Ampion Holdings Pty Ltd
and its controlled entities

ACN 626 522 852

General purpose annual report for the nine months ended 31 March 2022

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for the nine months ended 31 March 2022

Contents

The directors of Ampion Holdings Pty Ltd (the "Company") submit herewith the annual report of the company and its controlled entities (the "Group") for the nine months ended 31 March 2022. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The directors of the company during or since the end of the financial year are:

Jamie John Duffield (resigned 6 August 2021)
Hamish John Leighton (resigned 6 August 2021)
Christopher Aloysius Nunis (resigned 6 August 2021)
Karl Magnus Fredrik Hildingsson (resigned 6 August 2021)
Bruce Kenneth Williams (resigned 6 August 2021)
David Ng (resigned 6 August 2021)
Clive Stewart Ewin (appointed 6 August 2021, resigned 3 January 2022)
Mukund Lakshman Rao Tumkur (appointed 6 August 2021)
Viral Shah (appointed 6 August 2021)
Michael Simon Peck (appointed 3 January 2022)

The above-named directors held office during the whole of the financial period and since the end of the financial period, unless otherwise stated.

REGISTERED OFFICE

1198 Toorak Road
Camberwell, VIC, 3124

PRINCIPAL PLACE OF BUSINESS

Level 17, 201 Miller Street
North Sydney, NSW, 2060

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial period was the provision of IT consultancy services and sale of hardware and IT products as principal or agent. No significant change in the nature of these activities occurred during the period.

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial period and the results of those operations found that during the year, the Group consistently engaged in its principal activity, the results of which are disclosed in the attached financial statements.

The loss for the Group for the financial period after providing for income tax amounted to $2,017,958 (2021: profit of $1,548,929).

DIVIDENDS

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

- $nil paid (2021: $704,703)
- $nil declared (2021: nil)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial period.

SUBSEQUENT EVENTS

There has been no matter or circumstance occurring subsequent to the end of the year 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.

COVID-19

The COVID-19 pandemic has caused significant impact on the global economy, the financial markets and most industries. The responses of the State and Federal governments in Australia have impacted on the Group's operations during the reporting period. Measures taken by various governments to contain the virus affected economic activity. This uncertainty led to some delays in new projects and deferral of other projects by a limited number of customers.

The Group continued to service customers by rapidly taking several measures to monitor and mitigate the effects of COVID-19, such as remote working, creating a socially distanced office arrangement and frequent communications with staff to ensure their health and safety.

In preparing the consolidated financial statements, consideration has been given to judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimate and assumptions are based on historical experience and conditions existing and emerging as at 31 March 2022. The ongoing pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements due to the impact of actions of governments, businesses and consumers to contain the spread of the virus, the extent and duration of the expected economic downturn and the effectiveness of government support measures for businesses and consumers.

As at 31 March 2022, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements including but not limited to impairment of non-current assets and expected credit losses on financial assets. The key estimates and judgements are outlined further in this note.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the Group in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

ENVIRONMENT REGULATION AND PERFORMANCE

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

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the entity paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR INDEPENDENCE DECLARATION

The directors received the declaration from the auditor of the Company, as required under Section 307C of the Corporations Act 2001 and the declaration is included on page 3.

Signed in accordance with a resolution of directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors

Viral Shah

Viral Shah
Director
Sydney, 30 May 2022

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1219 Australia

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

The Directors
Ampion Holdings Pty Ltd
Level 32, 1 Farrer Place
Sydney, NSW 2000

30 May 2022

Dear Directors,

Auditor's Independence Declaration to Ampion Holdings Pty Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Ampion Holdings Pty Ltd.

As the lead audit partner for the audit of the financial report of Ampion Holdings Pty Ltd for the period ended 31 March 2022, I declare 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.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Cheryl Kennedy
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1219 Australia

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Independent Auditor's Report to the Member of Ampion Holdings Pty Ltd

Opinion

We have audited the financial report of Ampion Holdings Pty Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 March 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 31 March 2022 and of its financial performance for the period then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001.*

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the nine months ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- 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's audit. We remain solely responsible for our audit opinion.

