On the same day, Moshav executed a deed of assignment, assigning its rights under the Convertible Notes to Wagering.

On 25 October 2021 Wagering issued a conversion notice to the company in respect of the 4 Million convertible notes held by Wagering. BIR issued 20,185,797 fully paid ordinary shares on 27 October 2021. BIR has determined the fair value of the shares at 0.023 and has recognised a change in fair value of convertible notes amounting to \$1,788,801.

On 11 February BIR announced that the company had been advised by the Convertible Note holder, Wagering Technologies Pty Ltd, that it now plans to direct the company to issue the Shares pursuant to the conversion of the balance of the Convertible Notes it holds, to various non associated parties on agreement of commercial terms with those parties.

On 18 February 2022 BIR announced that it had issued 25,000,000 fully paid ordinary shares to Niedzica Pty Ltd. These shares were issued to Niedzica Pty Ltd at the direction of Wagering Technologies Pty Ltd in partial conversion of the Convertible notes held by Wagering Technology Pty Ltd.

On 18 March 30,000,000 shares were issued to Rogusz Nominees Pty Ltd (as trustee for the Rogusz Superannuation Fund). These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes

On 13 May 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes .

The directors expect to convert the remaining balance of unconverted notes into equity by 31 October 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 14: INDEMNIFIED DEFERRED INCOME TAX LIABILITY

	Consolidated	
	2022	2021
	\$	\$
Indemnified deferred Income Tax Liability	-	80,988

This amount represents an indemnity provided by the vendor of Pulse Markets Pty Ltd in favour of the Company from potential income tax liability. The time period for the income tax liability has now lapsed so the balances have now been written off.

### NOTE 15: ISSUED CAPITAL AND RESERVES

	Consolidated	
(a) Issued and paid up capital	2022	2021
	\$	\$
Ordinary shares fully paid	30,147,566	27,888,293

(a) Movement in ordinary shares on issue	2022	2022	2021	2021
	Number	\$	Number	\$
Balance at beginning of year	81,250,370	27,888,293	81,250,370	27,888,293
Conversion of convertible notes	85,185,797	1,959,273	-	-
Share issue – Andrew Braund settlement	15,000,000	300,000	-	-
Balance at end of year	181,436,167	30,147,566	81,250,370	27,888,293

#### (b) Share Options

At the end of the year there were no options over unissued ordinary shares outstanding.

#### (c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 16: RELATED PARTY DISCLOSURES**

#### **Engagement Agreement with Tearum Advisors Pty Ltd**

The Company entered into an engagement agreement with Tearum Advisors Pty Ltd (ACN 613 247 279) (an entity controlled by Gregory Starr, Director and Company Secretary) (Tearum Advisors) on 20 August 2017 for Tearum Advisors (represented by Mr Starr) to provide corporate services to the Company commencing 1 August 2017. Corporate services broadly comprise:

- (a) services in relation to the upcoming development and restructuring of the Company via a new public offering;
- (b) ongoing regulatory, financial, company secretarial and investor relations services; and
- (c) other project commercial activities such as acquisition negotiation, financial modelling.

By an Agreement (and a subsequent variation letter dated 1 February 2018), the parties concluded an engagement of a monthly payment of \$18,800 plus GST and an additional 33% of this amount in Shares ("Additional Amount"). The Share component of the payment was payable in the same manner and at the same issue price as the payment of the Original Payment. In the event that the Company was unable to issue Shares to Tearum Advisors, the Company would pay Tearum Advisors in cash. In August 2020 the agreement has subsequently been amended and Tearum has agreed not to charge the Additional amount.

The agreement also contains an indemnity provided by the Company to Tearum Advisors against any actions or claims against Tearum Advisors or the Company for the provision of the services.