Deloitte.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Cheryl Kennedy
Partner
Chartered Accountants
Sydney, 31 May 2022

Directors' declaration

The directors declare that:

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

(b) In the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Corporations (Wholly owned Companies) Instrument 2016/785 applies, as detailed in note 21 to the financial statement will, as a group, be able to meet any liabilities to which they are, or may become liable, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Viral Shah

Viral Shah
Director
Sydney, 30 May 2022

Consolidated statement of profit or loss and other comprehensive income for the nine months ended 31 March 2022

	Note	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
Revenue	4(a)	96,749,016	109,437,740
Cost of sales		(74,652,880)	(81,018,228)
Gross profit		**22,096,136**	**28,419,512**
Other Income	4(a)	36,814	3,839,443
Advertising expense		(10,000)	(4,321)
Depreciation of property, plant & equipment	8	(366,005)	(782,537)
Amortisation of intangible assets	10	(194,851)	(226,068)
Amortisation of customer contracts	10	(5,897)	(30,825)
Amortisation of right of use assets	9	(670,275)	(1,011,667)
Employee benefit expense	4(b)	(17,158,745)	(13,958,275)
Finance costs	4(d)	(94,234)	(1,016,073)
Occupancy expense		(441,578)	(394,662)
Software maintenance and subscriptions		(1,030,951)	(701,918)
Other expenses	4(c)	(5,010,159)	(8,635,132)
(Loss)/Profit before tax		**(2,849,745)**	**5,497,477**
Income tax benefit/(expense)	5	831,787	(3,948,548)
(Loss)/Profit for the year		**(2,017,958)**	**1,548,929**
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the year		**(2,017,958)**	**1,548,929**

Notes to the financial statements are included on the accompanying pages.

Consolidated statement of financial position
as at 31 March 2022

	Note	31 Mar 2022 $	30 Jun 2021 $
Current assets			
Cash and cash equivalents	18(a)	15,789,033	14,607,070
Trade and other receivables	6	23,591,374	25,465,394
Other assets	7	9,685,049	13,522,734
Current tax asset		2,366,579	-
Total current assets		**51,432,035**	**53,595,198**
Non-current assets			
Property, plant and equipment	8	367,116	650,094
Right of use assets	9	648,846	1,319,121
Intangible assets	10	42,975,224	43,091,143
Deferred tax assets	11	3,125,739	2,841,354
Total non-current assets		**47,116,925**	**47,901,712**
Total assets		**98,548,960**	**101,496,910**
Current liabilities			
Trade and other payables	12	14,370,966	12,657,007
Provisions	14	4,713,386	4,636,599
Borrowings	15	14,115,193	4,534,939
Lease liabilities	13	413,036	818,751
Current tax liability		-	1,767,637
Other financial liabilities		-	7,149,644
Other liabilities	16	12,013,718	15,726,630
Total current liabilities		**45,626,299**	**47,291,207**
Non-current liabilities			
Provisions	14	742,773	762,539
Lease liabilities	13	342,278	642,217
Total non-current liabilities		**1,085,051**	**1,404,756**
Total liabilities		**46,711,350**	**48,695,963**
Net assets		**51,837,610**	**52,800,947**
Equity			
Share capital	17	48,390,768	47,345,768
Reserves		-	255,741
Retained earnings		3,446,842	5,199,438
Total equity		**51,837,610**	**52,800,947**

Notes to the financial statements are included on the accompanying pages.

Consolidated Statement of changes in equity
for the nine months ended 31 March 2022

	Retained Earnings $	Reserves $	Share Capital $	Total $
Balance at 1 July 2021	**5,199,438**	**255,741**	**47,345,768**	**52,800,947**
Loss for the year	(2,017,958)	-	-	(2,017,958)
Total comprehensive loss for the year	**(2,017,958)**	**-**	**-**	**(2,017,958)**
Transactions by owners as owners				
Share-based payments	-	9,621	-	9,621
Shares issued for management co-investment	265,362	(265,362)	1,045,000	1,045,000
Balance at 31 March 2022	**3,446,842**	**-**	**48,390,768**	**51,837,610**

	$	$	$	$
Balance at 1 July 2020	**3,650,509**	**160,329**	**47,345,768**	**51,156,606**
Profit for the year	1,548,929	-	-	1,548,929
Total comprehensive income for the year	**1,548,929**	**-**	**-**	**1,548,929**
Transactions by owners as owners				
Share-based payments	-	95,412	-	95,412
Balance at 30 June 2021	**5,199,438**	**255,741**	**47,345,768**	**52,800,947**

Notes to the financial statements are included on the accompanying pages.

Consolidated statement of cash flows
for the nine months ended 31 March 2022

	Note	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
Cash flows from operating activities			
Receipts from customers		120,311,557	112,965,071
Payments to suppliers and employees		(114,898,454)	(103,430,132)
COVID-19 subsidies received		-	4,693,200
Payments of income taxes		(3,586,813)	(1,919,003)
Interest expense		(94,234)	(1,050,423)
Interest Income		36,814	34,350
Net cash generated from operating activities		**1,768,870**	**11,293,063**
Cash flows from investing activities			
Payments for property, plant & equipment		(167,856)	(376,522)
Payments for intangible assets		-	(119,751)
Net cash used in investing activities		**(167,856)**	**(496,273)**
Cash flows from financing activities			
Proceeds from / (payments to) related parties		286,603	(1,370,905)
Repayment of bank debt		-	(6,155,000)
Repayment of asset finance		-	(347,479)
Payments to former owners		-	(704,700)
Repayment of lease liability		(705,654)	(1,000,243)
Net cash used in financing activities	18(b)	**(419,051)**	**(9,578,327)**
Net increase in cash and cash equivalents		1,181,963	1,218,463
Cash at the beginning of the year		14,607,070	13,388,607
Cash and cash equivalents at the end of the year	18(a)	**15,789,033**	**14,607,070**

Notes to the financial statements are included on the accompanying pages.

Notes to the financial statements for the nine months ended 31 March 2022

1. GENERAL INFORMATION

Basis of preparation

The financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of Ampion Holdings Pty Ltd (the Company) and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Statement of compliance

The Company does not have ‘public accountability’ as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the ‘Tier 2’ reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AABS 1060 *General Purposes Financial Statements – Simplified Disclosures for For-Profit and Non-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Information about the Company

Ampion Holdings Pty Ltd is a proprietary company, incorporated under the *Corporations Act 2001*.

The address of its registered place of business is as follows:
1198 Toorak Road
Camberwell, VIC, 3124

The address of its principal place of business is as follows:
Level 17, 201 Miller Street
North Sydney, NSW, 2060

The nature of the Group’s operations and its principal activities was the provision of IT consultancy services and sale of hardware and IT products as principal or agent. No significant change in the nature of these activities occurred during the period.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2021.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

Notes to the financial statements
for the nine months ended 31 March 2022

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period (cont't)

AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

For the period ended 31 March 2022, the Group has applied AASB 1053 *Application of Tiers of Australian Accounting Standards* to prepare general purpose financial statements under the simplified disclosures framework. This change in accounting policy was adopted as at 1 July 2021 and has been applied retrospectively. There has been no change in the recognition and measurement of balances previously reported as the recognition and measurement requirements of all Australian Accounting Standards have been consistently applied.

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	1 April 2022
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 116, AASB 137 & AASB 141]*	1 April 2023
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 April 2023
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128], AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 April 2023
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2*	1 April 2023
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112*	1 April 2023

The potential impact on the revised Standards/Interpretations on the Group's financial statements has not yet been determined.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgements and key sources of estimation uncertainty

Impact of COVID-19

The COVID-19 pandemic has caused significant impact on the global economy, the financial markets and most industries. The responses of the State and Federal governments in Australia have impacted on the Group's operations during the reporting period. Measures taken by various governments to contain the virus affected economic activity. This uncertainty led to some delays in new projects and deferral of other projects by a limited number of customers.

The Group continued to service customers by rapidly taking several measures to monitor and mitigate the effects of COVID-19, such as remote working, creating a socially distanced office arrangement and frequent communications with staff to ensure their health and safety.

In preparing the consolidated financial statements, consideration has been given to judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimate and assumptions are based on historical experience and conditions existing and emerging as at 31 March 2022. The ongoing pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements due to the impact of actions of governments, businesses and consumers to contain the spread of the virus, the extent and duration of the expected economic downturn and the effectiveness of government support measures for businesses and consumers.