Either party may terminate the agreement with one month's written notice. Shareholders' approval was not sought for this transaction. The Board considers that the service agreement was provided on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms noting that at the time the original agreement was entered into while Mr Starr was not a Director and he had no reasonable grounds to believe that he was likely to be a Director (and therefore a related party), and the revised engagement agreement is to provide Mr Starr with appropriate remuneration for the period where Mr Starr is required to perform intensive work and Mr Starr will not receive a director fee for being a Director.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 17: PARENT ENTITY INFORMATION

	Parent 2022	2021
	\$	\$
Current assets	224,462	60,042
Total assets	4,509,642	4,533,582
Current liabilities	(2,883,225)	(2,377,208)
Total liabilities	(2,883,225)	(2,377,208)
<b>Net assets</b>	<b>1,626,417</b>	<b>2,156,374</b>
Issued capital	30,147,566	27,888,293
Accumulated losses	(28,521,149)	(25,731,919)
<b>Total equity</b>	<b>1,626,417</b>	<b>2,156,374</b>
Loss of the parent entity after tax	(2,689,331)	(667,615)
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income/(loss) of the parent entity</b>	<b>(2,689,331)</b>	<b>(667,615)</b>

#### (a) Parent entity

The ultimate parent entity within the Group is BIR Financial Limited.

#### (b) Subsidiary

Pulse Markets Pty Ltd is a wholly owned subsidiary of the Company.

Pulse Markets has a wholly owned subsidiary Selecta Funds Management Pty Ltd (ACN 100 257 869) (Selecta Funds Management). This entity is not an operating entity but is a special purpose entity established to specifically own options or performance rights which may be acquired in companies as part of the consideration for Pulse Markets providing ECM services (including corporate advisory services). Selecta Funds Management will remain as a wholly owned subsidiary of Pulse Markets (with the Company being the ultimate parent company).

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
			2022	2021
Pulse Markets Pty Ltd	Ordinary	Australia	100%	100%
Selecta Funds Management Pty Ltd*	Ordinary	Australia	100%*	100%

\* 100% owned by Pulse Markets Pty Ltd

#### (c) Key management personnel

Disclosures relating to key management personnel are set out in Note 18.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Details of Key Management Personnel

(i) Directors in office during the financial year were:

##### *Executive Directors*

Mr Michael Stuke

##### *Non-Executive Directors*

Mr Tomasz Murmylo (appointed 10 November 2022)

Mr T Silberman (resigned 9 May 2022)

Mr Gregory Starr (resigned 31 August 2022). Mr Starr is also Company Secretary.

#### (a) KMP Remuneration

The aggregate compensation paid to KMP is set out below:

	Consolidated	
	2022	2021
	\$	\$
(b) KMP Remuneration		
The aggregate compensation paid to KMP is set out below:		
Short-term benefits	264,796	231,728
Post-employment benefits	9,919	9,472
	<u>274,715</u>	<u>241,200</u>

### NOTE 19: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for BIR Financial Limited reviews internal reports prepared and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment, being equity capital markets trading. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

### NOTE 20: FINANCIAL INSTRUMENTS

#### Capital risk management

Prudent capital risk management implies maintaining sufficient cash and marketable securities to be able to conduct the Company's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will when appropriate consider the need for raising additional equity capital.

The capital structure of the Company consists of debt, which includes borrowings disclosed in note 13 and equity attributable to equity holders comprising capital, as disclosed in Note 15.

#### Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no variable interest bearing loans its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>Consolidated - 2022</b>	%	\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	630,089	-	-	-	-
<i>Interest-bearing - fixed rate</i>						
Borrowings	10	2,498,117	-	-	-	-
<b>Total non-derivatives</b>		<u>3,128,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>Consolidated - 2021</b>	%	\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	665,281	-	-	-	-
<i>Interest-bearing - fixed rate</i>						
Lease liability	5	317,135	330,121	139,841	-	-
Borrowings	10	-	2,464,658	-	-	-
Premium Funding	5	11,839	-	-	-	-
<b>Total non-derivatives</b>		<u>994,255</u>	<u>2,794,779</u>	<u>139,841</u>	<u>-</u>	<u>-</u>

	Consolidated	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Financial Assets and liabilities</i>		
Cash and cash equivalents (interest-bearing accounts)	69,053	197,230
Borrowings	(2,498,117)	(2,201,960)
Net exposure	<u>(2,429,064)</u>	<u>(2,004,730)</u>



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **Financial risk management**

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Company does not speculate in the trading of derivative instruments. The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

### **Liquidity risk**

The Company manages interest rate and liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

### **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

### **Net fair value**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based on upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

## **NOTE 21: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 27 July 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

On 1 August Mr Greg Starr announced he was resigning as Chairman and Director of BIR. The resignation will be effective from 31 August 2022.