As at 31 March 2022, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements including but not limited to impairment of non-current assets and expected credit losses on financial assets. The key estimates and judgements are outlined further in this note.

Notes to the financial statements for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

Keys sources and estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Goodwill impairment testing

In accordance with the accounting policy outlined in note 3(f), goodwill is required to be tested for impairment on at least an annual basis. For the purposes of impairment testing, management is required to exercise judgement in allocating goodwill to cash-generating-units (CGUs). At 31 March 2022 goodwill of $42,882,525 has been allocated to one CGU, being the Group as a whole.

The recoverable amount of the Group's goodwill has been determined by with reference to fair value less cost to dispose, based on the consideration received from the sale of the Group to Wipro Technologies Australia Pty Ltd on 6 August 2021.

Key judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Principal versus agent considerations

The Group is party to a number of contracts with customers which involve other parties in providing the goods or services to the customer. In these cases, when applying the Group's revenue recognition policy (see note 3(m)) the Group is required to determine whether the promise to the customer to provide goods or services is a performance obligation to provide the good or service itself (principal arrangement) or to arrange for the goods or services to be provided by another party (agent arrangement).

The judgements regarding whether the Group is acting as a principal or an agent, which is considered on a case-by-case basis, has a material impact on both the timing of recognition of revenue and contract fulfilment costs, and the presentation of the contract margin as either a net commission (in the case acting as an agent) or as revenue and associated cost of sales (if acting as a principal).

Management has identified a number of contracts where the Group is acting as an agent in relation to all performance obligations with the exception of product support and maintenance where management consider the Group to be acting as a principal.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share based payments

Equity-settlement share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

(c) Financial instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(c) Financial instruments (cont'd)

Recognition and Derecognition (cont'd)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses against trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(c) Financial instruments (cont'd)

Other financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured at amortised cost
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(d) Trade and other payables
Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(e) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of GST.

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

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

(f) Impairment of assets
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(f) Impairment of assets (cont'd)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>
The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(g) Income tax (cont'd))

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation
Until 6 August 2021, the Company and its wholly-owned Australian resident entities were members of a tax-consolidated group under Australian tax law. On 6 August 2021, this tax consolidated group ceased.

Amounts payable or receivable under the tax-funding arrangement between the Company and the entities in the tax consolidated group were determined using a 'separate taxpayer within group' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

(h) Leases

Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant, and equipment with the exception that they factor in lease renewals where relevant. In addition, the right-of-use assets are periodically reduced by impairment losses in accordance with AASB 136 Impairment of Assets, if any, and adjusted for certain remeasurements of the lease liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(h) Leases (cont'd)

Group as lessee (cont'd)

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate as the discount rate. The discount rate is generally calculated using incremental borrowing rates for the specific lease terms and currencies.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments less any lease incentives receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement rate;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- payment of penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It will be remeasured when there is a change in index rate for future lease payments, a change in the Group's estimated amount payable under a residue value guarantee or changes in the Group's assessment of probabilities of exercising a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Assets held under finance leases were recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor was included in the statement of financial position as a finance lease obligation.

Lease payments were apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses were recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases were charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives were received to enter into operating leases, such incentives were recognised as a liability. The aggregate benefit of incentives was recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(i) Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

Depreciation is provided on property, plant and equipment, including freehold buildings. Depreciation is calculated on a diminishing value over its estimated useful life of the assets.

The depreciation rates used for each class of assets are as follows:

Class of Fixed Asset	Useful Life
Computer equipment	2.5 – 10 years
Office equipment	3 – 20 years
Furniture, fixtures and fittings	10 – 40 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period.

(j) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income* Taxes and AASB 119 *Employee Benefits* respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 *Share-based Payment* at the acquisition date
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(k) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(l) Intangible assets

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(m) Revenue

Revenue is recognised upon transfer of control of promised products and services to customers at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

Consulting services and product sales support

For time and materials arrangements, the Group recognises revenue on the basis of time charged to date. This output method approach with the amount recognised as revenue reflecting the amount that the Group has the right to invoice its customers for.

For fixed fee arrangements, the Group uses an input method based upon the value of the hours charged to the project to date compared to the total expected outputs.

Notes to the financial statements
for the nine months ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(m) Revenue (cont'd)

Product sales
The Group generally recognises revenue from the sale of hardware and software license keys ('product sales') as an agent. As the Group is considered to be an agent in respect of product sales, the net-commission from the sale is recognised at the point in which the sale is facilitated which is when control of the product transfers from the manufacturer to the end-customer. As an agent, revenue is recognised at a net amount reflecting the commission or margin earned.

Revenue from SaaS products are recognised as agent at the point the sale is facilitated, other than certain large scale SaaS arrangements where the Group is the defined service provider, takes overall responsibility for the service, has pricing discretion and credit risk and is actively involved in the ongoing service obligations including design, support, modifications, enhancements and other service responsibilities, in which case the Group is a principal and recognised the revenues as and when performance obligations are met which is generally over the course of the contractual term.

Interest revenue
Revenue is recognised as interest accrued (using the effective interest method, which is that rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying value.

(n) Government grants

Government grants, including COVID-19 related wage subsidies, are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 4: PROFIT FOR THE PERIOD

	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
(a) Revenue		
Recognised over-time as a principal		
Consulting services	89,379,924	96,036,542
Product sales support	5,578,071	4,858,497
Recognised at a point-in-time as an agent		
Net commission product sales	1,784,021	8,489,381
Other revenue	7,000	53,320
	96,749,016	**109,437,740**

Contract assets arising from contracts with customers giving rise to revenue are disclosed as part of 'other receivables' (see note 6).

Information about the performance obligations arising under each of the above categories of revenue, including a description of when the Group typically satisfies its performance obligations, the significant payment terms, the nature of the goods and services provided, obligations for returns, refunds and other similar obligations, and types of warranties and related obligations is provided together with the accounting policies for revenue as set out in note 3(m).

Other Income		
Interest income	36,814	34,350
JobKeeper and other government stimulus	-	3,805,093
Fair value gain on revaluation of contingent loan notes	-	-
	36,814	**3,839,443**
	96,785,830	**113,277,183**

(b) Employee benefits		
Wages & salaries	50,495,833	46,819,932
Superannuation	4,750,009	4,399,695
Payroll taxes	2,724,902	2,839,487
Employee leave entitlements	4,104,560	4,142,803
Contractors	21,339,882	26,798,856
Share based payments	9,621	95,412
Other employee benefits	1,549,693	1,045,369
	84,974,500	**86,141,554**
Presented in cost of sales	67,815,755	72,183,279
Presented in operating expenditure	17,158,745	13,958,275
	84,974,500	**86,141,554**

Notes to the financial statements
for the nine months ended 31 March 2022

NOTE 4: PROFIT FOR THE PERIOD (CONT'D)

	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
(c) Other expenses		
Consulting fees	3,209,299	944,607
Bad and doubtful debts	242,783	2,063
Travel costs	73,541	109,932
Subscription fees	80,878	414,019
Accounting & legal fees	364,389	500,433
Loss on contingent loan note	-	6,260,000
Others	1,039,269	404,078
	5,010,159	**8,635,132**
(d) Finance Costs		
Finance costs on lease liabilities	25,181	60,835
Finance costs on bank debt	58,152	941,630
Bank fees and other	10,901	13,608
	94,234	**1,016,073**

NOTE 5: INCOME TAX

Income tax (benefit)/expense comprises:

Current tax (benefit)/expense:		
- Current year	(1,154,389)	3,976,487
	(1,154,389)	3,976,487
Deferred tax expense/(benefit) relating to:		
- Original and reversal of temporary differences	322,602	(27,939)
	322,602	(27,939)
	(831,787)	3,948,548

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit from operations	(2,849,745)	5,497,477
Income tax expense calculated at 30% (2021: 30%)	854,924	(1,649,243)
Tax effect of:		
Non-deductible entertainment expenses	(10,947)	(18,520)
Non-deductible share-based payments	(2,886)	(28,624)
Non-deductible loss on revaluation of loan notes	-	(1,878,000)
Other non-deductible items	(9,303)	(50,635)
Prior year (under) / over provision of income taxes	-	(323,526)
Income tax benefit/(expense)	**831,787**	**(3,948,548)**