On 11 August 10,000,000 shares were issued to Amram Corp Pty Ltd. These shares were issued, at the direction of the holder of the convertible notes, on conversion of convertible notes which were announced to the market on 1 December 2020.

On 30 August 2022 Mr Jody Ellis was appointed as a Director of BIR.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the of the group in future financial periods.

## **NOTE 22: CONTINGENT LIABILITIES**

The group holds a AFSL and has historically been required to make payments in relation to claims arising from this service. The directors believe the provision for settlement of claims against the company is adequate however recognise that ultimately settled amounts may be less or exceed the provisioned amount.

There have been no other events that have occurred after balance date that would have an effect on the group's financial statements other than those that are already reflected in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 23: AUDITOR'S REMUNERATION

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services – Hall Chadwick</i>		
Audit or review of the financial statements	39,700	38,000
<i>Other services - Hall Chadwick</i>		
Preparation of the tax return	-	2,600
General Advice	-	-
	-	2,600
	39,700	40,600
 Other Auditors - Peter Tsang and Co		
AFSL compliance audit	16,000	18,000

#### The registered office of the Company is:

Suite 104  
109 Oxford Street  
Bondi Junction NSW 2022

#### The principal place of business is:

Suite 104  
109 Oxford Street  
Bondi Junction NSW 2022

## **DIRECTORS' DECLARATION**

1. In the opinion of the Directors of BIR Financial Limited ("the Company"):
  - a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001*, including:
    - i) giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the year then ended; and
    - ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - c) the financial statements and notes thereto, as stated in the face of the Financial Statements, are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

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

A handwritten signature in black ink, appearing to read 'Tomasz Murmylo', with a large, sweeping flourish extending to the left.

**Tomasz Murmylo**  
Director  
SYDNEY, New South Wales  
31 August 2022

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

**Opinion**

We have audited the financial report of BIR Financial Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of BIR Financial Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis of Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Company 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* (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 *Corporation Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(b) in the financial report, which indicates that the group incurred a net loss of \$3,110,764 during the year ended 30 June 2022, and as of that date, the Group's total liabilities exceeds its total assets by \$3,061,705. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

**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 for the year ended 30 June 2022. 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.

<b>Key Audit Matter</b>	<b>How Our Audit Addressed the Key Audit Matter</b>
<p><b>Conversion of Convertible Notes</b></p> <p>Refer to Note 13 "Borrowings"</p> <p>As disclosed in Note 13 to the financial report, on 25 October 2021, the group received a conversion notice in respect of the 4,000,000 convertible notes issued. The group has recognised a change in fair value of the convertible notes equivalent to the 50% discount on the notes amounting to \$1,788,801.</p> <p>During the year, the group issued 85,185,797 shares as a result of the conversion notice. The remaining balance of shares under the conversion notice remains unissued as at 30 June 2022 and it is classified as a current liability.</p> <p>We considered this a key audit matter given the significant judgements involved in determining the fair value of convertible notes at the time of conversion, in determining the most appropriate accounting treatment and required disclosures in relation to the convertible notes.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Reviewing the subscription agreement and other documents relating to the convertible notes to obtain an understanding of the underlying terms and conditions;</li><li>• Reviewing the agreement of the sale of the 4,000,000 convertible notes to Wagering Technologies Pty Ltd (Wagering) and related deed of assignment of rights under the convertible notes;</li><li>• Reviewing calculations of the fair value of the financial liability at the time of the conversion notice and calculation of the loss from the fair value change, including underlying assumptions used by management in the calculations;</li><li>• Verifying correctness of accounting entries relating to the conversion of the financial liability at fair value into equity in accordance with the requirements of the applicable accounting standards;</li><li>• Reviewing notices received from Wagering and related approvals by the board for the shares issued under the conversion notice;</li><li>• Verifying correctness of accounting entries for the share issues under the conversion notice in accordance with requirements of the applicable accounting standards;</li><li>• Assessing the adequacy of disclosures relating to the key terms and conditions of the convertible notes, the calculation of the fair value loss on conversion and shares issued under the conversion notice, in accordance with the requirements of the applicable accounting standards.</li></ul>