Notes to the financial statements
for the nine months ended 31 March 2022

NOTE 6: TRADE AND OTHER RECEIVABLES

	31 Mar 2022	30 Jun 2021
	$	$
Trade accounts receivables	12,746,651	22,085,229
Accrued income	323,061	1,004,855
Other receivables	10,521,662	2,375,310
	23,591,374	**25,465,394**
Current	23,591,374	25,465,394
Non-current	-	-
Total	**23,591,374**	**25,465,394**

The average credit period is 17 days. No interest is charged on outstanding trade receivables.

NOTE 7: OTHER ASSETS

	31 Mar 2022	30 Jun 2021
Current		
General prepayments	216,014	155,235
Prepaid supplier costs	9,395,802	12,547,953
Contract acquisition costs	72,733	800,062
Deposits	500	19,484
	9,685,049	**13,522,734**

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 8: PROPERTY PLANT AND EQUIPMENT

	31 Mar 2022 $	30 Jun 2021 $
Fixtures and fittings	628,110	787,296
Accumulated depreciation	(541,896)	(503,429)
	86,214	283,867
Office equipment	55,882	80,465
Accumulated depreciation	(38,846)	(43,758)
	17,036	36,707
Computer equipment	1,102,329	906,464
Accumulated depreciation	(838,463)	(576,944)
	263,866	329,520
	367,116	**650,094**

Movement in carrying amount

	Fixtures and fittings	Office equipment	Computer equipment	Total
Balance at 1 July 2021	**283,867**	**36,707**	**329,520**	**650,094**
Additions	55,175	-	112,681	**167,856**
Other disposals and adjustments	-	(11,985)	(72,844)	**(84,829)**
Depreciation	(252,828)	(7,686)	(105,491)	**(366,005)**
Balance at 31 March 2022	**86,214**	**17,036**	**263,866**	**367,116**

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 9: RIGHT OF USE ASSETS

	31 Mar 2022 $	30 Jun 2021 $
Right of use assets	1,692,479	3,020,076
Accumulated depreciation	(1,043,633)	(1,700,955)
	648,846	**1,319,121**

Movement in carrying amount

	Right of use assets
Balance at 1 July 2021	**1,319,121**
Amortisation	(670,275)
Balance at 31 March 2022	**648,846**

The Group's right of use assets relate to its office locations in Victoria, New South Wales, and Canberra.

NOTE 10: INTANGIBLE ASSETS

	31 Mar 2022 $	30 Jun 2021 $
Goodwill at cost	42,882,525	42,882,525
Software cost	119,664	414,561
Accumulated amortisation	(26,965)	(211,840)
	92,699	202,721
Customer contracts acquired in business combinations	-	1,253,878
Accumulated amortisation	-	(1,247,981)
	-	5,897
Total intangible assets	**42,975,224**	**43,091,143**

Notes to the financial statements
for the nine months ended 31 March 2022

NOTE 11: DEFERRED TAX

Analysis of deferred tax assets
The following are the major deferred tax assets recognised by the Group and movements thereon during the current and prior reporting periods.

2021	Opening Balance $	Charged to profit or loss $	Adjusted against current taxes $	Closing Balance $
Depreciation differences	66,823	107,566	-	174,389
Provisions	1,943,481	593,192	-	2,536,673
Blackhole expenditure	782,267	(34,691)	-	747,576
Deferred income	(288)	(610,723)	-	(611,011)
Carried forward tax losses	-	-	-	-
Other	21,132	(27,405)	-	(6,273)
Over-provision in the prior year	-	-	-	-
	2,813,415	**27,939**	**-**	**2,841,354**

2022	Opening Balance $	Charged to profit or loss $	Adjusted against current taxes $	Closing Balance $
Depreciation differences	174,389	(65,994)	-	108,395
Provisions	2,536,673	(851,556)	-	1,685,117
Blackhole expenditure	747,576	564,664	-	1,312,240
Deferred income	(611,011)	(96,800)	-	(707,811)
Carried forward tax losses	-	809,222	-	809,222
Other	(6,273)	127,084	-	120,811
Over-provision in the prior year	-	-	(202,235)	(202,235)
	2,841,354	**486,620**	**(202,235)**	**3,125,739**

Notes to the financial statements
for the nine months ended 31 March 2022

NOTE 12: TRADE AND OTHER PAYABLES

	31 Mar 2022 $	30 Jun 2021 $
Trade payables	1,177,340	5,299,029
Accrued expenses	12,287,504	6,100,804
GST payables	906,122	1,257,174
	14,370,966	**12,657,007**

NOTE 13: LEASE LIABILITIES

Lease liabilities	755,314	1,460,968
Current	413,036	818,751
Non-current	342,278	642,217
	755,314	**1,460,968**

Future minimum lease payments

	31 Mar 2022 $
Not later than one year	430,176
Later than one year and not later than five years	350,728
Later than five years	-
	780,904

NOTE 14: PROVISIONS

	31 Mar 2022 $	30 Jun 2021 $
Provision for annual leave	3,349,115	3,377,498
Provision for long service leave	1,971,978	1,692,260
Make good provision	135,066	329,380
	5,456,159	**5,399,138**
Classification		
Current	4,713,386	4,636,599
Non-current	742,773	762,539
	5,456,159	**5,399,138**

NOTE 15: BORROWINGS

Secured – at amortised cost		
Bank debt (i)	-	3,375,000
Unsecured – at amortised cost		
Related party loans (ii)	14,115,193	1,159,939
	14,115,193	**4,534,939**
Classification		
Current	14,115,193	4,534,939
	14,115,193	**4,534,939**

(i) A loan of $nil (2021: $3,375,000) was settled via related party financing on 6 August 2021. The loan carried an interest rate of 3.31% p.a.
(ii) Amounts payable to related parties of the Group are interest-free (2021: 5%).

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 16: OTHER LIABILITIES

	31 Mar 2022	30 Jun 2021
	$	$
Income received in advance	4,945,738	8,769,155
Deferred product support revenue	7,067,980	6,957,475
	12,013,718	**15,726,630**

NOTE 17: SHARE CAPITAL

	31 Mar 2022		30 Jun 2021	
Ordinary shares	**No.**	**$**	**No.**	**$**
Fully paid ordinary shares	48,370,768	48,390,768	48,370,768	47,345,768
Ordinary shares				
Balance at beginning of the period	**48,370,768**	**47,345,768**	**48,370,768**	**47,345,768**
Management co-investment – shares issued	-	1,045,000	-	-
Balance at end of the period	**48,370,768**	**48,390,768**	**48,370,768**	**47,345,768**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

NOTE 18: CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	31 Mar 2022	30 Jun 2021
	$	$
Cash and bank balances	15,789,033	14,607,070

(b) Non-cash transactions

During the year, the Group entered into the following non-cash financing activities which are not reflected in the statement of cash flows:

- The Group refinanced its debt facility from external financiers to Wipro Technologies Australia Pty Ltd, the Company's intermediary parent company. Wipro Technologies Australia Pty Ltd settled the outstanding obligation to external financiers on the Group's behalf to the value of $3,375,000.
- Wipro Technologies Australia Pty Ltd also settled loan notes paid to former owners of the Group's controlled entities, with an aggregate fair value of $7,149,644.

NOTE 19: REMUNERATON OF AUDITOR

	9 months ended 31 Mar 2022	12 months ended 30 Jun 2021
	$	$
Remuneration of the auditor for the audit of the financial report	149,000	131,500
Non-audit services		
- Tax services	118,195	30,000
- Other services	-	5,500
	267,195	**167,000**

The auditor of the Group was Deloitte Touche Tohmatsu.

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 20: PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of the significant accounting policies relating to the Group.