**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

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

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Report***

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

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

***Auditor's Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

***Report on the Remuneration Report***

We have audited the remuneration report included in pages 7 to 11 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of BIR Financial Limited, for the year ended 30 June 2022, complies with s 300A of the Corporations Act 2001.

***Responsibilities***

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 31 August 2022



## SUPPLEMENTARY INFORMATION

The shareholder information set out below was applicable as at 30 June 2022.

### Distribution of Shareholders

### Fully Paid Ordinary Shares

Number of Holders	1,004
Holders of less than a marketable parcel	475
(1) Based on a \$0.03 share price	

Number of holders in the following distribution categories

1 – 1000	523
1,001 – 5000	79
5,001 – 10,000	207
10,001 – 100,000	124
100,001 and over	70

### Twenty Largest Shareholders

The names of the twenty largest shareholders as at 30 June 2022 were as follows:

Rank	Holder Name	Securities	%
1	Mr Andrew James Braund	25,491,616	14.05%
2	Niedzica Pty Ltd	25,000,000	13.78%
3	Rogusz Nominees Pty Ltd	20,000,000	11.02%
4	Wagering Technologies Pty Ltd	14,185,797	7.82%
5	Gorilla Money Pty Ltd	11,212,500	6.18%
6	Stealth Angel Pty Ltd	11,212,500	6.18%
7	Amram Corp Pty Ltd	10,000,000	5.51%
8	Rogusz Nominees 2 Pty Ltd	10,000,000	5.51%
9	Silberman Holdings Pty Ltd	9,024,386	4.97%
10	Sinbad Pty Ltd	3,076,940	1.70%
11	T-Super Pty Ltd	3,000,000	1.65%
12	Satuq Investments Pty Ltd	2,982,626	1.64%
13	Mr Adam William Gillett	2,788,496	1.54%
14	BNP Paribas Nominees Pty Ltd	2,429,683	1.34%
15	Mr Yinghua Gu	1,960,527	1.08%
16	Kingston Investment Group Pty Ltd	1,806,999	1.00%
17	Greg Starr and Associates Pty Ltd	1,250,000	0.69%
18	Mr Jingwei Wang	1,111,111	0.61%
19	TFA International Pty Ltd	1,052,312	0.58%
20	Kingstone Venture Capital Pty Ltd	1,050,008	0.58%
		<b>158,635,501</b>	<b>87.43%</b>

**Substantial Shareholders**

Substantial shareholders in the Company as disclosed in the substantial shareholder notices given to the Company as at 30 June 2022 were:

Holder Name	Securities	%
Mr Andrew James Braund	25,491,616	14.05%
Niedzica Pty Ltd	25,000,000	13.78%
Rogusz Nominees Pty Ltd	20,000,000	11.02%
Wagering Technologies Pty Ltd	14,185,797	7.82%
Gorilla Money Pty Ltd	11,212,500	6.18%
Stealth Angel Pty Ltd	11,212,500	6.18%
Amram Corp Pty Ltd	10,000,000	5.51%
Rogusz Nominees 2 Pty Ltd	10,000,000	5.51%

**Options**

There are no options on issue as at 30 June 2022.

**Restricted Securities**

There are no restricted securities as at 30 June 2022.

**Voting Rights**

Shares

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

**On-market Buy-back**

Currently there is no on-market buy-back of the Company's securities.