(a) Summary profit or loss

	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
Loss for the period	(2,745,868)	(8,149,364)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(2,745,868)**	**(8,149,364)**

(b) Summary financial position

	31 Mar 2022 $	30 Jun 2021 $
Assets		
Current assets	-	-
Non-current assets	52,930,466	49,980,200
Total assets	**52,930,466**	**49,980,200**
Liabilities		
Current liabilities	14,184,235	9,542,722
Non-current liabilities	-	-
Total liabilities	**14,184,235**	**9,542,722**
Net assets	**38,746,231**	**40,437,478**
Equity		
Issued capital	48,390,768	47,345,768
Reserves	-	255,741
(Accumulated losses) / retained earnings	(9,644,537)	(7,164,031)
Total equity	**38,746,231**	**40,437,478**

(c) Reconciliation of accumulated losses

	31 Mar 2022 $	30 Jun 2021 $
Balance at start of the period	**(7,164,031)**	**985,333**
Loss for the period	(2,745,868)	(8,149,364)
Recycling of share based payments reserve	265,362	-
Balance at end of the period	**(9,644,537)**	**(7,164,031)**

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 21: DEED OF CROSS GUARANTEE

The wholly owned entities listed in Note 22 are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the deed the entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended by Class Orders 98/2017 and 00/0321) issued by the Australian Securities & Investments Commission.

These companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Ampion Holdings Pty Ltd, they also represent the Extended Closed Group'.

The Company and all subsidiaries, with the exception of Revolution IT Business Solutions Pte Ltd which has immaterial activity, are party to the deed of cross guarantee. The Group's consolidated financial statements as at and for the reporting periods ended 31 March 2022 and 30 June 2021, are consistent with the consolidated financial statements of the Closed Group.

NOTE 22: CONTROLLED ENTITIES

	Country of incorporation	2022 (%)	2021 (%)
Subsidiaries of Ampion Holdings Pty Ltd(1) (2):			
Ampion Pty Ltd (1) (2)	Australia	100%	100%
Iris Holdco Pty Ltd (1) (2)	Australia	100%	100%
Iris Bidco Pty Ltd (1) (2)	Australia	100%	100%
Shelde Pty Ltd (1) (2)	Australia	100%	100%
Revolution IT Pty Ltd (1) (2)	Australia	100%	100%
Crowdsprint Pty Ltd (1) (2)	Australia	100%	100%
Revolution IT Business Solutions Pte Ltd	India	Nil	51%

(1) Included in Closed Group (refer note 21) as at 31 March 2022

(2) Included in Closed Group (refer note 21) as at 30 June 2021

Notes to the financial statements
for the nine months ended 31 March 2022

NOTE 23: RELATED PARTIES

Ampion Holdings Pty Ltd is a wholly-owned subsidiary of Wipro Technologies Australia Pty Ltd. Wipro Technologies Australia Pty Ltd is incorporated in Australia. The ultimate controlled entity is Wipro Limited, incorporated in India.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transaction between the Group and its other related parties are disclosed below.

(a) Remuneration of key management personnel

	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
Aggregate key management personnel compensation	1,550,541	2,737,806
	1,550,541	**2,737,806**

(b) Transactions with related parties

During the period, entities within the Group entered into the following transactions with related parties who are not members of the Group:

	9 months ended 31 Mar 2022 $	12 months ended 30 Jun 2021 $
Rent of office premises	-	344,008
Interest on loans from shareholders	5,783	45,144
Repayment of loans from shareholders	1,145,927	-
Interest on loans to management under share purchase program	3,297	31,588
Repayment of loans to management under share purchase program	1,046,449	-
Interest on contingent loan notes	39,534	649,644
Repayment of contingent loan notes	7,189,178	-
	9,430,168	1,070,384

At the end of the period, the following balances were outstanding between entities within the Group and related parties who are not members of the Group:

	Amounts Owed by Related Parties		Amounts owed to Related Parties	
	31 Mar 2022 $	30 Jun 2021 $	31 Mar 2022 $	30 Jun 2021 $
Directors and senior management or their related parties	-	-	-	7,189,178
Ultimate parent company				
- Wipro Limited	239,357	-	752,264	-
- Pemba Capital Partners	-		-	1,140,985
Intermediary parent company	252,867	-	13,855,153	-
	492,224	-	14,607,417	8,330,163

Notes to the financial statements for the nine months ended 31 March 2022

NOTE 24: SUBSEQUENT EVENTS

There has been no matter or circumstance occurring subsequent to the end of the year 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.